

## The Madras Bulletin of Co-operation.

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With this number the *Bulletin* begins a new volume and it is our ardent desire to devote special attention to the discussion of co-operative housing in this volume. Mr. Lloyd George's government has launched upon a housing Scheme for England the like of which has not been witnessed in the annals of any country. Half a million houses to be built in three years at an expenditure of about £300,000,00 or Rs. 450 crores! To enable this programme being carried out very liberal financial aid will be given by the State to local bodies and to public utility societies which correspond to our co-operative building societies, and twelve District Housing Commissioners have been appointed who will be assisted by expert staffs. Materials have been standardised, different types of houses suitable for different local conditions, and general instructions for the laying out of house-sites have been prepared and published. It is the business of the Housing Commissioners to help the local bodies and housing societies at every stage—with advice, plans, types and standardised material. The financial assistance given by the State will cover about 75 p. c. of the cost of the site and the building. The State is doing this in a country the public health conditions of which are immensely superior to our conditions. The mortality rate in England per 1,000 in the population is about 13.5 while that of the whole of India is about 34; out of every 1,000 children born in India in any year, from 250 to 360 die before they are one year old while in England the corresponding rate is about 100. The average duration of life in India is only about 23 years while in England it is 46 years.

The Madras Presidency is about the healthiest province in India and its comparatively low rate of mortality—about 24 per 1,000 of the population as against 34 for the whole of India—should be a matter of great satisfaction to us. But the conditions of the city of

Madras are exceedingly bad and the conditions under which some communities are living are quite appalling. The average mortality rate in the City of Madras in the five years 1913—17 was 39 per 1,000 inhabitants as against 24 for the Presidency, and the mortality rate among infants under one year old during the same period was about 300 as against about 175 for the Presidency. The death-rate among the Muhammadans and certain Hindu communities like the fishermen, the smiths (Kammalans), and the Naickers is frightful. Respiratory diseases and tuberculosis are levying an appalling toll of human life from certain wards of the city. In Bengal the health conditions of urban areas are very much better than those of rural areas. Here the reverse is the case. But what ought to make all of us hang down our heads in shame is that the Capital should be about the most unhealthy Municipality in this province and that though it is completely free from the plague. This state of things cannot materially improve unless housing conditions are bettered. And no housing scheme for the poor has the ghost of a chance of success unless cheap and long-lying money is made available for it—which only the State is in a position to do. We have every hope the State will do it provided public opinion insists upon its doing it. Hence we propose to devote considerable space for housing problems. In this number we have reproduced an admirable paper read by Mr. K. C. Desikachariar, editor of the *Local Self-Government Gazette*, before the Bombay Housing Association. Though it was read about two years ago it is quite applicable to the present conditions. We have much pleasure in drawing the attention of our readers to it.

The Madras Social Service League did very useful work during the year 1918-19 of which we have been favoured with a report. A very important item in the programme of the League is the organisation and management of co-operative societies for the benefit of the *Panchamas* in the City of Madras. During the year under report the League conducted seven co-operative societies one of which was a building society. It has obtained deposits of more than Rs. 1,500 for these societies mostly from the Vakils of Mylapore. The help it rendered for those whose huts were blown down or damaged during the severe cyclone of last year is specially praise-worthy. The League

wisely decided to supply building materials to the sufferers in preference to cash payments, visited several hamlets, obtained proper estimates and saw that materials supplied by it were properly utilised. In some cases the huts were completely rebuilt for the benefit of the occupants. "On this plan relief has been administered to over 300 houses in 28 areas and the total cost amounted to Rs. 2,544." Equally laudable was the sale of rice which the League conducted for the benefit of the poor. The depot was located in the Home of the Servants of India Society and looked after by one of its members.

Not less interesting than the report is the paper appended to it which was read at its last annual meeting, by Mr. Justice Seshagiri Aiyar, who is the present President of the League. He has pleaded earnestly for the improvement of the Madras Paracheries and in doing so has made some valuable suggestions. One such is that local bodies should be empowered to take up the management of paracheries when it is found that the owner or manager of such parachery is unable or unwilling to attend to its sanitary requirements. Another suggestion that he has made is that, with proper safeguards and qualifications, dwellers of paracheries should be given occupancy rights similar to those conferred by the Madras Estates Land Act upon the tenants of Zamindars. His last suggestion is that where the Government is the owner of the hutting ground of paracheries, it should be made over for a nominal price to a co-operative building society started for the improvement of that locality. He further urges the Government 'to grant loans on easy terms and for long periods—say about 35 to 40 years—to pull down and rebuild the houses in these localities.' He points out that if the Government set an example of practical philanthropy, loans and donations would be forthcoming from private gentlemen for the same purpose. We have often pointed out that housing societies cannot flourish unless cheap money is made available to them by the State. We are in hearty agreement with Mr. Seshagiri Aiyar's suggestions and hope they will receive the Government's sympathetic consideration. Lord Willingdon while Governor of Bombay, wrung permission from an unwilling Government of India to give aid to co-operative building societies. We have no doubt whatever, that he will extend the same sympathy to our housing efforts in this presidency.

tions when such institutions do exist. It is thus only that overlapping and conflict of jurisdictions can be prevented. We should prefer special voluntary associations to come into existence for the purpose of looking after the general sanitation, education &c., of a district to those functions being taken up by Co-operative Societies. Those voluntary associations would supplement local boards whose real function it is to look after local communal needs. Where such voluntary associations cannot be formed and duly constituted bodies do not exist to look after vital needs, Co-operative Societies may be allowed to do so, as the satisfaction of such needs is much more important than strict adherence to defined functions. But where such institutions exist the Societies will do well not to trespass into their territories or where such institutions are subsequently brought into existence, they do well to withdraw.

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The recent purchases of English C. W. S. include flour mills and The British wholesales. preserve works at Hull, a tannery, Hebden Bridge fustian (a kind of twill) factory, and glass works at Pendleton. Land and buildings in various parts of the country have been acquired for the manufacture of flour, clothing, jam and butter. Land to the extent of 32,559 acres costing £ 1,200,000, has been acquired for agricultural purposes. At the end of 1918 the share capital of C. W. S. was £ 3,195,737 and the loans, deposits, etc. £ 12,521,884. The total sales to societies which ten years ago were £ 24,902,84, amounted last year to £ 65,167,960, and the goods produced from the societies own works were valued at £ 17,596,432.

The Scottish C. W. S. attained its jubilee in 1918. The trade for that year was £ 19,216,762, and the goods produced in the society's own factories were valued at £ 5,644,129. The society has a share capital of £ 597,460, and the total capital including shares, deposits, insurance, reserve funds was £ 5,773,569. The land, buildings, machinery and plant of the society have been depreciated by £ 2,313,471; while the reserve fund stands at £ 1,231,163.

The Irish A. W. S. has just completed its twenty—first year. For the first year its turnover was £ 14,500. For 1918 they were £ 919,924. The capital of the society consists of ordinary and preference shares and the total is £ 25,975; while the reserve fund amounts to £ 5,000.

The Second Annual Report of the Bangalore Catholic Co-operative Credit Society for the period ending with 31st December 1918, is a record of steady progress made by the Society during the period. The number of members and shares increased from 309 and 1,168 to 443 and 1,798 respectively. Out of Rs. 14,718 issued as loans during the year Rs. 7,321, went to settle primary debts, Rs. 3,366 to perform marriages, Rs. 3,330 to purchase and improve houses and Rs. 701 to meet urgent demands. In some cases the recoveries were irregular, because the borrowers were indebted to the Sowcar and the Society at the same time. In order to encourage savings the Society has instituted the system of dumb boxes, and the amount is deposited at the end of every month in the Society. These deposits may be withdrawn in December when money is in great demand. Out of the year's profit of Rs. 1,927-1-6, nearly 45·1 per cent. was spent on charity, in aid of education, an orphanage, the Indian girls' convent, "Home for aged" and so on. From July this year the interest has been reduced by 1 pie. The appointment of volunteers to canvass additional shares is worthy of note.

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The Bupayya Agraharam Co-operative Credit Society, Godavari District, has done a good turn by helping the Agricultural Department in the spread of scientific agriculture. Through the society were sold 300 bags of fish manure for Rs. 1,500, twenty bags of green manure for Rs. 400, one hundred bags of bone meal for Rs. 400, and paddy seeds for Rs. 500. By following the advice of the Agricultural Department we are told, a ryot was able to reduce the seed rate per acre of paddy from 10 to 5 kunchams while at the same time increasing the seed bed area. He not only saved six Kunchams per acre by way of seed grain but the seedlings were better than under the old system. He also found that healthy seedlings could be transplanted by 6 to 8 men where 10 to 12 were being employed. This made a deep impression upon the neighbouring agriculturists. If every rural society does its bit of propagandist work in this direction and also gives substantial help to the ryot by way of supply of seed, manure, etc, the day will not be long in coming when he would be freed from the appalling poverty which is now his lot. It is increase in income and not mere cheap credit that will give him permanent relief.

This is one of the largest and most satisfactorily working of urban societies in Bombay Presidency. It holds the first place in a district which holds the first place for Co-operation in the whole presidency.

The Southern Mahratta Urban Co-operative Credit Society, Limited; Dharwar.

The number of members on the roll was 1742, out of which 152 were women. The working capital of the society on 31st March, 1919, was Rs. 2,94,252-5-7. The aggregate amount of loans advanced during the Co-operative year 1918-19 was Rs. 1,12,857-0-0, and the amount collected was Rs. 1,49,552-8-0. The net profit on the year's business was Rs. 11,008-3-7, which has enabled a dividend of 9 per cent to be declared. The Reserve fund stood at Rs. 31,009-6-1. Fixed deposits were stopped since the beginning of June 1918 as there was a large surplus.

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A recent number of the *Russian Co-operator* gives the following instructive table showing the difference in prices between co-operative societies and private stores.

|                       | Prices<br>In Co-operative Stores. | Prices<br>In Private Stores. |
|-----------------------|-----------------------------------|------------------------------|
| Iron Sheets, per pood | 17 roubles                        | 80 roubles.                  |
| Nails, per pood       | 43 „                              | 200 „                        |
| Scythes, per piece    | 3.5 „                             | 7.5 „                        |
| Needles, per thousand | 8 „                               | 30 „                         |
| Casked tea, per case  | 1000 „                            | 3800 „                       |
| Matches, per case     | 175 „                             | 600 „                        |
| Fur coats, per piece  | 300 „                             | 900 „                        |
| Goloshes, per pair    | 25 „                              | 120 „                        |
| Salt, per pood        | 1.5 „                             | 1.5 „                        |

## CO-OPERATIVE EGG SOCIETIES.

By A Student of Co-operation.

Agriculture in India is unremunerative. The chief reason, of that it is said, is the non-adoption of scientific methods, but there is another equally important cause which is generally overlooked. The by-industries of agriculture which are so sedulously developed in Europe and America have been neglected altogether in India. In the west agriculture includes besides growing crops, milk-supply, poultry-keeping, cattle-breeding, vegetable-gardening etc. It is said that the by-industries pay more than corn—growing itself. They are feeder-industries. They will stand in good stead in years of drought when the principal crops fail. Egg industry is one of such by-industries that has been found to be extremely lucrative by the agriculturists of Europe and America.

The magnitude of the business in eggs done by Co-operative Denmark and Russia during a single year, the human mind fails to conceive fully. One firm alone in London receives 20,000 cases of eggs every week all the year round and another company consumes 70,000 newlaid eggs a week. It would amaze our countrymen to know that Denmark possesses special steamers to carry eggs, and that special trains of about 30 waggons, each holding about 10 tons of eggs, run all the way from Siberia to Denmark and Germany, the eggs being used either for industrial purposes there or being re-exported to England. The United Kingdom alone imported eggs from Denmark in 1914 valued at £ 2,546,979 and from Russia in 1913 valued at £ 4,745,229. How surprising that in London Danish and Russian eggs should sell cheaper than and be preferred to newlaid English eggs, in spite of shipping charges, loss in transport and loss of freshness of eggs. A brief sketch of this industry as carried on in Denmark will be interesting and instructive, and serve as an example of the potency of co-operation even in such a trivial matter as the collection of and trade in eggs.

The Danish Farmers' Co-operative Egg-export Association has 550 societies with local centres affiliated to it, and the total number of its members is 45,000. A small fee of six pence gets admission for one into a local union. At a general meeting of the Association a board of five members is elected to control the business of the Asso-

ciation. Except the manager who is elected for five years, the other members are elected for two years. The manager is in charge of the foreign trade of the Association while the chairman who is one of the board, looks after the business at home. The Association has agents in several cities in Germany and England who do business on a commission of one per cent on the sale proceeds.

The local unions collect eggs from their members who are to deliver only their own eggs and no chance-found eggs. Eggs older than seven days are not received. They are then packed in wooden boxes with cardboard partitions forming small cells. Each cell is supplied with soft wool, and will receive one egg. A layer of straw is put at the bottom and top of the box, while a packing of wood-wool is laid on each partition. The lids of boxes are firmly secured by means of iron loops and swevels, no locks being used. When the boxes are packed they are sent to shipping stations, where they are made to undergo a process of examination called 'candling,' which is as much interesting to the reader as it is merciless to the eggs. First, they are sorted and graded by skilled women according to their size and weight into five grades, 120 eggs of each grade weighing from 14 to 18lbs. respectively. When the trays are ready with the graded eggs they are carried to a dark room where the test takes place. The 'candling' is as follows:—Eggs are exposed to powerful electric lights from below. Bad eggs betray themselves by their defective translucence, and they are immediately removed. After sorting, grading, candling and branding they are re-packed and despatched to their destination.

In the case of breakage, if it does not exceed 2 per cent no debit is made against the member. Chipped eggs are sold locally, being used for cooking and omelettes. But how to effectively avoid a bad egg? It is said that the brand of the Danish Farmers' Co-operative Egg-export Association is a guarantee of good quality. How do they manage it? It is here that their wonderful organization and business instinct help them. They are very careful about their customers and supply them goods of good quality. Each egg is impressed with the number of the member who sent it, the number of the union to which the member belongs, and the brand of the Association. Sir Rider Haggard, the famous novelist, tells us how once he ate an egg for breakfast 'which bore the distinguishing number of

72,334,' and how 'having by accident pressed it on my hand, notwithstanding repeated washings for over two days I went about guaranteed as a good egg.' Thus the Association could trace the 'source of every bad egg.' In the first instance the member is warned, and if the irregularity is repeated a fine of 5 kronen (5 sh. 6d) to 10 kronen is inflicted. He is liable to loss of his membership if he still continues to send bad eggs. But such a person very rarely produces a second bad egg.

Eggs that are in excess of demand and those that are more than seven days old are pickled in lime water. Large cement vats are filled with strong lime water and eggs are thrown into them. Each vat contains from 5,000 to 7,000 such preserved eggs. Sometimes they are kept there even for ten months, and then 'candled' and sold.

Prices are fixed by the weight of the eggs, and on every Thursday by the head office according to the state of the market. They are generally at a figure sufficient to clear a profit. Weekly abstract of accounts are sent by the branches which are checked and included in the accounts maintained at the head office. On the 31st of December every year the accounts are closed. Profits are distributed amongst the local centres according to the value of eggs supplied by them. One-half per cent of the turn-over is given to the manager and chairman in addition to their salaries. One-half of the profits for the year goes to the reserve fund and the other half is distributed among the members. The reserve fund however, is not allowed to accumulate for more than six years, after which it is distributed, six years reserve being always kept in hand. In 1913 the reserve fund was said to be at £ 15,000, and the profits in 1909 amounted to £ 10,000.

A comparison of the Cornish egg-producer with the Danish egg-producer is very instructive and shows the value of co-operation both as business organization and as moral lever. The Cornish egg-producer "will not study the requirements of the market. He will give no attention to uniformity, but will place large and small eggs, and also duck eggs, all in the same box. Whether they are fresh or not is evidently no concern of his. He will not wash a stained egg. On the other hand, the farmers of Denmark are most particular about all these things. They place all eggs of one size together. They arrange the different shades, and they see that every egg is fresh and clean. All that means saving to the shopman together with the certainty of better prices and more trade."

In India, this particular industry is as much unrecognised as the fishing industry was some years back. One model poultry-farm started by some adventurous agriculturist will in time find numerous imitators. Purveying for eggs is a great bother and sometimes futile. The market is unreliable both as regards quality and quantity. The price is also very high, being about one anna per egg. Goose eggs are produced in some parts of the presidency on a pretty large scale, but not on a commercial scale, and exported. But it requires development. If the scientific production of eggs on a commercial scale be carried out albumen factories may be started and albumen is an industrial requisite. 'The albumen is used for printing textiles, in the making of porcelain, in sugar factories and for other purposes.' 'The yolks of the eggs are worked up into a material for dressing glove leather.' An albumen factory would be a good and welcome adjunct to industrial India. It is quite in the fitness of things that the Agricultural Department should take the initiative.

#### THE KUMBAKONAM COLLEGE CO-OPERATIVE SOCIETY.

By A Believer in Co-operation.

Among the many-sided activities of the Kumbakonam College under the guidance of its energetic and popular Principal Mr. Statham, may be specially mentioned one which may be of interest to those who have faith in the practice of "Co-operation" as a potent factor in the education of the young. A "*Kumbakonam College Students' Stationery Society*," has been formed on Co-operative lines. Its aims and methods have been clearly set forth in its bye-laws\*, printed in the form of an attractive booklet sold to the members at half an anna per copy, and to non-members at one anna per copy.

At the close of the last term of 1918—1919., a few meetings of the College students were held under the Presidency of the Principal, at which the aims and principles of the Co-operative Movement were clearly explained, and a Society was at once formed. An entrance fee of two annas was levied from each member; the membership of course is optional. The summer vacation intervening, work could not be commenced at once; but when the College reassembled after the vacation, the Society has commenced operations, and the members at present number *seventy eight*, although the strength of the College is

\* [The bye-laws have been framed on the model bye-laws for students' stationery society published in the Bulletin for September, 1918. Ed].

over 450. It is hoped, however, that before the end of the present term, all the students of the College would have become members.

The leading firms of Booksellers and stationers are allowing the society trade terms, and the students are gradually realising to themselves the material advantages of acting together. The cheerfulness with which gratuitous services are rendered by the members of the managing committee who are duly selected by the members sets an example of self-sacrifice and social service for the benefit of the community to which one belongs. There is at the start a general unwillingness, except in the case of a plucky and enterprising few to incur the risk and responsibility of membership which at present consists in paying the entrance fee of two annas and an advance of at least one rupee towards the purchase of books and stationery, while at the same time there is an alertness on the part of even the dullards among the students to secure the privilege of buying from the society through some friend who has become a member. It does not take much time to discuss that this attempt to reap where one has not sown is unworkable in practice. And as time goes on, the students who first hesitate to accept the responsibilities of membership, become gradually alive to the truth, that no privilege however small can accrue to an individual without incurring a corresponding responsibility. Thus the society is daily advancing. It remains to be seen how at the close of the year this small business will stand. In the meanwhile, all concerned are hopeful not only that this society will thrive and become a permanent factor in the life of the College, but that example will soon be followed by other big schools and colleges in the District. The watchful eye of the Principal is always on the young Society in its daily work, and we hope that a spirit of brotherhood and unity will be fostered among the College students, and that the membership of the Society will soon be coveted for the gains material and moral, that are sure to accrue from it. The spirit of the following lines written by an American co-operative poet, and sung merrily by the little ones in that country, must be a source of stimulation even to the youth of our country:—

#### Co-operation in Nature.

"Help one another", the snowflakes said,  
As they huddled down in their fleecy bed;  
"One of us here would not be felt,  
One of us here would quickly melt;  
But I'll help you, and you help me,  
And then what a big drift we'll see,"

"Help one another" the maple spray  
Said to his fellow leaves one day;  
The sun would wither me here alone,  
Long enough ere the day is gone  
But I'll help you and you help me,  
And then what a splendid shade there will be."

"Help one another" the dew drop cried,  
Seeing another drop close to its side;  
"The warm South breeze would dry me away,  
And I should be gone ere noon today;  
But I'll help you and you help me,  
And we will make a brook unto the sea."

"Help one another," a grain of sand.  
Said to another grain just at hand:  
The wind may carry me over the sea,  
And then, O! What will become of me!  
But, come, my brother, give me your hand,  
We'll bound a mountain and there we'll stand."  
And so the snowflakes grew to drifts,  
The grains of sand to mountains,  
The leaves became a pleasant shade,  
The dew drops fed the fountains.

### JOINT SALE AND PURCHASE.

By Mr. A. Srinivasachariar, Srivilliputhur.

I have read with interest Mr. M. S. Seshachala Aiyar's article in the May issue of the *Bulletin*, and it occurs to me that some work of the same kind attempted by the Srivilliputtur Co-operative Society of which I happen to be the President may interest your readers. I shall be much obliged for any criticism or suggestions which Mr. Seshachala Aiyar or other co-operators may make on the system followed by my society. But before I proceed further may I take this opportunity of conveying to Mr. F. R. Hemingway, our present Registrar, on behalf of myself and others the congratulations and thanks of all co-operators for the energy with which he has been organising and promoting joint purchase and sale generally, and of joint purchase of rice and kerosine oil in particular.

In Srivilliputtur, we have combined stores with credit, though ours is an unlimited liability society. The combination of credit with non-credit functions is considered dangerous in unlimited liability societies, but our panchayat resolved to take a bold step in spite of some dissatisfaction in the general body, because kerosine oil

was selling at Rs. 8 and Rs. 9 per tin, and gingelly oil, rice and cloth were being sold at even more unconscionable rates. The panchayat could not tolerate the position and so we purchased some cloth and paddy, the former from a private village firm, the manager of which was President of the co-operative society of that village, and the latter from surrounding villages where it could be had at cheaper rates than locally. This was very much appreciated, and some of the members wanted other articles which were also dear in the local market to be purchased by the society and sold to the members.

Thereupon, we adopted a by-law on the model of that of the Madura Store where credit and sale are combined in one society, improved further in the light of suggestions made by the Registrar. The capital of the store is supplied by the society at 8 per cent interest per annum. The same panchayat manages both the store and the credit side. The borrowed capital is used for jointly purchasing and selling things, and the profit is divided among members as bonus on their purchases. The society has appointed one of its members who has had large experience in trade and business as the general agent of the store which gets his services for a commission of one per cent on the purchases made by him under the direction of the panchayat. This agent being himself a member of the society and consequently jointly liable also, acts as a medium between producers and consumers, and largely saves the profiteering of the middlemen. He ascertains the wishes of the members and goes only to the producers and purchases the articles; as for instance in the matter of gingelly oil he is going to the Oil Mills at Sattur which import large quantity of gingelly seed from Vizagapatam etc., and from oilmongers personally, purchase and stock them in tins; the quality is good, and the sale price in our stores is at 2 to 3 annas less than elsewhere. (per viss?—Ed. M. B. C.)

The stores branch has transacted large business in Gingelly Oil, Kerosine, and Rice, the transactions in other commodities not being considerable. These are sold not only to members but also to some of the surrounding societies affiliated to the Union which has also its head quarters in the office of the Society. But those societies are awakening only now in this Co-operative year (1919-20) to the benefits of this system and are punctually and promptly sending

indents while they were very lethargetic last year. Such of the societies as indent for articles pay a commission of 2 per cent on purchases, which is found excessive may be reduced in course of time.

As regards Mr. Seshachala Aiyar's article, so far as the second para dealing with the saving of money by joint sale and purchase is concerned, it appears to be an excellent plan but how far it is practicable is not yet clear. What applies to ryots must also be equally good to other ordinary labourers and officials in the lower grade. A general scheme for opening a credit system to them, to achieve that end, is highly wholesome and will be ardently welcomed by all Urban societies. If Mr. Seshachala Aiyar, our Honorary Assistant Registrar, would formulate that scheme and publish it broadcast so as to be adopted by all societies, it will be an achievement of one great point in co-operation.

### CO-OPERATIVE HOUSE—BUILDING IN SOUTH INDIA

By K. C. Desikachariar.\*

Co-operation in the direction of house-building has so far achieved but little in the Madras Presidency, especially for the poorer classes. The history of Co-operative house-building in South India is a history of exchange of views between the Board of Revenue—which until recently controlled the department of co-operation—and the Local Government, and after the lapse of more than two years the question as to whether and how far and in what forms the Government should grant facilities for the formation of Co-operative Housing Societies is still in the stage of leisurely consideration.

Co-operation both rural and urban in this Province has so far almost solely been confined to credit.

In the rural parts, owing to the ryotwari system of land tenure, there is a large body of peasant proprietors settled on the land; the village with its cultivated fields and its cluster of houses is still the home of a large part of the population of the Presidency. It is true that to these, speaking generally, the problem of congestion and scarcity of house accommodation is not of any great or urgent importance. In the large towns, however, the population has been steadily increasing, and along with this increase, house-rent has been fast going up with the necessary result that owing to overcrowding of

\*A lecture delivered before the Bombay Co-operative Housing Association.

houses, the death rate and the rate of infant mortality have also tended to increase. Conditions have arisen which drive the poorer classes to live in small ill-ventilated rooms of less than 10" x 10", paying a monthly rent of Rs. 1-8-0 to Rs. 2-4-0. These conditions are becoming common not only in the Presidency City but in almost every large town. The housing problem can therefore, no longer be avoided in the urban parts at least. It is therefore, a matter for regret that the Government have not approached the question with any seriousness or promptitude.

When the co-operative movement was still in its infancy, co-operative societies enjoyed the benefit of State aid, but in 1907 Government decided that societies to be thereafter organised should be informed that the question whether they should be aided with any State advance would depend on the circumstances of each case and would be settled by the Government on the report of the Registrar of Co-operative Societies and the Board of Revenue. The question of State aid to building societies was subsequently raised by the Registrar of Co-operative Societies, in the middle of 1914. In a communication addressed to the Board of Revenue, that Officer wrote:—

"I now come to the next important class of societies which in my opinion call for Government help, viz., Building Societies. I am convinced that the form of Co-operative Societies most urgently required after Credit Societies is the Building Society which the public, no less than municipal bodies, are clamouring for on every side. The public, however, do not seem to be aware that at the present ruling rates of interest in Co-operative Societies, namely 9½ per cent., a building society for the class of people by whom it is most urgently required—the class which now occupies congested areas in Madras and most other municipal towns—is out of the question. The cheapest building for an individual of this class, according to type designs furnished to me by the President, Madras Corporation, is one costing Rs. 500.

I am told that this estimate could with some difficulty be reduced to Rs. 450. Supposing the site is worth Rs. 50, an advance of Rs. 500 would have to be furnished to such an individual in Madras, and in the mofussil the amount to be advanced would not fall short of Rs. 400. At 9½ per cent. interest, the borrower would have to pay, in Madras, Rs. 4 per mensem under interest alone for the first year, and he would have to pay something in addition every month in order to extinguish the debt in 15 to 20 years. The average income of an individual of this class, taking into account the earnings of his family, would not exceed Rs. 12 per mensem and I think a payment of even Rs. 4 per mensem would be impossible for him. At 6 per cent. interest, he could by paying Rs. 3 per mensem extinguish a debt of Rs. 400 in 20 years and I would stipulate that he should find Rs. 100 from other sources. I therefore, beg to recommend that Government provide Building Societies of this class with loans to be advanced to the societies at 4 or 5 per cent. and to members at 6 per cent. so that they may extinguish the debt in 20 years

by payment of Rs. 3 per mensem (in Madras) and somewhat smaller instalments in the mofussil. I would fix each share in such society at Rs. 50 to be paid up by monthly instalments and in addition each member would have to find Rs. 50 from other sources so as to make up an initial deposit of Rs. 100. As soon as this deposit is completely paid up, i.e., about a year after joining the society, the member would receive a house and site ready for immediate occupation, which house and site he would proceed to mortgage to the society as security for payment of the balance of Rs. 400.

On the part of Government, it would be necessary according to my proposals to advance Rs. 50,000 for every 100 houses in Madras city and a somewhat less sum in the mofussil. The important bearing of the scheme on the question of relieving congested areas in towns will, I hope, commend it to the Board and the Government. Although I have based my estimate on the supposition that all the members would require houses of the lowest class, there would always be a certain proportion of members of a somewhat superior class—say clerks on Rs. 50 to Rs. 100 in public offices who would require houses costing from Rs. 1,000 to Rs. 1,500 each, and to whom advances could be made on the condition that they paid not less than one-fifth of the value of the house as share and initial deposit. How much money would on the whole have to be advanced to Building Societies every year depends on the allotment which Government are prepared to make for the purpose. After the first few years, repayments by members would enable fresh societies to be started with less help from Government but I should say that there is room for spending not less than 3 lakhs of rupees within the next twelve months, should Government be pleased to make an allotment of that amount. I may add that in the case of such Societies repayments would begin at once, instead of after 2 or 3 years as in the case of Credit Societies."

The Registrar's proposals were also communicated to the Corporation of Madras, and at a general meeting of the Corporation held on the 18th August 1914, the Municipal Commissioners accepted a scheme for the formation of a Building Society for the benefit of the poor and resolved—

"That the new sites in Royapettah to be acquired by the Corporation for the accommodation of the people evicted from Suparigunta *paracheri*, which are estimated to cost Rs. 125 a site, be made over by the Corporation to private individuals who are members of a Building Society at Rs. 50 per site, the total value of the sites being treated as a loan to the Building Society from the Corporation carrying 4 per cent. interest and to be redeemed by equal payments spreading over 10 to 15 years;

"That the occupants of the houses in Suparigunta *paracheri* already acquired by the Corporation be left undisturbed for a period of about 6 months so that if they choose fresh houses can be built for them by a Building Society in the meanwhile."

It does not, however, appear that the acceptance of the Registrar's proposal by the Corporation led to any practical results.

The Government of Madras have not yet informed the public whether they have accepted the policy, recommended by the Registrar, of granting State aid to Building Societies formed for improving the housing conditions of the working classes in the large towns of the province and, if they have accepted it, at what rate of interest they are prepared to give such pecuniary aid. Meanwhile the Government of India have unfortunately expressed themselves as opposed to the policy of State aid and it will not be a surprise if the Local Government take their cue from the Imperial Government and refuse State aid to house building schemes altogether.

The question of State aid apart, various other causes have contributed to retard the progress of co-operative house building in this province. The rate of interest ruling in the open market is never less than 9 per cent. and in the case of the poorer classes it rules much higher. Even banks which finance the co-operative movement never lend to societies at a rate lower than  $7\frac{1}{2}$  per cent. and individual members can never get loans from societies at less than  $9\frac{3}{8}$  per cent. As the Registrar has pointed out, it is impossible to form Building Societies with loan capital obtained from Central Urban and District Banks at  $7\frac{1}{2}$  per cent. The 4 per cent. rate fixed by the Madras Corporation is very satisfactory but we cannot for a moment suppose that during the present world-struggle—when the Government is itself compelled to borrow at 5 and  $5\frac{1}{2}$  per cent. and local bodies at higher rates, loans can be secured for building societies at anything like the 4 per cent. rate proposed by the Madras Corporation.

Secondly, the period of repayment usually fixed by the Co-operative Banks is very short and until it is extended to a period of 40 to 50 years, the poorer classes—with a monthly income of Rs. 12 to Rs. 15 per head—cannot avail themselves of the benefits of Building Societies. Twenty years is too insufficient a period. The re-payments of principal will press heavily and if interest is high the pressure will be all the more heavy. The only way to overcome the difficulty is to spread the repayment over a longer period, especially when interest is high. In western countries, the period extends to 50 years. There is no reason why the same period should not be adopted in this country. There is always the tangible security of the house and so long as the house is kept in good repair

by the borrower during the period of his indebtedness, there is nothing to fear. A long period for re-payment has this further recommendation, viz., that the burden of the cost will be spread beyond the present generation, and it is only fair that it should be so, seeing that the borrower's heirs will benefit by the house to the same extent as the borrower himself.

*Thirdly*, Municipalities have not so far shown any disposition to encourage Co-operative House Building. During recent years, town extension schemes have been started in various towns, and there has thus been ample scope for the formation of Building Societies. The advantage to the municipalities in dealing with a corporate body like a building society are many but no facilities—by way of fiscal or other concessions—have been granted. It is however refreshing to see that in a recent circular addressed to municipalities the Government have drawn the attention of municipal councils to the organisation of Co-operative Housing Societies. They observe:

"It is desirable that efforts should be made to organise Co-operative Building Societies in connection with these extension schemes. Apart from the advantages these offer to members in enabling them to raise loans where necessary and to effect economies in the purchase of building materials and in actual construction, they are valuable to Councils as the managing members will assist in the enforcement of building regulations and also talk over such details as the allotment of individual sites to members, collection of the amounts due by them, &c. The advantages to Municipal Councils in dealing with the managing bodies of such societies instead of with a large number of individual owners, and in enlisting their support in enforcing building and sanitary regulations are obvious."

It is to be hoped that this recommendation will have the effect of accentuating the desirability and importance of organising Co-operative Building Societies in the case of town extensions.

*Fourthly*, the advantages of the tenant co-partnership system have not yet been realized in this province. None of the existing building societies are based on this system, they being intended merely to finance individual members in the matter of securing or improving house accommodation. In towns where house-sites are dear and building operations costly, advances for house building

should necessarily be large if they should at all be useful; and large advances cannot be made to individual members unless they can furnish substantial security and are able to make heavy equated re-payments in discharge of the loan and interest. Both these conditions are difficult of fulfilment in the case either of the poor working man or of the petty official or trader, whom such societies are intended to benefit. On the other hand, a society as such will be able, in consequence of the larger credit it can command, to raise capital on better and easier terms. There are several other advantages besides—which the success of the Bombay Sarasvat Housing Society points out—not the least important of which is that the Society can prevent not only deterioration in the value of the houses themselves but also that of the locality and the connected conveniences and social and health amenities.

*Fifthly*, the absence of voluntary effort is a great defect in this Presidency. An organisation like the Bombay Co-operative Housing Association will be a valuable agency in popularising the Co-operative Housing subject and in carrying on propagandistic work without which, I do not believe, any progress will be made in this field. A co-operator from Dindigul—a member of the Dindigul Co-operative Building Society—writes to me: "The chief reason for the paucity of work is the lack of knowledge on the part of the public in taking advantage of the Society. I suppose if we can get men to devote their time and attention to educating the public about the benefit, then some progress could be made."

*Sixthly*, there is a common impression that the problem is not acute in this Presidency, and that therefore, there is no need for special efforts to organise Co-operative Building Societies. This, I consider, is a short-sighted policy, and is sure to result in much waste of money in future years. If the problem is not at present a pressing one, that is perhaps all the more reason why we should profit by the sad experience of other countries where cities wake up too late—when on account of the high rise in land value and other causes, the housing problem has become very difficult of solution. But it cannot reasonably be said that the problem is not an urgent one in Madras. Rents have nearly doubled themselves during the last 20 years and observation shows that this increase in rent is undoubtedly associated with overcrowding in houses with its attendant evils—an increased mortality rate especially

among the infants and loss of vitality in adults. Everywhere there is a demand for increased civic comforts and as these can be commanded more easily in towns than in villages, there is a constant growth in population in our large towns. The desire for higher education which can be had only in towns and the gradual industrial awakening also tend to concentrate the population in Municipal areas. The sooner, therefore, municipal councils and other non-official agencies realise the importance of organising Co-operative House Building, the better for all concerned.

Finally, the sanitary and social aspects of the Housing problem have not received the serious consideration they deserve. The comparative ease with which the common amenities of civic life—recreation grounds, bathing fountains, etc., can be provided in a scheme of Co-operative house-building has not been appreciated. From the point of view of social reform, in its broadest sense, the housing question presents important features. It need hardly be mentioned that the character of the house determines the qualities of the race.

These are some of reasons for the slow progress of co-operative building reform in this Province. In short, the Government as well as the public have yet to realise that it is by organising and fostering Building Societies that the Housing problem in our large cities will be eventually solved.

There is, however, one source which may be tapped for obtaining funds for Buildings Societies on easy terms. There are large temple and chatram funds which are now either uninvested or invested in Government Securities yielding  $3\frac{1}{2}$  or 4 per cent. If only a small portion of these funds can be diverted to Building Societies, the financial problem of Co-operative House Building is solved.

### AGRICULTURE.

*The Madras Times*—for June 27, 1919 mentions some of the defects of farming in Southern India, with special reference to parts of Mysore, defects such as the over-looking of fallowing, rotation of crops and stand-by crops. The questions are very interesting, especially owing to the failure of the monsoon these two years and the consequent dread of starvation.

At present fallowing is entirely overlooked. Early fallowing conserves in a season an amount of soil moisture equivalent to about

four inches. Such conservation is a great asset and a weighty economic factor in the production of crops in a barren district. It will be clear when it is noticed that unfallowed land, however abundant the moisture may be, does not produce as good a crop as fallowed land. The ordinary ryot does not understand it, nor does he care to. Chemical and bacterial activity is almost absent in un-fallowed land, while the opposite is the case in fallowed ground. Bacteria are raised in millions to operate on fallowed land for the good of the crops and also for the good of the farmer if he will properly fallow his land. The fallows must be worked to aerate the soil, destroy weeds, prevent loss and waste of moisture by evaporation and to prepare the land for the planting of seeds.

Rotation of crops is another matter, the article rightly deplores, that is not attended to properly. Many areas in fallow may be timed so that continuous farming may be carried out with successful results. Then again, there is no organised system which covers the planting of several crops as stand-by's in case the main crop fails. The article concludes by observing that ploughing and fallowing are the essence of farming, and that plants must be arranged to meet the demands of the future and should be sufficiently elastic to be changed where emergencies arise. These suggestions have a special value at the present time when shortage of food-stuffs and high prices are driving men to despair.

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Mr. P. J. Wester, Agricultural Adviser to the Philippines Government writing in *Mindanao Herald* draws prominent attention to seed Selection as one of the

three ways of increasing rice production, the other two being planting larger areas and deeper ploughing and better tillage. It is one of the most efficient means of increasing rice yield without enlarging the area planted, and the method of procedure is so very simple that, every farmer of ordinary intelligence can easily adopt it. Mr. Wester says that in selecting plants and heads for seed the following points should be borne in mind. The plant should have five or more straws, the straws being of strong, sturdy and of upright growth. "The heads should be of the same height above the ground and of uniform size. The grain should be of equal size, plump and well formed, semitransparent, and have a light colored hull. Only perfectly ripe palay should be selected for seed.

In selecting seed palay, the straw should be cut about thirty or forty centi-meters from the head, and the heads tied together in bundles and hung up to dry and then stored away in a dry place secure from animals.

After the harvest, before threshing the seed palay, examine each head of rice, holding it up against a bright light. If the grains are red, the head should be discarded. In case of uncertainty, cut a kernel with a knife; if it is red the head from which it was taken should be discarded.

If plants are found in the field that ripen rapidly in advance of the rest of the rice, that have an unusually large number of straws, extra large heads, or grains of extra good appearance, the heads from such plants should be kept separately. They may form the nucleus of new varieties, greatly superior to old ones.

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There are three ways, writes Dr. Harold H. Mann under the heading "The Indian Cotton Committee," in the June number of the *Bombay Co-operative quarterly*, in which co-operation can improve cotton trade. (1) The introduction of uniformity in and a better type of cotton. There is an extraordinary unevenness, at present, resulting from the impure character of cotton. The deterioration of many classes of cotton has always been brought about by admixture of inferior types, and never by the deterioration of cotton types which formerly gave them their value. Dr. Gilbert Slater has said the same of the famous Tinnevely cotton. Cotton plants, says Dr. Mann, should be first subjected to botanical study with particular reference to particular localities, and by careful selection and breeding a good type of cotton should be evolved. It is here that co-operative societies can help, by popularising the evolved type of cotton, by seed-selling and seed-growing. Uniformity of type can thus be attained by means of co-operation. (2) Securing a reasonable price to the cotton cultivator. The present difficulty is cotton is not entirely bought for its value, but in part, for its name. Superior cotton is grown at a place with a bad name and it is very difficult to secure its full value; inferior cotton is grown at a place with a good name, and for the time being at any rate, it gets more than its value. And as long as cultivators are growers on a small scale this will form a very great difficulty in the

introduction of better types of cotton. Co-operative marketing has effectively tackled this problem where it has been tried—in Dharwar for instance. There are difficulties no doubt, such as the danger of the societies not supervising ginning, which may result in deterioration of cotton types; and, want of expert business knowledge. And these are not insurmountable obstacles, and they are being got over. Prevention of deterioration of superior cotton types through their admixture with inferior types. The chief reason for deterioration through admixture is that the cultivator and the ginner are not the same person. They are separate and their interests are different. In America, invariably the cultivator is also the ginner, and he is careful to maintain the quality of his cotton. "The only remedy is to make the interest of the ginner and cultivator identical, or in other words, to develop, as has already commenced in the khandesh—Berar tract, the co-operative ginning of *kapas*. In this direction lies the real solution of the problem of this continual mixing of Indian cotton seed. Our Tinnevely cotton growers may take this sound advice to heart, and restore the great prestige and purity of Tinnevely cotton. It is a hard nut to crack, but as suggested above, co-operation is the best instrument for cracking easily and in a short time.

#### THE COIMBATORE DISTRICT CO-OPERATIVE CONFERENCE,

The Fifth Coimbatore and Nilgiris District Co-operative Conference met on the 19th and 20th July at Coimbatore.

The number of delegates that met in the Conference Hall was about 130. It was thoroughly representative of the whole of the Coimbatore and Nilgiris District and all the important communities.

Among the persons present were, Mr. P. Macqueen, I.C.S., Collector, Mr. F. R. Hemingway, I.C.S., Registrar of Co-operative Societies; Rao Bahadur Mr. G. Arogiaswatny Pillay; Rao Bahadur T. S. Balakrishna Iyer; Mr. M. Sambandam Mudaliar; Mr. Deva-si Ramony Mudaliar, Assistant Registrar of Co-operative Societies; Mr. C. N. Subramania Iyer, Assistant Registrar of Co-operative Societies; Mr. C. N. Krishnaswamy Iyer; Mr. C. V. Vencataramana Iyengar; Mr. Manikka Mudaliar; Mr. W. R. Vencata Rao and many others.

## WELCOME ADDRESS.

After referring to the auspicious occasion of the signing of the peace, Rao Bahadur T. S. Balakrishna Iyer, B.A. B.L., chairman of the Reception Committee, dwelt at length upon the very satisfactory working of the Coimbatore District Urban Bank. There had been no complaint so far of its inability or unwillingness to finance all the societies in the District though their number had been increasing from year to year. The total amount lent to the rural societies stood on the 30th June last at Rs. 5,23,512, and it was extremely gratifying to note that the societies had been punctual in payment of their dues so that there was hardly any arrears due to the Bank from them on the 30th June. The fact that in spite of the competition of 25 registered banks and a branch of the Madras Bank, it has been able to attract sufficient deposits and Share Capital to meet the demand of the rural societies, showed the popularity of the Bank and the confidence it had inspired in the people. He next referred to the proposed conversion of the Bank into a Banking Union in accordance with a general tone of policy to be adopted in regard to the progress of the movement as a whole. The main objects of the rules of the Banking Union must be, he said, '*co-operation* all round and *co-ordination* of the work of the several units with no room for conflict anywhere so that all the different parts of the machinery may work harmoniously and without cause for friction anywhere. The object must further be,' he went on, 'to ensure a greater degree of freedom to the various units comprised in this vast machinery, to create in them a greater sense of responsibility and a feeling of self-respect, self-reliance for the common stability of the whole.'

After mentioning some of the new types of societies which had been started recently he pleaded for the formation of societies for cattle-breeding, milk-supply, the weaving industry and for the manufacture and sale of bricks and tiles. He strongly urged the conference to consider what steps co-operative societies could take for the greater cultivation of food grains. Touching upon new sources of income for the Banks he asked whether trust funds, and savings deposits or monthly shares of *nidhis* now lying unproductive, should not be made available to societies by some amendment of law or rules. In conclusion he pleaded that the present restriction placed by the rules framed by the Govern-

ment upon the surplus net profits of Societies should be removed. He wanted greater freedom to be given to the Societies to extend any surplus left after setting aside the proportion fixed for Reserve and after paying the maximum dividend fixed by the rules on objects useful and beneficial to the Societies, such as, creating a Building Fund, a Dividend Equalisation Fund, a Provident Fund for the employees and other similar objects.

## PRESIDENTIAL ADDRESS.

After thanking the Reception Committee for having asked him to preside over the conference, and dwelling at some length on the history of the movement in India Mr. V. Venkatachariar of Conjeevaram said that the formation of unions in several Districts was a sign of the gradual evolution of the movement towards consolidation and solidarity, and that unions were of 'great value both as a means of supervision and as a form of Co-operative education.' The advise and control of District Supervising Councils or District Banks, were of course necessary, but autonomy as far as possible should be the rule, and the supervising agencies should confine their powers of supervision to cases where serious lapses were found in the working of the primary society which might affect the interests of the Supervising Union or the Financing Central Institution. He rejoiced at the prospect of a Provincial Federal Bank wherein mufassil interests would be amply represented.

Dealing with the non-credit side of co-operation the President lamented its very slow progress. Except for a sprinkling of societies, such as the Conjeevaram Urban Weavers' Union, the 'Sadananda Printing Works', South canara, the Building Society of Coimbatore, and the recent adoption of joint sale and purchase by many societies, very little had been done. And co-operative production and co-operative distribution he said, are the main features of the movement which go to make up for real economic progress in the country.

Co-operative ideals should never be lost sight of. Any deviation from the true co-operative ideal 'All for each and each for all, and that the greatest number of people should be served rather than a few, was likely to stunt the growth of the fruitful tree of co-operation, to substitute misery in the place of happiness, and despair in the place of contentment. He quoted Mr. Wolff to the effect that the constitution of

banks should be thoroughly republican and equality of rights should be accorded so that local knowledge might not be wasted, the awakened sense of responsibility not weakened, and vigilance not become illusory. Personal equations and feelings of superior wisdom, had no place in the field of co-operation. The co-operative movement was a moral one, and it depended for its success more upon the personal element than upon the collection of funds. A feverish desire for increasing the share capital often led to unwholesome additions to the rank and file of co-operators. He urged that members ought to be carefully selected, as one black sheep would bring discredit on the whole flock.

He then made some suggestions regarding the granting of loans. He advocated strongly short term loans and personal credit, and quoted on long term loans the remarks of the Registrar who animadverted as follows. 'This is apt to be demoralising to the borrower, and it tends to restrict the credit both of the society and of the member and thus to prevent the regular financing of ordinary agricultural operations.' He pleaded for small loans as strongly as he deprecated the fictitious repayment of loans. Small loans would ensure the benefit of a larger number of people. To starve the poor folk by lending out the available money to a select few was quite subversive of co-operative principle. He condemned in strong terms the cry for dividend emanating from co-operators, and quoting a great authority on co-operative bank said that a co-operative bank was a Union of persons and not a union of money units and that the object was not profit, but cheap credit for all. He then spoke of the great need that existed for societies for the depressed classes. Passing to the direction of the movement by Government he said that their services had to be acknowledged with deep gratitude, continued tutelage, however, benumbed the nerve for self growth and it was the feeling of self respect that acted as a powerful tonic for sustained action. In conclusion, he said, 'It is certainly pleasing to imagine a state of progress when we will have a net work of primary societies with Unions and their supervisors enforcing order and discipline in rural associations affiliated to them, with schools and dispensaries flourishing under the management of such Co-operative Bodies, free from all out-side control or audit, self-contained and self-sufficient to cater for the material wants of the rural

population. Let the above be our ideal, and let us work towards it with all the warmth and earnestness we are capable of and with all the resources at our disposal."

The following Resolutions were then passed.

1. This Conference, while expressing satisfaction with the progress made in co-operation since it met last in June, 1913, urges on the attention of the Department and the co-operators the need for quicker and varied progress, and to this end suggests: (a) Strengthening of the Inspecting staff. (b) Conversion of the District Urban Bank into a Banking Union and the organisation of a proper agency for the furtherance of co-operation everywhere in the district. (c) More energetic and sustained work in this direction by the local Unions.

2. This Conference believes that Building Societies are a necessity in the case of all villages as well as Municipal towns, and requests co-operators to organise and run them among other places at Tiruppur, Erode and other places where they are needed very badly and requests the Assistant Registrar to take necessary steps in that direction. Further it requests the Registrar to move the Government to help them as well as the existing society at Coimbatore with funds at cheap rates, seeing that without cheap funds thus obtained it is hard for them to get on.

3. That, having regard to the havoc played by small—pox, cholera and the like at all times, and plague, influenza and other epidemics in recent years, a scheme of medical help specially for the poor be organised by co operators in the following manner:—(a.) By starting co-operative dispensaries in Urban areas or attaching them to Urban Banks or other distributing societies where they exist and organising them independently where they do not. (b.) By attaching dispensaries to Local Unions in the first instance with the help of the common good fund of the societies or special subscriptions in case of need.

4. That in view of the hard times which hand-loom weaving is passing through, Rural Credit Societies with Weaver Members situated in compact areas be asked to consider the possibility of helping them with yarn bought by the societies themselves direct from producers and distributed to them, and save them as far as possible from middlemen and that special Weavers' Societies be formed in Urban areas with the same object as early as possible.

5. This Conference strongly urges the Registrar to address the Government and get rule 9. (b) altered so as to allow all limited liability societies freedom to spend the net profits after the statutory obligations are met—i. e., after the necessary allocations are made in respect of Reserve Fund, divided as Honoraria and the like as per by laws—each in its own interest as its General Body may from time to time decide so long as the Act or the Rules are not violated; and the Registrar has a vote in the last resort.

6. This Conference, agreeing with the session of 1913 and with other Conferences held elsewhere and at different times, is of opinion that central banks should be established under the Co-operative Act, or from every point of view suitable for the investment of Trust Fund, and requests the Registrar to move through proper channel the High Court of Judicature of Madras to frame rules under Sec. 20, Clause (f) of India Act 11 of 1882, to permit such investments as the security offered is based on the *unlimited* liability of rural society and as the rule proposed will attract and bring into use new capital now lying unproductive.

7. That while this Conference is thankful to the Government for the permission given to Toll-Gate Contractors to deposit their security amount in Co-operative Banks, urges the Registrar to move the Government to extend the concession also to :—

- (a) All security deposits of every department of Government.
- (b) All other funds in charge of the Local Boards and Municipalities or over which they have control, and,
- (c) Funds which Trust or other Committees receive for current purposes in advance.

8. That with a view to secure the benefits of co-operation to the large masses of rural folk in the near future, each Union do exert itself and set every affiliated society to attend to the following three definite points about its well-being :—

- (a) Communication,
- (b) Sanitation with Special reference to drinking water, and
- (c) The Village School.

The conference also requests the Government to spend their allotments in this behalf through the agency of Local Unions or Primary Societies working well.

9. That in view of the delay and trouble which the Panchayat experience in taking a loan, the central financing bank be requested to adopt the following or some other kindred method in the case of societies recommended to it by Unions of approved antecedents :—

By a proper assessment of credit at the beginning of each year for short term purposes and a bond executed by Panchayats and renewed every year with or without alterations and reserving the present method exclusively for long term loans.

10. This Conference is of opinion that it is high time that the Postal Department had granted to Co-operative Societies of this Province concessions such as obtained in Bombay and elsewhere :—

- (a) The inclusion of pies in Money Orders, and
- (b) Allowing a rebate in respect of M. O. commissions paid by Societies and that the Registrar be requested to exert and let us have them as early as possible.

11. This Conference requests the Government to be good enough to allow publication gratis in the *District Gazette*, the *Agricultural Calendar* and the *Agricultural Bulletin*, of such advertisements as the Central Banks and Registered Societies with more or less exclusive commercial and industrial aims may from time to time need.

12. This Conference is of opinion that in the case of societies marked by the Assistant Registrar amounts of loan repaid by members must not be used for reloaning to the members, but when such reloaning is urgent, they had better obtain the sanction of the District Urban Bank and issue short term loans only.

#### THE FIRST KOILPATTI TALUQ CO-OPERATIVE UNION CONFERENCE.

The First Koilpatti Taluq Co-operative Union conference was held in Koilpatti on the 23rd March, 1919, under the presidency of A. R. Cox Esq., I. C. S. Collector of Tinnevely. There were present thirty-four delegates and about two-hundred Co-operators. Among the distinguished visitors that were present were, Messrs. F. R. Hemingway, I. C. S. (Registrar of Co-operative Societies,) C. S. Krishnier, (Assistant Registrar, Madura Section) H. C. Sampson of

the Agricultural Department, N. S. Kulandaivelu of the Agricultural department, R. Ananda Rao of Vadamalipuram, and Sadhu Ganapati pantulu, High Court Vakil Tinnevely.

Mr. V. K. Ramaswami Aiyar, Chairman of the Reception Committee, in welcoming the delegates said that Koilpatti Taluq was leading the Co-operative movement in the district, and as such was justified in holding the first Co-operative conference in the district. He also said that a hundred more societies could be started in that Taluq and requested the Government to start them.

The president, Mr. A. R. Cox said that as Co-operation was a new subject to him, he came there to learn and not to give them any advice. He was eager to know whether there were any difficulties that he as a Government Servant could solve for them. Mr. N. Krishnaswami Rao, president of the Palamacottah Urban Bank, addressed the conference on the 'Duties of Co-operators' and said of that not only the panchayatdars, but also every member of a Co-operative Society should take interest in the society, and see that every man in the village was a member of the Society. He suggested the adoption of joint purchase and sale and also the control of Village Schools by Co-operative Societies. As far as possible they should try to secure local deposits and finance themselves without any departmental help and they should be punctual in the collection of debts.

Mr. V. S. Padbhanabha Aiyar of the Collector's Office, sent a paper on the 'Benefits of Co-operation'. Co-operation would create union and love between all classes and religions in India. A poor man who had no property could come to have some property by his allegiance to a Co-operative society. Character was the only qualification required in a member. The paper concluded by pointing out that the agricultural prosperity of this country, like that of Europe, lay in the adoption of Co-operation.

Mr. A. Veerabhadra Pillai wanted the societies to consult the convenience of the borrowing members before fixing the time for repayment, but once the time fixed after such a consultation of their convenience and the members found themselves unable to make punctual repayments he advised them to go in for fresh loan rather than become unpunctual in the matter of repayment. Mr. R. Subbaiyar

spoke on the credit side of co-operation and said that it was the first duty of Co-operative societies to release their members from the ruinous hold of the sowcar.

Mr. N. S. Kulandaiswami Pillai of the Agricultural Department speaking at length on the relation of Co-operation to agriculture said Co-operative societies could make available to poor farmers the improved but costly implements of agriculture by buying them for the society and letting them for a nominal hire to the farmers. They could also introduce scientific manures tried in the Government farms. Co-operative ginning would be very profitable and it would also help the elimination of the inferior cotton types that brought down the prices in general. The reports of the koilpatti Union and some other societies were then read.

The following resolutions were passed:—

- (1). This conference expresses its joy at the happy termination of the war for the British Empire and the Allies.
- (2). In view of the backwardness of this Taluq in the matter of education, this conference requests the Taluq Board, to start elementary schools in every village with a population of one thousand.
- (3). This conference requests the Government to permit Co-operative Societies to send money orders even to the fraction of an anna; and also the remission of M. O. Commission to Co-operative societies as in the Bombay Presidency.
- (4). In view of the difficulties experienced in executing the decrees granted by the Assistant Registrars, this conference requests the Government to authorise its revenue officers to collect the amounts of those decrees as if they were arrears of land revenue.
- (5). This conference prays for the appointment of two more Co-operative circle Inspectors for this District as their present number is inadequate, and is of opinion that the number of societies in the district will increase as a consequence of such strengthening of the staff.
- (6). This Conference requests the Government to grant permits to Co-operative Societies to sell Kerosine oil and thereby relieve the Kerosine famine.
- (7). This conference places on record its thanks to the Registrar of Co-operative Societies for having organised a District Co-operative Banking Union for the Tinnevely District.

(8). This conference recommends to Co-operative Societies the adoption of joint sale and purchase of necessities of life and of agricultural implements, in accordance with the new by-laws.

(9). This Conference is of opinion that immediate steps should be taken to organise a union at Koilpatti for the purpose of joint purchase and sale for the benefit of the Societies of this Taluq.

(10). This conference recommends the issue of short term loans to co-operators for enabling them to hold up their grain till the market is most favourable for its disposal.

#### REGISTRAR'S CIRCULAR

Copy of letter R. O. C. No. 3048 118 dated 20—12—18 from the Registrar of Co-operative Societies, Madras, to the Assistant Registrars.

#### LONG TERM AND SHORT TERM LOANS.

"With reference to the correspondence ending with my telegram dated the 28th November 1918, I have the honour to invite your attention to the possibility that we may be able to find a constant opening for the funds of financial banks by reserving the requirements of societies for long term loans to a considerable extent to those periods in which there is no probable demand for short term loans. Long term loans are generally for a purpose which can be carried out at any season of the year. It does not, for instance, matter very much to a man whether he pays of his prior debts in September or in January, and I should imagine that a good many others of the objects of long term loans can similarly be carried out more or less irrespective of the season. Short term loans however, are of an urgent nature, and must be given exactly when they are wanted if they are to be of any use. It seems to me that if we encourage societies to take a considerable portion of their long term loans during the slack season, we may be able to find a constant outlet for the bank's money. I request you will carefully consider this possibility with reference to the existing financial situation. Several of the banks have at present large unused balances and these threaten us with a good deal of avoidable loss.

You are aware that I have recently said and written a good deal towards encouraging short term loans at the expense of long term loans. It occurs to me that perhaps the process of discouraging long

term loans may have gone a little too far. All Assistant Registrars recognise the popularity of long term loans and I recognise it too. But the fault I have generally found in the issue of long term loans is that society is far too apt to exhaust its own credit of its members for short term loans which are after all the most useful form of loans that we can ordinarily give. It is not in the least necessary completely to abolish long term loans and indeed it would be very unpopular if we did so. Properly safeguarded, that is to say limited to amounts which do not cripple the credit of the member or of the society for short term loans and limited also to amounts which do not demoralise the members, I think we should recognise long term loans a regular opening for the money of our financing banks.

#### THE EFFECT OF CO-OPERATION ON THE COST OF LIVING IN FRANCE.

As a consequence of the development of metallurgical works, the influx of workmen was so great that caterers, who had great difficulties in obtaining supplies, continually increased the prices for meals, and in fact, only served well those able to pay the highest prices. Prices rose to such proportions that the boards of management of the factories in the Basse-Loire who were somewhat concerned in the lack of proper food for their workers, advised them to join together at the beginning of 1917 and open a Co-operative restaurant. A sum of 30,000 fr. was advanced to the workers who desired to co-operate; whilst the workers themselves subscribed 25 fr. payable either in one sum, or instalments of five francs per month. The society thus created is known as the 'Co-operative Restaurant Society of Trignac.' At its inception it had a membership of 100, which has now increased to 400. At the start there were difficulties in getting supplies, but under pressure of necessity, the Co-operative societies in the district joined together and founded at St. Nazaire a supply depot with a capital of 1,000,000 fr. Provisions of every description were supplied to the workers at considerably reduced prices, which made it possible to supply meals at 1 fr. 60 and 1 fr. 75, a reduction of 60 per cent. on prices charged at ordinary restaurants.

In Paris and the suburbs wine was retailed at fr. 2. 40 fr. a litre (1½ pint), whilst it was sold to producers at an average of 90 cents and 1 fr., a difference of 1 fr. 10 cent, and 1 fr. 50 cent between the retail and purchasing price. To whom does this enormous profit

go? Obviously to numerous middle-men. The Municipalities of Mason.—Alfort decided to buy their own wine from the producer and retail it to the inhabitants. If one considers the cost for buying, hiring of wagons, floor space, and all the expenses of a new organisation employing many workmen, caterers, sellers, etc., it does not seem possible to sell at a lower price than that charged by private retail traders: Nevertheless, the Municipalities are able to supply wine at a maximum of 1 fr. 40 a litre. The local retailers, who in consequence began to lose their customers, now sell at 1 fr. 60 to 1 fr 80 a litre. This proves once again that the profits of middle-man contribute to the continued high cost of living.

We may also draw attention to the Co-operative restaurant in Paris, opened at 72. Boulevard de Grenelle, on the 10th February. At this restaurant, for the sum of 1 fr. 75, one is served with hors d'oeuvre or soup, 100 gr (about 4 ozs of meat or 150 gr. of fish, and a dish of vegetables). At a wine merchant's quite close three times that amount is charged for a similar meal.

These examples show what can be expected from the development of Co-operation. Why is it that the consumer, to whatever class he belongs, has not better understood its benefits both economical and social, and why does he still hesitate to avail himself of them?

*International Bulletin of Co-operation.*

### PRINCIPLES RESTATED.

At the outset of the war when prices began to mount rapidly, they found that their friends and neighbours, who were members of the stores, could get their supplies at old prices; afterwards, when food was controlled, they saw that store members, who were paying exactly the same prices for food as purchasers at private shops, were receiving dividends on those purchases, thus exploding the industriously circulated tale that co-operators, in order to get dividends, have first to pay more for their goods than other folks.

How does it come about that the Co-operative Movement can give these substantial benefits to its members? How is it that co-operators, by allowing their dividends to accumulate at the stores, find themselves, hardly without taking thought on the matter, the possessors of a stock of money bringing in an annual income, and available to meet any sudden emergencies of sickness, unemployment, or

bereavement that may arise? What magic is it that thus transmutes mere purchasing power into capital?

The answer to these questions may be conveniently stated in terms of their opposites. If we get a clear idea of how the private trader became a capitalist, it will be a short step to arrive at an understanding how co-operative trading secures these advantages to co-operators. The grocer, the baker, the butcher, the dairyman, the draper, the clothier, the ironmonger, and so forth, open their business and sell their various wares to the people who patronise their shops. On every article sold they make a profit. Out of the sum total of these profits, after paying their own domestic expenses, which we may call their wages, they find that they have left over a surplus. This surplus becomes capital, which they either invest in their own business so as to do more trade and make still greater profits, or they invest it in other industrial undertakings, one or more of those joint stock companies, which from time to time appeal to the public for capital. The key position to their prosperity is found in the one word, profit. Out of the multitude of small profits on innumerable small purchases they pile up the big profits which make them capitalists. The people who give them this power are the people who go into their shops to purchase the goods they expose for sale. Their customers are the creators of their fortunes.

Now, three quarters-of-a-century ago, a few weavers in Rochdale, known to history as the Rochdale Pioneers, had a vision, in which they saw that this purchasing of the workers was the key to their economic salvation. So they combined their small savings and opened a store. In size it was as insignificant as the name of the street—Toad Lane—in which it was situated. In membership, the store was still more insignificant, for they numbered but twenty-eight. But just as the size of an acorn bears no proportion to a fully grown oak, so did this 'contemptible little shop,' to quote the angry traders, bear no proportion to the possibilities inherent in it. For like the acorn, this original Co-operative store had in it the germ of growth, germ of a great idea, the germ of a commonwealth. The Rochdale pioneers were not the first co-operators. Far from it. But they were the first to see the tremendous social leverage inherent in the Co-operation of consumers. The ordinary working man is not a capitalist. All he has is his wages. These wages are not such as to enable him to become his own employer;

they are not sufficient to enable him to purchase machinery and raw material and become a producer on his own account. But he has to spend his wages, and by spending them co-operatively, he can, together with his fellows, accumulate the profit on those purchases which, in the ordinary way, would be accumulated by the shopkeepers; but being accumulated by him and his fellow co-operators, can be applied to production, in all its various forms, for the benefit, not of capitalist producers, but of the whole co-operative community.

This was the great economic discovery of the Rochdale Pioneers. This it was that enabled a society, composed originally of twenty-eight working men, to blossom out into a big co-operative society numbering thousands. This it was that, by the force of a successful example, lit the co-operative fire over all the land, until not a town, and hardly a village, was without its co-operative store. This it was that enabled a large number of these stores combine to form the Co-operative Wholesale Societies, which again, by accumulating the profits on wholesale purchases, were enabled to launch out into great productive enterprises, to build biscuit works and flour mills; to manufacture jams and sweets, to buy tea plantations and build cocoa works; to acquire oilproducing estates in Africa; and institute soap works and margarine factories at home. It was this which enabled the Wholesales to establish buying agencies abroad to buy at first hand raisins in Spain and current in Greece; to establish wheat farms in Canada, and fruit growing farms at home. It was this which enabled them to build great boot factories and cotton mills and cloth mills; workshops for producing clothing, furniture and domestic utensils. It was this principle of co-operatively combining purchases that made the co-operative movement a great productive force, and which will in the years of the immediate future, make of it a greater productive force still. It is this principle which, by the process of steady growth, will gradually transform society from a capitalist organism to a state within a state, in which the welfare of all will be the inspiring idea of each. It is this principle which will eventually smooth down the inequalities of wealth and poverty, so that there will be no idle and luxurious rich, and no unemployed and destitute poor; but a state of Society will prevail in which the wealth produced by labour will be evenly spread over the whole land in a just, righteous, and equitable commonwealth.—*The Co-operative News*.

### DIAMONDS OR DWELLINGS.

Question put: What are the things most urgently needed by the people—Diamonds or Dwellings?

Your answer: Dwellings, of course!

Yes, certainly. But there is an effective demand for dwellings?

You imagine that there is; but let me tell you that the demand for dwellings is nothing near so effective as the demand for diamonds. The other day we fortunate seekers after knowledge at the Brighton Easter week-end, were shown over a diamond works, and were sharply reminded that the fads and fancies of people who have money to waste on luxuries receive far more attention than the dire needs of millions who are condemned to live two or more to a room.

There is an urgent need for more houses, but the State has not yet been able to produce any new houses to meet the demand. There is no such urgent need for diamonds, but the demand is so effective that new factories have been, and are now, being built in Brighton in which the "precious" stones will receive their toll of human life. Some hundreds of disabled soldiers are being trained to cut diamonds with all the skill of the Amsterdam specialists, and their numbers will be added to until there are some 1,500 to 1,800 men engaged constantly upon the work. New factories are being built now. No new houses have yet been produced, but materials and labour have been found for factories in which are to be produced luxurious gems. The situation is one that could only be dealt with effectually by a Carlyle.

It is complicated by the fact that there is a worthy impulse dominating those who are responsible for this new departure. These gentlemen are training men who have been disabled in the war to a new industry at which they will be able to earn from three to five pounds per week. If one feels constrained to denounce the business of diamond cutting or luxury production, one remains anxious to recognise the good motives that attach themselves to this particular venture.

The factory is admirably equipped. It is apparent, at a glance, that great care has been exercised to provide ideal working conditions. The rooms are spacious, lofty, and airy. They are scrupulously clean. There is a large dining hall for the workers' use, and the canteen arrangements are really splendid. So far as the visitors could judge, the work people are treated with great consideration, and one can cheerfully testify that as an occupation with an adequate remuneration, there are very many worse than that of diamond cutting as practised in the Brighton works.

But after making every allowance that is due to the proprietors for their part in the business, one is bound to say, quite emphatically, that the trade is one we could well do without. Looking deeply into the translucent depths of a diamond that was held up in a pair of nippers for our inspection, one saw many things besides the brilliant

rainbow tints and the flashes of golden light. This particular stone was valued at from £500 to £600. One lady remarked: "It is just like a bit of glass!" But it was not glass. It was a "precious" stone.

What gives it its value?

In our crazy system of society there is a custom which permits men to buy and sell for profit. What they buy or what they sell does not matter to them very much. It is the "profits" that matter. A merchant may dabble in houses or foodstuffs, or clothing or toys, and in his dealings also dabble in human lives. But if he makes great profits he becomes an honoured pillar of this crazy system of society, and can effectively demand anything however foolish or harmful. His demand will be effective, and he will get the goods.

It is pitiful. Fine looking men, intelligent young fellows, with the bronze of all outdoors still on their cheeks, condemned by a crazy, selfish vainglorious system of society to this piffling existence. For what?

When this bit of mineral has been cut, scraped, and polished for a few months it becomes valued at £500, and is bought by a food profiteer or a land ogre to adorn the breast of some tenpenny-halfpenny woman!

The scheme of things is that men who could produce useful things such as houses or food, which are so badly needed by the million, are condemned to make toys for women who do no useful work whatever, and the toys are paid for by money acquired in the process of making necessities dearer still.

It seems to me that with the close of the great war, it is necessary the citizens of this nation should make up their minds whether they are going to continue the old rotten system of commercial speculation and grab based on the variety of individual aggrandisement, or to choose deliberately another system that will assure sufficiency for all before it allows luxury to a few.

*Diamonds before Dwellings! Stones before Bread. Vanity before humble Home-making.*

What is to be our choice? We are abashed if we see a haughty lady riding to some dance, her hair and bosom sparkling with jewels. We smile if we see a munitionette dressed in a second-hand fur coat. We grimace if we see some poor slut of the slums shuffling along the street in broken—down shoes.

We should reverse our attitude. The poor woman is poor because there are diamonds on her haughty sister's breast. She has less bread to eat because the diamond has been bought by profits made out of bread.

Is it not time, my friends, that we cast off all fooling, and decided that the haughty one should have no jewels until her sister's had proper clothing, a sufficiency of food, and decent houses to live in?

Diamonds or Dwellings—which is it to be?

[Mr. John Smith in 'the Co-operative News'.]

## The Madras Bulletin of Co-operation.

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[No. 2

### NOTES AND NEWS.

On seeing a letter in *the Hindu* by Mr. T. Raja Rao of Kambainallur, Salem District, in which strong exception was taken to our views regarding the undesirability of multiplying the number of Assistant Registrars, we have invited the opinions of prominent co-operators all over the Presidency on this important question of policy. In this number are published those of Rao Bahadur K. Ramaswami Aiyar of Madura, Mr. C. N. Krishnaswami Aiyar of Coimbatore, and Mr. M. S. Seshachela Aiyar of Tiruvannamalai. The first two of these gentlemen are among the oldest and most esteemed of our co-operators and we are sure their opinions will carry much weight both with the Government and the public. Mr. Seshachela Aiyar is an ardent co-operator who has done an immense amount of non-credit work in North Arcot District and is also an Honorary Assistant Registrar. He however, differs very much from our views. We have received opinions from several others and they will be published in the next number for want of space. Our readers will be able to find for themselves on which side is the balance of opinion.

Mr. Raja Rao charges us with a lack of correct appreciation of the nature and scope of the duties of the Assistant Registrar. If he means all the "duties" now discharged or taken up, we confess we cannot appreciate the need or desirability of their doing so. But as this point is discussed at length by Messrs. Ramaswami Aiyar and Krishnaswami Aiyar we leave it at that. Mr. Raja Rao says "the supervision by unions is still quite inadequate and perfunctory owing to the quality of supervisors we are as yet able to get and also to the lack of training for the governing body in methods of proper control and systematic management. The same may be said of the few Honorary Assistant Registrars. They are noble steeds full of spirit and energy but as yet unharnessed to practical

work." The training and appointment of supervisors are in the hands of the Assistant Registrars and if untrained and incompetent men are put in charge of supervision the blame rests with the appointing authorities. The same remarks apply to the case of Honorary Assistant Registrars. What qualifications are considered essential in their case the public does not know, but co-operative knowledge and experience do not seem to be among them. Any way it is not too much protection from the risk of making mistakes that will train up either the Unions or the Honorary Assistant Registrars. "Even the drunken monarch affecting the gods was advised not to disdain the good that gods gave." It is a beautiful sentence but somewhat ambiguous. Is it departmental gods that are here referred to? what is the good we are disdaining, is it the Legislative Council or the Assistant Registrars? We wish Mr. Raja Rao had been less figurative. Before we call a thing 'good' let us make sure it is so. But in the end he almost gives away his case by admitting that the increase of Assistant Registrars will encourage interference by them, though he thinks that this may be avoided to a great extent by careful selection of the officers and by 'a proper realisation of the work by those officers themselves as being more to inspire and guide than to control and check.' The best of Assistant Registrars are controlling and checking, not confining themselves to inspiring and guiding and Mr. Raja Rao too speaks of 'wise direction and sympathetic control' of unions as one of the duties now discharged by those officers in the appreciation of which we are supposed to be lacking. To inspire and guide we do not need a host of officers.

We are thankful to Mr. Seshachela Aiyar for putting the case for the multiplication of Assistant Registrars so fully and eloquently. 'The whole movement has to be run by an Assistant Registrar supplemented by such unofficial agency as may be available.' It is an Assistant Registrar's work to scrutinize 'every individual's credit, sanction loans . . . attend to disbursements of loans' etc. These sentences make us rub our eyes in wonder. Mr. Seshachela Aiyar has apparently forgotten the constitution of a Co-operative Society, not being a theorist, perhaps. If the whole movement had got to be run by the Assistant Registrar, we should have had no hesitation in bidding good-bye to it. Let Mr. Seshachela Aiyar peruse paragraph 192 of the Report of the Committee on Co-operation to which he

has referred and which is quoted by Mr. K. Ramaswami Aiyar and compare the duties of the Registrar enumerated there with the duties of the Assistant Registrar as enumerated by himself and find out the difference. An adviser and friend is quite different from master and controller. The Assistant Registrar is not intended to be a benevolent despot forcing good things down the throats of unwilling subjects, and generally he is not. He is expected to remember that Co-operative Societies are self-governing democratic institutions whose constitution must be respected. He ought to advise and persuade but leave the decision to societies themselves. According to Mr. Seshachela Aiyar the panchayats of primary societies and governing bodies of unions are of no use. Then why should not they be abolished? It makes sad reading. One would think the country was not fit for co-operation. We are sorry to have to deny him the consolation that the article in question was the opinion of a particular co-operator. Other co-operators too have been quite as heartless as ourselves. We should draw his attention also to another quotation from the Committee on Co-operation in Mr. Ramaswami Aiyar's article regarding the sanctioning of loans by the Assistant Registrars.

We hope it will be conceded that our Presidency is not particularly backward in education and enlightenment and <sup>What they do in</sup> that the people here are as capable of managing their affairs as in other provinces. <sup>Other Provinces.</sup> *Prima facie* there is nothing to show that we need more officering than Bengal, Bombay, the United Provinces, or the Punjab. From the reports of the Registrars for 1917-18 we gather the following information.

| Province          | No. of Societies | No. of Asst. Registrars.            |
|-------------------|------------------|-------------------------------------|
| Madras            | 2718             | 8 "                                 |
| Bombay            | 1650             | 2 "                                 |
| Bengal            | 3644             | 3 and 1 Personal Asst.              |
| Central Provinces | 3727             | 3 special officers and 1 Asst. Reg. |
| Bihar and Orissa  | 1724             | 1 Dy. Reg. 3 Sub-Dy. Regs.          |

We do not think any comment is needed. The figures speak for themselves.

Unfortunately neither all the annual reports of Registrars nor the annual Government of India Statement give the expenditure

incurred by the various provinces on the Registrar and his staff. We are therefore, obliged to seek the help of the Revenue and Finance Accounts of the Government of India, the figures supplied in which are necessarily not for the latest years. But they will indicate the comparative level of expenditure on Government staff. In 1915-16 the expenditure was as follows:-

| Province   | Exp. in Rs. | Province         | Exp. in Rs. |
|------------|-------------|------------------|-------------|
| Madras ... | 1,45,430    | Punjab ...       | 59,899      |
| Bombay ... | 1,00,862    | C. P. and Berar  | 98,457      |
| Bengal ... | 1,16,390    | Bihar and Orissa | 84,621      |
| U. P. ...  | 88,837      | Burma ...        | 1,31,518    |

In 1915-16, or at any time subsequently, Madras was not ahead of the other provinces in the number of co-operative societies. Burma raised its expenditure very soon and in 1917-18 it spent 2.46 lakhs against 1.90 lakhs of Madras. But we should implore the Government not to follow the example of Burma in this or in other matters. There every district officer is given a co-operative assistant and the movement is practically considered part of the general and revenue administration of the province. If we look for administrative light let it be from other quarters.

The minimum that an Assistant Registrar would cost is, we guess, about Rs. 10,000 to Rs. 12,000 a year. This would represent the annual interest at  $5\frac{1}{2}$  p.c. on about Rs. 2,00,000.

If the Government wanted to help housing Societies with loans without interest, it could help to the extent of Rs. 2,00,000 at the present rate of interest on Government borrowings instead of appointing an Assistant Registrar. If it lost not  $5\frac{1}{2}$  p. c. interest on loans but only  $1\frac{1}{2}$  p. c. and lent at 4 p. c. to the Societies it could lend to the extent of about  $7\frac{1}{2}$  lakhs. And for  $7\frac{1}{2}$  lakhs you could have 1000 decent houses for the poor in the City of Madras, at a cost of Rs. 750 per house, or 1500 houses at Rs. 500 each. We would respectfully put it to His Excellency whether he would like his Government to give the City of Madras an Assistant Registrar or 1000 to 1500 houses for the poor. We would also ask our brother co-operators and the public to say which they would have. With the political and administrative reforms so near at hand what is it that necessitates this hurry in the matter of appointing more Assistant Registrars? If we are not mistaken more urgent matters are held in abeyance on their account. Co-operation is to be a transferred subject. It is not

one that requires protection against the onslaught of the minister. The officers of the Co-operative Department need have no apprehension of trouble under the new regime. Why should not the matter then be left to lie over for a year or so?

\* \* \*

Sometime ago we published the prospectus of a proposed Central Co-operative Printing Press and we are now glad to announce that the application for registration is with the Assistant Registrar. We trust it will soon be registered. We beg to avail ourselves of this opportunity to appeal to all the societies in the Presidency to evince practical sympathy with the scheme by taking as many shares as their finances permit, and facilitate the early starting of work. It may also be incidentally pointed out, that in the proposed Central Co-operative Press the workmen will share the profits with the customers either in the form of bonus, or sickness fund or some other form. It will set an enlightened example in the treatment of labour for other presses to follow. It will try to give a living wage to the least of its workmen and by means of good treatment hopes to make labour more efficient. It is a cause which has a right to demand the support of all co-operators and we confidently hope that the support will be given.

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We have much pleasure in drawing the attention of our readers to an extract, published elsewhere, from a paper on students and co-operation by Rao Bahadur Naik of Belgaum which was read at the Coimbatore Circle Co-operative Conference in 1915. It has lost none of its interest in the long interval that has elapsed. We are glad to note that societies are gradually coming into existence in our educational institutions. The last number of the *Bulletin* gave particulars of the Kumbakonam College Society of which its popular Principal is the President. Now we understand that Salem College has organized a Society and the Wesley College, Royapettah, has sent up an application for registration of a Society. May their race increase!

\* \* \*

Dr. John Matthi Personal Assistant to the Registrar of Co-operative Societies, delivered a learned and instructive lecture on 'the Co-operative Movement', in the Y.M.C.A. auditorium. Dr. Gilbert Slater University professor of Economics, Presided. Referring to Dr.

Slater's wellknown opinion that co-operative stores should sell to non-members also, Dr. Matthi suggested a compromise, that non-members introduced by members might be permitted to purchase from Co-operative Stores for a certain period and for a certain amount in order that they might realize the advantages of becoming members. If they did not become members within that time the concession should be withdrawn. In order to make the stores popular, he advocated the distribution of bonus on purchases at intervals of three or six months. This would make the benefits of stores less remote in the minds of the members. We commend these suggestions to the Triplicane Urban and other stores.

The Mysore Provincial Co-operative Bank did not progress much during the last co-operative year owing to influenza and scarcity. Many of the affiliated societies lost their secretaries or directors and extensions had to be granted for the repayment of loans. In order to further its federal nature the Bank proposes to restrict in future the issue of its preference shares only to such persons as will be useful to the Bank either as depositors or otherwise. It will also make its ordinary shares transferable and not withdrawable and float debentures for two lakhs of rupees payable at par at the end of twelve years carrying  $6\frac{1}{2}$  per cent interest. It has raised the maximum dividend payable from 6 to  $7\frac{1}{2}$  per cent against the Registrar's recommendation. The Bank is right in holding that the share-holders could not be expected to be content with a dividend of 6 per. cent. when a higher rate of interest was paid on deposits. The Bank has a paid Assistant Secretary who inspects the affiliated Societies.

The Stores branch of the Sriviliputhur Co-operative Society regarding which the July number of the *Bulletin* contained a note by its President Mr. A. Srinivasachariar, sold during the last co-operative year rice of all kinds for local consumption worth about Rs. 6,400 and to outside societies worth nearly Rs. 13,000; gingelly oil worth about Rs. 5,600, and kerosine oil worth more than Rs. 2,000 making a net profit of Rs. 255. The gross profit exceeded Rs. 1,600 but contingent charges, 'undetected and undetectable pilferings', and establishment charges reduced it seriously.

At the Fifth Annual General meeting of the Vellinazhi Co-operative Credit Society, Malabar District, it was resolved to adopt join

purchase and sale. To begin with, they proposed to purchase and store paddy at the harvest season in order to benefit the poorer members. It is creditable of the society that it was able to secure enough local deposits to meet the wants of the members. The membership rose to 208 and the working capital now amounts to Rs. 8,492-4-9.

The Governing Body of the Natrampalli Co-operative Union, North Arcot District, has passed a resolution to the effect that Government be requested to order public servants concerned in Zamin, Inam, Surothram and Mitta villages, to notify to Co-operative Societies if any exist in them, in case of auction of lands for arrears of land revenue.

Government servants of every class in the Central Provinces are permitted to make investments in any duly registered Co-operative Store situated in the Central Provinces and Berar by the purchase of shares not exceeding Rs. 1,000 in value. Such stores are being started in every district of the Province.

"A Co-operative Hospital! That's where America beats us. We have our Convalescent Homes, but we have not yet built an hospital. At Eureka, California, there is a Co-operative Hospital. Started in 1906 by the Brotherhood of Woodmen and Sawmill Workers, with one doctor and one nurse, it has now seven doctors and a corps of nurses, with a training college and all the auxiliaries which go with Modern Hospital."—*Co-operative News*.

A Finnish representative at the Carlisle Co-operative Congress said that "Co-operators were powerfully represented in the Finnish Diet, and had been represented in all Government formed since Finland became independent; while in the present Government there were five co-operators. No Government could be formed in which co-operators were not represented. The Co-operative demands had been taken into consideration more or less voluntarily by all parties in the state."

The *Hitavada* of Nagpur has the following to say about co-operative stores "In this connection it may be pointed out that univer-

sity men may render valuable service, especially with education work of the societies. There is plenty to work for, plenty to fight for, with the object of leaving things a little better than we have found them. The very principle of self-determination of which one hears so much these days should induce people to be their own suppliers of their own daily needs through the medium of Co-operative Stores. If it is good to manage your own political affairs for yourself, if Self-Government is good in the political sphere, the consumers themselves taking up the work of supplying their own needs by means of Co-operative Stores ought also to be an infinitely better thing. The longer the chain of middlemen between the actual producer and the consumers, the higher is the ultimate price of the article to the latter. Co-operative Stores help in the knocking off of at least a few links in the heavy chain even in the beginning to the manifest relief of the consumer. But there are certain essentials, which expert Co-operators emphasize, must be fulfilled before we can expect the Co-operative Stores to confer all the advantages that we expect from them. People must disabuse their minds of the idea that stores are a place where you can buy cheap. Members do not buy their goods cheaper. They pay what they have been usually accustomed to pay, and the profits are *saved for them*. A great number of people have not the strength of mind to save in petty dribblets out of small earnings. The Store shows that people can save without laying anything by, and accumulate money without paying anything out of their pockets. This is the moral, social and salutary discovery which Co-operative Societies have made, and India ought to get the benefit of such a healthy movement. The following are the essential points. The Store must be open to all. It ought to charge ordinary prices. It requires cash payment and should ordinarily allow no credit. It gives dividend in proportion to purchases; and all have equal voting whether they own many shares or only a few. The Store sells genuine articles of full weight or measure and it must have an honest manager and an active Committee of management. Above all efficient stock taking and intelligent audit. None should come forward to take part in the Stores Movement unless they are prepared to actively insist upon all these things being done. The success of institutions depends on the men who are at the helm, and if these are properly selected they must have the confidence of the general body of members."

### ASSISTANT REGISTRARS.

I. BY RAO BAHADUR K. RAMASWAMI AIYAR, B.A. B.L., MADURA.

I have read with great interest the article on Assistant Registrars which appeared in the *Bulletin* of June last. I am in general agreement with the views expressed therein but as the matter is one of very great importance affecting vitally the future of co-operation in this Presidency, I propose to put my humble views before the public through the *Bulletin*.

Let us remember that the Co-operative Movement is essentially a concern of the people, a non-official movement. It is so all over the world, though aided by the State in some respects. The members are non-officials, the money comes from non-official sources, the constitution is democratic. The Government has been instrumental in introducing the movement in this country, is largely responsible for its expansion, does a good deal of propagandist work, is the auditing authority, and generally sees that the movement runs on right lines. While it should point out mistakes, teach right methods and give expert advice, any tendency to interfere too much with the management or to assume any function which legitimately belongs to the panchayat, or to exercise undue control over the societies should be avoided as much as possible.

The Co-operative Movement can never grow strong and self-reliant if the independence of the societies be interfered with or if the societies are not allowed to make mistakes and learn by experience. It cannot be disputed that an inspector or an Assistant Registrar will be able to manage the affairs of a society more efficiently than the panchayat. He may issue loans to members quite impartially, scrutinize the purpose closely, keep the accounts correctly and collect the dues punctually. But that will never make the societies self-reliant. It will not in any way increase the capacity of its members to manage their own affairs well, and bring out the latent capacities of the people. Though very serious mistakes ought to be guarded against, scope may be afforded for committing ordinary mistakes, for the lessons they teach us more than make up for the losses. And this is the aim that the Government has to look up to if the Movement should develop on right lines.

The Committee on Co-operation in para 192 of their report, have defined the functions of the Registrar as follows :—

"Under the Act it is the duty of the Registrar to receive and enquire into applications for registration, to register the by-laws of societies, and amendments to them; to audit the accounts or cause them to be audited; to make a valuation of the assets and liabilities to societies and prepare a list of overdue loans, to see that the Act, rules and by-laws are observed; to make special inspections when called upon to do so; to dissolve or cancel societies and carry out their liquidation. In order to fulfil his duties he must be continually studying co-operative literature, which is now most exclusive; he must make himself acquainted with economic conditions and practices both throughout India and in his own province; he must know the principles and methods of joint stock banking; and must examine the system of developing thrift and inculcating co-operation which have been tried in other countries. He is also head of a teaching establishment, and must devise effective means for impressing a real knowledge of co-operation on the bulk of the population. He has further to control a large staff, to draft model by-laws and rules to collect statistics and write reports, to advise Government on various subjects, and to keep in close touch with the higher finance of the movement as managed by Provincial Banks and Central Banks. In addition to this he must attend conferences, co-operative and agricultural, must keep in constant touch with markets, with honorary organizers and other well-wishers and various departments of Government, and must understand a certain amount of writing and reading for the official press and co-operative journals. As Mr. Wolff has put it to us, the Registrars should not be set down as officials, but as guides, philosophers, and friends to the societies, appointed and paid by the State. It must further be remembered that there is no finality in the Registrar's work and he can never feel that it has been cleared off and brought up to date. He will always feel the need of wider reading and of giving more and more supervision and teaching to the societies. New means and methods to obtain fresh ends must be constantly discussed and devised. His work is, moreover highly responsible involving a watch over large sums of money deposited by the public and a share in the responsibility for the economic fate of a province. It can well be realised that few officers are entrusted with work more serious or more exacting."

But on a close examination of the working of the movement in this Presidency we cannot but notice that the functions that are now being exercised by the Assistant Registrars and their inspectors sometimes overlap those of the panchayats of societies and which tends to weaken a sense of individual responsibility on the part of the managements of the societies and thus prevent a healthy growth of the movement from below. The object to be aimed at is to make every society completely autonomous and self-reliant. No society whether it be a primary one, a Supervising Union, a District Bank or a Provincial Bank should feel that it is subordinate to any other institution or to the departmental officials. So long as this principle is not strictly adhered to we cannot say that the movement is progressing on correct lines. The feeling that ought to be created among societies of the various types must be one of brotherhood. They must be required to deal with each other on terms of perfect equality and should never allow a feeling of subordination to be entertained anywhere. Neither the society should feel that it is subordinate to the Supervising Union or the District Bank or the Government Inspector, or the Assistant Registrar, nor should any of these assume an attitude towards the society which will give even a semblance of as one institution controlling the other. It is unfortunate that this feeling does not exist in the majority of cases in this Presidency. Every society must be made to feel its own internal strength and should not entertain a feeling of dependence upon another, as for example if a society should borrow from another institution it should be made to feel that its credit is able to secure the money rather than a philanthropic Central Bank or a philanthropic Government official secures it for it. This will only breed a feeling of helplessness and a sense of dependence on the part of the societies. It is in this view that I have not been approving the policy of the Assistant Registrar, or the Government Inspector interfering with the disposal of loan applications. We have seen instances of Government Inspectors and the Assistant Registrar interfering with loan applications after they are sanctioned by the panchayat of primary societies by scoring out particular cases and sanctioning only the rest without even communicating the reasons to the societies. If the Supervising Union or the District Bank should find out if in any case the panchayat have not dealt with individual cases properly it is the duty of the Union

or the District Bank to point out the mistake and request the society to revise their decision. On this point the Committee are emphatic. "We have found that in many cases it has been the custom for an application by a society for a loan to be adjudicated on by the Registrar or one of his staff, and for the work of the Central Bank to be limited to paying over the amount of the loan sanctioned, if it had in hand the money to do this. The procedure seems to be entirely wrong. The money is the property of the Central Bank which is responsible for it to its depositors and share-holders, and as it has the responsibility in the matter, so it should have the discretion. We have already expressed the view that the Registrar should impose a limit beyond which a society should not borrow, but we think that within this limit the Central Bank should have full power to deal with all applications by societies for loans, and that with this should be coupled the duty of supervising the societies to which it makes these loans. It is however, necessary the constitution and directorate of the bank should be such as to enable it to discharge these functions to the best interests of Co-operation."

Similarly, there are certain by-laws which require one society to address another only through the Assistant Registrar and this is not a sound policy in my opinion. Unless unions, primary societies, District Banks deal with each other directly a feeling of brotherhood and community of interest cannot afterward be created between them. It will never promote harmonious relations between one society and another.

The appointment and dismissal of subordinates must be left entirely to the panchayat. Generally the appointment of supervisors is actually retained in the hands of the Assistant Registrar. The proper course will be for the Union to make a selection out of a list of qualified men certified as such by the Registrar. There are also cases where the administration of the unions is left practically in the hands of the Government Inspector. More instances may be pointed of other functions being assumed by the departmental staff which do not legitimately fall within their scope. If some of the functions that are now exercised by the Assistant Registrars are to be taken away from them as not coming properly within their scope, the work of such officers will considerably be lightened. So in this view the proper criterion will be how many societies can be

properly attended to by an officer holding the position of an Assistant Registrar. In my opinion he can attend to from 500 to 700 societies.

As regards recruitment I agree with the suggestions contained in the article, but would like to add that a larger number of officers should be recruited from the staff of Government co-operative auditors now called inspectors whose pay and prospects require complete revision.

## II. BY MR. C. N. KRISHNASWAMI AIYAR M.A. L.T., COIMBATORE.

In the June number of the *Bulletin*, there is a short article on 'Assistant Registrars', which deserves careful reading and thinking by every co-operator who wants to improve the machinery.

But on this question, as on every other of a similar kind, opinions must necessarily become divided according to each one's 'angle of vision', and consequently as each one is inclined to adjust emphasis on the official or the other side. Happily however, the Government of Madras (and even the Board of Revenue, while it had something to do with co-operation) have kept telling us year after year that the movement is 'of the people and for the people' and ought in the long run be managed by them, more or less exclusively, the position of the Government through its departmental head being confined to keeping societies from nodding or moving along wrong roads, and performing the minimum of statutory functions under the Act.

Well, this leaves no room for doubt and the ideal set forth is sure enough the ideal for the official as well as non-official co-operator. If then divergence of views arises, as it has evidently done in the case of the article under reference, it must be due to the methods adopted or proposed to be adopted by the Government to carry it out. We are told that one Assistant Registrar to every one district is the aim which the Government propose to keep in view and it may be assumed, in the absence of any statement to the contrary, that most of them will consist of Deputy Collectors of standing. This means a mighty addition to the cost of maintaining the Department, which the Madras Government at all events has never liked. Since however, they have evidently gone in for it, they must have had weighty reasons to justify it, though the only one known to the public happens to be the flimsiest—i.e., that the scheme was adopted in deference to the wishes of the 'Honorables,' who clamoured for it in the Legislative Council!

Accordingly, it behoves us to try and find out what our aim is and has been and whether the means proposed will secure it. The writer of the article under reference has no doubt made his meaning clear, but a fuller examination of the question seems very necessary.

In the first place, it may at once be stated that thoughtful men almost everywhere in India have long ceased to look to the Imperial Committee's Report for inspiration or guidance, in this behalf, at all events, for that Report was meant to create quite a legion of Registrars and Assistant Registrars and other high functionaries with salaries, offices, touring arrangements, leave and other privileges, unheard of in any other public department. We shall therefore, have to put it on one side and trust to the experience of the past fifteen years, as well as our little bit of reading and thinking to guide us aright.

Leaving the first three or four years alone, when the Department was amorphous, for about ten years past, the Assistant Registrars have made their existence felt and have been practically so many representatives of the Registrar in all except the work of liquidation. They have been organising, financing, controlling and teaching. They have arranged for conferences, guided their deliberations, warned and punished panchayatdars, carried the light of Co-operation into many a dark region and have travelled ceaselessly. Of course, as their number multiplied, the quality of the work, as well as the quantity, has necessarily varied and they have come in for a good deal of criticism, more or less well founded. At present they still continue to be Registrars of the second magnitude and there can be no prospect of their nature and functions altering much in the near future, especially when each district is provided with one Assistant Registrar, drawn in all probability from the Revenue Department.

Whatever the ideal, the chief actual functions of the average Assistant Registrars have been :—

- (1) control of existing credit societies.
- (2) organising new ones.
- (3) visiting new areas for propagandist purposes.
- (4) organising conferences and adopting other educative means.
- (5) carrying out the orders of the department in regard to general policy or special orders of Government, including audit and statistics.

- (6) helping Central Banks with Loan Orders and other methods of spending the money got or getting money for them to spend ; and
- (7) in a small measure forming or helping to form societies, for other than credit purpose.

Let us take this one by one and examine them with a view to satisfy ourselves whether the multiplication of paid Assistant Registrars is the right method of gaining the end in view.

(1) The existing societies doubtless need and will always continue to need regular and in some respects close control. But experience has already shown that local unions properly constituted and allowed healthy autonomy in most internal matters, are the proper agents for this purpose. Where District Banking Unions come in, they may be trusted, with some sympathetic effort at the outset made by the Department, to be able to manage their common affairs quite well, so that as we move forward the Assistant Registrars will and ought to have less and less to do with societies or unions on this account. Their number therefore, needs only to be lessened in course of time on this account.

(2) The organising of new credit Societies is even more legitimately the function of local unions and the district union for very obvious reasons. Local knowledge, which herein is the factor that counts, is best found in the local unions, and between local and district unions they ought to be able to manage organisation very satisfactorily. For some years to come however, some checking by the Department may be desirable and a good inspector, paid adequately and able to keep up self-respect, will more than suffice to do it. So the Government need not worry over this part of the Assistant Registrar's business.

(3) As the areas already tapped are provided with local unions and as these multiply in a given area, dark and absolutely new corners must get less and less and propagandist work thrown on unions and their agents. Whatever therefore the need or the value of this kind of activity on the part of the Assistant Registrars in the early years of co-operation, (and we may ungrudgingly give the first race of workers their due), that need is not felt with equal force now, and of all kinds of co-operative activity this particular one had best pass on into non-official hands, if co-operation is going to be worth the name.

(4) Except in backward localities where pulling up is still necessary, Conferences are and ought to be a concern of societies themselves under more or less non-official lead. There have been complaints heard here and there that the hand of the Department makes itself a bit too manifest in connection with conferences and their deliberations and the only legitimate work of the Department is to see that the Act and the Rules are not in any way violated. So no case can be made out for adding to the number of Assistant Registrars on this ground.

(5) The Departmental head on his own initiative or at the instance of the Government, often lays down policies or issues circulars and as a rule passes final orders in regard to liquidation proceedings, and the Assistant Registrars have been the channels by which the intentions of Government and the Departmental head are sought to be carried out. It may be conceded that this is in respect of this work, the right method of doing things, except in the matter of liquidation, in which case there has been some difference of opinion, some holding that non-official agents are quite as capable of serving as liquidators as officials. But this surely can no wise justify the multiplication of Assistant Registrars.

(6) Central financing banks have till now doubtless been helped (and hindered also!) by Assistant Registrar, through whom alone disbursement has been mainly possible. But the larger question of financing the movement is on the highroad to being solved by the Presidency Co-operative Bank or the Federal Bank the formation of which has been in the air for sometime. On the other side disbursing to primary societies is fast passing into the hands of the District and local unions and very properly too. Then again the question of assessing each primary society's credit once a year and the division of loans into short and long term ones, and the allowing of annual cash credit to primary societies at least for short term purposes are all measures calculated to lessen the work of the Assistant Registrar as well as of the unions, so that Assistant Registrars need not multiply on this, till now the most onerous, account.

(7) There remains but one other ground which may seem to justify the presence of paid Government experts, *hic et ubique*. It is the need for diverting co-operative activity into other and more difficult channels. That there is very urgent need of co-operative activities

showing themselves useful in production and distribution, the former including agriculture and manufactures needs neither assertion nor argument. We have been crying ourselves hoarse over it. But whether the multiplication of the Assistant Registrars, such as we have had till now is the best method of developing co-operation in respect of the vast and untrodden fields, is not quite so manifest to us as it apparently is to those who want Assistant Registrars to be multiplied. On the other hand, officers from whatever department who have discovered aptitude of any kind have to be given suitable training, each in his own line and employed in select areas, not necessarily a district, and allowed to develop his favourite line in that area. For instance, there is Dr. John Matthai who has shown special aptitude for tackling questions connected with distribution. It is desirable therefore, that he should be allowed a free hand to multiply the stores movement and organise a wholesale for their benefit and develop it further. Or there is Mr. A. Vedachala Iyer, who has shown special interest in organising societies for the depressed classes and in Co-operative Insurance. It is time that these specialities had been put to the fullest use. There are again men personally interested in the improvement of agriculture, whether belonging to the agricultural Department or no, and it is high time that the officers of both the Departments had been brought closer together and work systematised, and pindareism banished or lessened. Then there is the great question of weaving and one or more capable hands to be detailed for its benefit, cannot be said to have begun there work one minute too soon.

It will therefore, be observed that considered from any point of view, there is no further need of drawing highly paid men from the Revenue Department, especially if those already in service try to make out a case for it. If the declarations of the Local Government and the Revenue Board already mentioned are meant in seriousness as we have strong reasons to believe they are, the business of the Department consisting of the Registrar and his assistants ought always to be exactly the business of the good schoolmaster, which has been described as making himself as far as possible and as early as possible useless to his pupils! And the work of every paid servant of Government must be appraised, in this department at any rate, according to the degree to which he has made himself *useless* to his charge. And whenever

an Assistant Registrar complains that he is killed with work, after having remained in a particular charge sometime, he must be regarded as a wrong man and sent back to the work for which he is fit.

The charge of official Bahadurism is a very old charge and it has been more and more in evidence in recent years in most departments, partly because people have ceased to believe in their divine right to command, and partly also because latter day officials have as a body inherited only the weak points of the older race and but few of their redeeming qualities. Consequently the Revenue Department is not the best field from which to draw men for co-operative work. It may indeed be said to their credit that for the traditions inherited by them, the dozen or so Assistant Registrars who have been tried so far, have succeeded much beyond expectation and have humanised themselves in a marvellously short interval and have on the whole done well; but the fact remains that there have been cases in recent years, which force one to look upon their multiplication with dislike and conclude that it had better be opposed in the best interests of the movement. Cases have been known where good co-operators have been bullied, have had Revenue summons served on them and otherwise maltreated, all for having dared to carry out by-laws which the paid officers had violated. That surely is not as it should be. Again, whatever the number of Assistant Registrars, the recruiting almost exclusively from the Revenue Department must cease and the Pariahs of the Department be encouraged much more, according to the merit discovered in them. One officer of the Registration Department in the Coimbatore District has been responsible for more than forty societies, and, wherever he goes, he is still organising, and every body who knows him, wishes so much he had been an Assistant Registrar of Co-operative Societies. And why should he not be?

In all that has been said here the substitution of the Honorary Assistant Registrar for his paid compeer has not been touched upon, because the writers view in that behalf have been expressed more than once in public. There has been one dissenting note to it in a Madras daily quite recently but the writer seems to argue having but one unhappy choice in view. Even supposing that at the outset non-officials do not prove in this work equally successful with the official executive, which can hardly be said to have been proved, it is

highly desirable that they should be tried in increasing numbers and liberally allowed to make mistakes. Of course the making of mistakes has got limits beyond which it cannot be allowed to go, but within those limits the privilege should not be withheld. A Central Bank for instance has small quarrels with its primary societies and, left to themselves, the parties are bound to agree soon. But they are not left to themselves. A paid inspector is made Secretary and he cares neither for the one nor for the other. Another Central Bank wants to set apart a Building Fund or distribute dividends without violating any known rule, but it is not allowed to do without special approval, goodness alone knowing why. This kind of thing must cease and one test that may be laid down of the movement having become non-official is the infrequency of the Department meddling in local-quarrels. And it behoves non-official Co-operators, if they want to make the movement a real success, and develop character and self-respect among the masses, never to hesitate to draw the attention of officials, however high-placed, the sins of officialdom wherever it is exhibited, and get them rectified, even if it involves immediate and personal sacrifice of some kind.

### III. BY M. S. SESHACHALA AIYAR, HONORARY ASSISTANT REGISTRAR; TIRUVANNAMALAI.

Your kind letter to hand and the article you refer to was read by me. Many of the points raised therein may not be in my opinion acceptable to all the co-operators. The functions of an Assistant Registrar are not clearly understood and only a few people connected with the internal working of rural societies know how the whole movement has at present to be run by an Assistant Registrar supplemented by such unofficial agency as may be available. The condition of management of a society is very far from what a theorist may believe it to be in many cases and the Unions exercising supervision are only in the training ground and very much depends upon the personal constituting the Governing Body of such unions. The Assistant Registrar has to practically train the Governing Body members of a union and educate them to supervise the societies critically. As a Secretary of a union I can assure you that I find no leisure in my work of controlling 40 societies in a Taluq and I am to keep straight the work of the Secretaries or Panchayats of village societies also. I have

to pay attention to every individual loan applied for, because the one man of the society if irresponsible, wants to favour a few undeserving men at the cost of the unlimited liability of the masses. If this is not done, the consequences are serious and instances are not wanting where for the misbehaviour of one or two members the innocent public had to suffer. But only by educating the masses by our advice and asking them to realise their responsibilities, the management may be really undertaken by them little by little. If the Union Secretary with a few societies under him, is so much over-burdened, when he understands his work, and does it well, what will be the volume of work to be done by an Assistant Registrar, if he is to attend to the functions of Unions also, can be adequately gauged. Your argument that an Assistant Registrar may be in charge of 400 or 500 societies is impracticable at least under the present condition of societies and unions. An Assistant Registrar's work is to organise more societies, scrutinise every individual's credit, sanction loans, direct the supervisors and inspectors through the unions to supervise and inspect societies, attend to disbursements of loans, attend to organisation of more societies, introduction of non-credit functions, facilitate joint sale and purchase, plead for societies in the District Bank and convert them into co-operative institutions; find sufficient finance in the District Banks for adequately meeting the demands of the societies, visiting bad and indifferent societies and remodelling the same and finally making the statutory audit, besides attending to arbitration work and the liquidation of societies where registration has been cancelled. The function of an Assistant Registrar can never be exhaustively specified except by stating that it depends upon the responsibility and sincerity with which he feels for the advancement of the movement. I have known Assistant Registrars dreaming of Co-operation even in their sickbed, talking, discoursing, eating and digesting co-operation and always full of co-operation in their brains; such sincere apostles of Co-operation are found among them, and I am sure that the present officers are picked men of long experience from Government service, and that is responsible for the satisfactory increase both in the number and transactions of societies. Supervision by non-officials in the place of an official is at present almost nil in effect and we have not a large number of men who are able to devote much time and energy in the cause and if at all we

can speak of a few of them, they are not in a position to attend to the important functions of supervision etc., as an official would do. Besides, the Assistant Registrars have to be in full knowledge of the economic condition of the country and be acquainted with the laws and regulations in force in the country.

The Committee on Co-operation has rightly after due enquiry recorded in para 191, that the development of co-operation could not be recommended without an adequate and efficient staff of Registrars and also they opined that they could not either recommend for the disappearance of the Government Department or transference of its functions to non-official agency. They recommended the appointment of a Joint Registrar. There were only 1338 societies in the presidency when the Committee made this report in 1914 and there were one Registrar with 3 Assistant Registrars and 60 Inspectors at that time. We co-operators have unanimously on many a time, come to the conclusion that the older societies came to grief only on account of lack of supervision in their inception owing to then adequate staff of Government Officers. To day we have more than 3 times the number of societies many of them attempting to extend their activities in various directions and unless and until they are advised and conducted on right lines, the enthusiasm now prevailing in the movement will get flirited and the progress will be stunted. Further, whenever new sections are created, a number of societies are organised and the movement is expanded. The history of the movement in almost all districts will clearly give out the fact that the creation of separate sections in charge of Assistant Registrars has caused the expansion; and incessant supervision over older type of societies had saved the serious loss to many an ignorant ryot by the unlimited liability. The stage now is that the department has taken up in earnest the work of trade as will be helpful to the agriculturists. And this is a difficult function and will require a large amount of help by Government Officers. So I am of opinion, Sir, that every District should have an Assistant Registrar not below the grade of a Deputy Collector and the inspectorial staff should be increased at the rate one for every 40 societies if we are not to repeat the blunder of the past. The Unions are to be educated to supervise the societies and take up such responsibility and the

Government Inspectorial staff will attend to the expansion and and statutory inspection and audit of the societies and supplement the work of the Unions. The Honorary Assistant Registrars may be trained to do the duties of the Assistant Registrars and there is no use of devolving all the functions upon them unless they are able to devote their whole time for the cause. Such men are not available in every District. So, if whole time service is required of any one he should be adequately paid. When payment is demanded, I do not think it is in any way wrong to recruit from public service men of proved ability. The duties of an Assistant Registrar is prescribed in para 192 of the Committee's report and in the face of it, I do not think that any body who has interest in the cause of co-operation will object to the increase of the number of Assistant Registrars if he really wants the expansion of the movement. To make it democratic will be more easy if the movement is made secure and more honorary workers become available.

I do not think an Assistant Registrar will ever needlessly interfere into the affairs of a society and wherever there is a cry of undue interference, it is a point for sending it up to the Registrar who will avoid such interferences being repeated. In some cases, such as on behalf of the ignorant majority against the influential minority, it seems to be required and the fear that the increase of officers will lead to interference has yet to be proved.

On the whole, I am of opinion that the article in question is sure to affect the progress of the movement especially when the Government which was not liberal in the past, hopes to show more liberality now, and I hope you will kindly intimate to the public that the article in question was the opinion of a particular co-operator. And I also hope that this matter may be brought before the next executive committee to discuss the points raised in the article and send a decisive resolution to the Department.

### A TEACHERS' CO-OPERATIVE STORES.

BY A BELIEVER IN CO-OPERATION.

At 6 p. m. on Wednesday the 20th of August 1919, in the Upper hall of the local Town High School an interesting little function took place *viz*, the formal opening ceremony of the 'Kumbakonam Teachers' Co-operative Stores Ltd., which was duly

registered on the 7th of June 1919 under the Co-operative Society's Act of 1912 as No. 3715. There was a gathering of over 100 school masters representing all ranks of the profession who have all of them taken one or more shares in the stores. The proceedings commenced with Mr. R. M. Statham the popular and sympathetic Principal of the local college being formally voted to the chair; and the proposer a firm believer in co-operation, observed, in the course of his remarks, that co-operation is not a mere theory but a practice in which the high ideal of duty and unselfishness which can be expressed through a co-operative society will not only help to solve many of our social problems but make us better citizens, and life itself richer and nobler. He said it was a happy augury of the times that so many men of culture and learning were met that day, to found an institution which would not only exert a powerful influence on the social condition of the people around, but would also form a training ground for many a future citizen in matters social and economical. Mr. Statham having taken the chair called upon Mr. K. S. Narayanaswami Aiyar, B. A. L. T. the president of the managing committee to give an account of what had been done since the registration of the society. He then gave a very brief account of how the idea of starting a co-operative store originated independently from two different quarters *viz*, the Town High School, Kumbakonam, and the Elementary Teachers' Association of the Kumbakonam Taluq, how both the groups of people were striving each in their own way to start a store and how they held meetings discussions and lectures, which finally led to the opening of a small "grocery shop" by each of the two groups referred to above even before formal registration. When the Assistant Registrar received two applications from two different groups of teachers in the same locality both adopting the same rules and the same line of action he came personally to Kumbakonam and interviewed the organisers of the two societies and advised them strongly to unite into one society pointing out that there ought not to be *competition* among *Co-operators*. The two societies were accordingly amalgamated into one, bye-laws were suitably altered and the society registered as "The Kumbakonam Teachers' Co-operative Stores Ltd.," In the first meeting of the signatories to the application for registration, presided over by the Assistant Registrar a committee of six members was formed with Mr. K. S. Narayanaswami Aiyar as President and Messrs. S. Sarangapanay Aiyangar, B.A.,

L.T., and S. Venkatarama Ayyar, as joint Secretaries. The directors resolved to formally open the united stores for business as soon as Rs.500 should be collected as share capital. This modest amount was rather hard in being collected and nothing but the zeal and the earnestness of the President and the two secretaries could have accomplished the task in such a short space of time. Now, there are about 150 members; most of them being poor are allowed to pay their shares in easy instalments. Mr. Statham was then requested to declare the stores open. The tiny room containing the collection of groceries that formed the stores is an outhouse attached to the Town High School hired temporarily at a monthly rental of Rs. 3.

Mr. R. M. Statham after a short and sweet address to the teachers assembled there on how the co-operative distributive store originated in a humble manner in its original Lancashire home—Rochdale—by the sagacity of a few weavers out of employ, how it spread all over the world and how in the Oxford University so recently as 1913 they have organised a co-operative store proceeded to the stores room accompanied by the members of the managing committee, saw a little puja performed by one of the secretaries, and then declared the stores formally open. He also made the first purchase—two visses of sugar—and the same was carried to the upper hall in a silver tray to be distributed to the members assembled. At the same time pan supari and sandal were distributed to the audience and finally M. R. Ry. Rao Bahadur S. Appu Sastriar garlanded the President of the evening after a felicitous speech complimenting Mr. Statham on his readiness to actively help in any undertaking that makes for progress in this town however humble it may be. Before the meeting terminated Mr. Statham read to the meeting a leaflet entitled “Co-operators’ Ten Commandments” printed copies of which were circulated to all who were present by one of the members.

After the termination of the meeting the members crowded into the stores to make their first purchases; most of the members had to wait on the roadside the room being too small to accommodate all the members that were present. The directors have since resolved to go in for a pretty big house and have already employed a salesman on Rs. 10 per mensem and an accountant on Rs. 15.

Although thus the stores has commenced its work in right earnest many members fear that there may be many obstacles of a seri-

ous nature which they may have to get over before they can say with confidence that their co-operative store is come to stay; some are reminded of the failure a few years ago of a co-operative store which had to retire in peace after a short-lived activity for a few months.

Those who entertain such fears must only take a lesson from the pioneer co-operators of Rochdale who, we are told, by their inspiring historian, enjoyed no favour from nature or accident but were tried like other men and had to combat all the ordinary difficulties incidental to such undertakings in their initial stage. Mr. Holyoake says of them, “The smallness of their capital compelled them to purchase their commodities in small quantities, and at disadvantage both of quality and price. In addition to this some of their own members were in debt to their own shop-keepers, and they neither could nor dare trade with the stores. And as always happens in these humble movements, many of the members did not see the wisdom of promoting their own interest, or were diverted from doing it, if it costs them a little trouble or involved some temporary sacrifice. Of course, the quality of the goods was sometimes inferior and sometimes the price was a trifle high. These considerations, temporary and trifling compared with the object sought, would often deter some from becoming purchasers, for whose exclusive benefit the store was projected. If the husband saw what his duty was, he could not always bring his wife to see it; and unless the wife is thoroughly sensible and thoroughly interested in the welfare of such a movement its success must be very limited. If the wife will take a little trouble and bear with the temporary sacrifice of buying now and then an article she does not quite like and will send a little farther for her purchases than perhaps suits her convenience, and will sometimes agree to pay a little more for them than the shop next door would charge, the Co-operative Store might always become successful. Pure quality, good weight, honest measure, and fair dealing within the establishment, buying without higgling, and selling without fraud, are sources of moral and physical satisfaction, of far more consequence to a well-trained person than a farthing in the pound cheaper which the same goods might elsewhere cost. How heavily are we taxed to put down vice when it has grown up yet how reluctant are we to tax ourselves over slightly to prevent arising.....In this respect the Co-operative Stores have educated their associates and customers to a higher point of character.

The first members of the store were not all sensible of this and their support was consequently slender like their knowledge. But a staunch section of them were true co-operators, and would come far and near to make their purchases and whether the price was high or low, the quality good or bad, they thought it was their duty to buy. The men were determined and the woman no less enthusiastic, willing and content".

How quickly would the 'Kumbakonam Teachers' Co-operative Store' progress if only this lesson of the pioneers be kept constantly before their minds. We wish the store every success.

### THE NEED FOR CO-OPERATIVE EDUCATION.

BY R. SRINIVASA AIYANGAR, B.A., B.L.

While it is too late in the day for one to dilate upon the vast possibilities of the Co-operative movement in its various sides of activity, what strikes one as curious is the lack of proper understanding of many of the elementary principles of co-operation in several parts. Although what I am going to say may not apply as a whole to other parts, they have particular reference to a large number of societies in the area in which my humble work as a co-operator has to be done.

In one of my visits to a society more than five years old, a gentleman who has been a panchayatdar all the time asked me the purpose of accumulating a reserve fund. I asked him if he has ever read the by-laws. I was not surprised when he said no. I then took the opportunity of explaining to him and to the other members of the society that were there the need for building up a powerful reserve fund and the benefit that could be derived from it even if there were no loss to the society at any time.

Every organizer of a rural society can recollect the sort of feeling created in every village when the term unlimited liability was explained to the applicants. In fact, I was once told that it was not at all advisable to explain that term to begin with.

In a credit society the most important thing to be done by the panchayat is to fix the amount, the time of repayments of instalments of principal and interest for every individual loan. But very often even

the purpose of the loan, whether it is for productive or even necessary purposes is not ascertained. Very little care is taken in fixing the instalments and the time for repayment. The position, the capacity to repay, the period when the borrower can have his produce sold profitably are things that are never thought of either by the panchayat or by the borrower. The maximum period allowed by the by-laws or a stereotyped period of one year or two years is fixed mechanically and it is no wonder we find overdues all round. If only these details are properly studied and settled when every loan is advanced the rest of the work may be taken as done.

Another fact that is very often noticed is that wherever share capital is payable by instalments the subsequent instalments after the loan is advanced are very rarely collected. The member does not think of the society once he has got the loan from out of it. The panchayatdars cannot afford generally to press for payment, for asking another to pay is, except in rare cases, paying himself.

The most important thing, but at the same time the least cared for, is the use of a Co-operative Society as a means of thrift and self-help. It is only in exceptional cases one finds any considerable amount invested in a society as a provident deposit. Fixed deposits are rarer still, and the provisions for savings or recurring deposits are seldom taken advantage of in rural societies. To an ordinary member or even to panchayatdars the society is only an institution which lends him money at an easy rate of interest and it is nothing more to him.

Similar instances can be multiplied to any number. I can assure such of my readers that have not the experience of such societies that if in this description there is any error, it is certainly not on the side of exaggeration. My object in drawing such a gloomy picture is to suggest and to invite suggestions to improve rather than to condemn these institutions.

One remedy that suggests itself is to educate the people in co-operative principles. But how to educate them is the question. It is the opinion of some people whose opinions are entitled to the greatest respect, that the supervising or inspecting bodies must never try to spoonfeed these societies. It is better, they say, to leave them to themselves so that they may learn by experience or even by blunders. At the same time we see in some provinces societies consisting of

purely illiterate members working splendidly and the services of the union is required only to have there accounts written up once a fortnight or so. On the other hand instances of societies consisting of literate educated people are not wanting in which any amount of external influence is not able to achieve any improvement. What then is the reason for this? I think the reason for the success or failure lies in the degree of co-operative training that they have had and in the amount of co-operative education they had received. Even now here are several educated men with ample time at their disposal who do not care to bestow one thought on this great and useful movement. Nothing would help the further development of the movement as the education of the masses in co-operative methods would do. The condition of things in rural societies and very often in urban areas would be quite different if in every society we have one man who is a sincere co-operator, to whom co-operative work is a labour of love. Till this aspect of the question is attended to and the condition improved the movement will only of spread at half speed.

One thing which would go a good way to remedy this suggests itself to me. That is, in every elementary school a course of lessons of elementary principles of co-operation, with some details as to the main principles of working primary societies may be introduced. If the educational department could see their way to do this, it may not be difficult to compile small hand-books in vernacular languages for use in such schools. Then in the course of a few years we may expect to find at least one or two men in every village society who know what they are about when they transact business in a co-operative society. It cannot be denied that this subject is as useful to the ordinary villager as any other subject now taught in an Elementary School.

I have confined my remarks to a purely credit society. Every co-operator knows that the working of other kinds of societies are more difficult and require more insight, tact and ability than a purely credit society. So all these reservations would apply with more force to such societies.

May I therefore, take the liberty to suggest to all co-operators, and to the officers of our department the desirability of addressing the educational department about this matter which in my opinion is worth a trial in all seriousness

## CO-OPERATION AND SCHOOL CHILDREN.

BY RAO BAHADUR R. G. NAIK, HONORARY ORGANIZER OF  
CO-OPERATIVE SOCIETIES, BELGAUM.

Now in the beginning of the movement we have been in touch with only the adult population in the matter of co-operative education. Our success comparatively varies with the condition of the people in different localities. But to proceed on systematic lines and to educate the people in the matter of co-operative education we should in theory and practice begin with our growing generation. I mean our children as we do in the matter of education in general. This is the second step, I suggest to make co-operative knowledge among the people thorough and efficient, the first step being universal primary education by compulsion if not by persuasion. If we are, thus, to give education in co-operative principles to our children, the first step that suggests itself to us is to introduce some instruction on the subject in the school curriculum by the insertion of lessons on co-operation in the school books. This has been advocated at several conferences of co-operators, with the object of making our younger generation fit to be strong co-operators when they are sufficiently advanced to take to practical methods in co-operation. Will such lessons or independent text-books alone bring about desired end? The knowledge thus acquired is likely to be forgotten by the children if the principles are not thoroughly implanted in them by practical methods. While the above considerations were thus engaging my anxious considerations about a year and a half ago, I happened to visit a small Co-operative Credit Society of agriculturists in the little village of Mugtkhan Hubli in my District. While I was holding a meeting of the village co-operators in the school premises of the village the schoolmaster drew my attention to a tiny society of his school children formed by a boy of his school, who happened to be living in the house of the Secretary of our Society. This little young boy by attending some co-operative lectures and grasping the principles of co-operation had collected Rs. 10 from different boys and he called it their deposit money. With this, he began to purchase wholesale paper, holders, pencils, slates, books, etc., required for the members from the district town which is only 17 miles from his village through persons who often frequented the district town

for their business purposes. By purchasing the required articles wholesale, they got them cheaper. Sheets of foolscap used to be sold at 3 per pice in the village. The boys now sold them at 4 per pice. The same was the case in the case of the other articles. They purchased and distributed among themselves the best articles in the market. The discount of 10 per cent or more which the book-sellers allowed on the purchase of books to the middlemen now went into the pockets of the boys. The profit the boys thus began to make, attracted the attention of other boys and their parents. The members thus increased. They kept full accounts of their transactions on the method of book-keeping taught in the school. Their teachers encouraged the new venture. Rejoiced to see children taking up thus to co-operative methods and believing as I did and still do, that practical education in co-operative methods thus derived would aid them to become efficient co-operators when they are called upon to take up the duties in course of time, I successfully tried to enlist the sympathies of the higher educational authorities through the Registrar of Co-operative Societies of the Province. The idea spread in all important village schools in the District with the result that in less than a year, school boys in 73 schools in the District formed such Co-operative Societies. The best among these is the Sankeshwar School-Boys' Society. Their paid up capital is Rs. 100. Last year after the Annual Examination of the school was over, this amount was not sufficient to meet the demands of the children for books. One local Sowcar advanced these children a loan of Rs. 200 solely with a view to test their business capacity for the purchase of the required books. They ordered the books wholesale, and enjoyed the full benefit of the discount allowed by book-sellers. The loan was repaid within two months. The business thus conducted brought in at the end of the year a large profit with the result that each individual member of this Childrens' Society earned a profit of 3 annas 6 pies per rupee on the value of purchases made by him during the year. Thus the average profit was about 23 per cent. The other societies in the district have been doing business and earning about the same profit. Their capital varies from Rs. 10 in the case of small schools to about Rs. 100 in schools largely attended. The statistics of 53 out of the 76 societies which I have been able to collect show that they had a total capital of Rs. 1,107-9-3 during the

year. Their total profit amounted to Rs. 160-8-3. Thus on an average they earned a profit of 14½ per cent.

As these societies are of children who are minors they cannot receive any official recognition ; but there cannot be the slightest objection to encourage the formation of such societies if the authorities are satisfied that by encouraging their formation they would be imparting them education in co-operation which will be of immense help to them in after-life to develop and improve their economic resources. By combination they realise the value of joint action. By combining their small capital they learn how to improve their credit. By joint purchase they learn that that they can purchase their necessities of the best available quality at cheapest rates. By making small deposits and adding their annual profits to them they learn the value of thrift. An ordinary intelligent schoolmaster with the help of such societies can teach his pupils the ordinary rules of the laws of economy. The only objection that can be raised for the formation and encouragement of such societies is on the score of interference with the ordinary course of instruction in the schools. This can be avoided by allowing the business of the Societies to be conducted outside the school hours ; but the control of the school authorities over these institutions is absolutely necessary. The children have to be taught to be honest in their dealings and punctual in their payments. We can also mould their habits of life in the right direction through those institutions. Through these we can also teach them to be self-reliant and always ready to help others for their common good. Many eminent authorities have often advocated the introduction of moral instruction in schools. I suppose by introducing such institutions you will be not only introducing practical instruction in the schools but moral instruction as well. I am afraid I have been sufficiently long on this subject which has assumed considerable importance in our Presidency. Numerous enquiries from Educational Authorities and schoolmasters in the different districts of the Presidency are received regarding the formation of such Societies. I believe the Director of Public Instruction in this Presidency has been favourably impressed with these organisations. Several references on the subject have also been received from some of the Government High Schools. Owing to these several references I had to frame a set of model by-laws for the guidance

of these societies. The idea is a novel one to many co-operators though I am told similar experiments had been tried in some schools many years ago. But because several such societies started in my district are being encouraged by the authorities concerned the idea has come prominently before the public. It is for those who are interested in the spread of the Co-operative movement in the country to give their best consideration to the subject and start such societies which are fraught with immense potentialities for the future good of our country.

### THE LAST BENGAL PROVINCIAL CO-OPERATIVE CONFERENCE.\*

BY MR. H. H. WOLFF.

I have not, of course, the full Report of the Tenth Bengal Provincial Conference before me. But the summarising notes about it appearing in the last number of the *Journal*—suggestive, encouraging and to me at my distant point of vision, valuably enlightening as they are—violently tempt me to offer a few observations, which I hope that the Editor of the *Journal* may accept. That will, incidentally, provide me with a wished-for opportunity for getting myself right with some of the readers of the *Journal* in respect of one or two points on which we may seem at variance—I think, without really being so.

There can, assuredly, be no ground for serious surprise in the fact that I, at a distance, and with a pretty wide knowledge of the history of co-operative movements in various countries to draw upon, looking at the broad facts of what has happened in India, should take, on the whole, a bright and the decidedly hopeful view of what in the history of co-operation I still must pronounce an unprecedented success, whereas Registrars and others actively interested in the movement on the spot, struggling with difficulties, at some time serious enough to appal them, let their eyes rest to a greater extent on the obstacles to be contended with.

Another plea which, I think that in justice I am entitled to put forward on my own side, is this, that, writing conceivably for more than the present moment, I look rather at what ought to prevail in the ultimate stage of development of the movement, be it as a purist,

\* A letter sent to the Bengal Journal of Co-operation, and published in the recent issue of the Journal.

than at momentary conditions, which suggest, and may justify, exceptional means for coping with and overcoming them. I will instance just two points. There is the present action of your Central Banks. In the uncontestable absence of other bodies to do the work, they may be absolutely necessary and highly desirable. But in the end I certainly hope to see unions representative of the primary societies, taking it off their hands, in order that there may be no interlocking of conceivably conflicting interests. The Central Bank is there to take charge of and provide money. The control of their own affairs must ultimately be left to the societies themselves. In the same way, those "guaranteeing unions," by which some Registrars set so very great store, may be desirable and even necessary at the present stage. All that I contend for is that they involve the acceptance of a principle which, if adopted as an abiding practice, runs counter to the co-operative principle that every member should remain master of his own liability. In a Joint Stock Company you place yourself in the power of a Board which holds you as in a vice and sometimes loses your money. In a co-operative society you want to remain your own master.

If I admit that unorthodox practices like those referred to may under circumstances be desirable in early stages, I must couple that admission with the proviso that the danger which I wish to guard against lies in this, that the practices in question only too readily grow into settled habits not easily to be eradicated. That same danger is inherent in state aid, and makes it so very important that wherever such aid is given, it should be narrowly limited and held well in restraint. The State rupee of course is no better and no worse than the independent rupee—provided that it is advanced in the same way. Providence fed the children of Israel on manna, while they stood in need of it. However Providence possessed the power which State Governments lack, of stopping the supply of manna absolutely the moment that it has ceased to be indispensable and making the children of Israel grow corn and bake bread for themselves. The mischief lies in the continuation of the habit.

One more plea I ask to be permitted to advance. What I have written in books I have of course written, not for India alone. When I wrote the third edition of "Peoples' Banks," I had conditions in

Europe, and more particularly in Germany and Austro-Hungary, in my mind and wrote to a great extent with the object of warning—which in one case I did successfully—against two abuses, very rampant in those countries at the time and one of which led to the great Hessian Bank Crash of 1912. One such mischief was excessive reliance upon State aid, which, among other things had led to the piling up of gigantic liabilities upon a mere promise of a State. The other combination of Trading with Credit at *head-quarters*. Whether at my instance or otherwise, that abuse was set right in proper time.

Now as to the Conference, I heartily join in the congratulations addressed to it in this *Journal* on the score of its improved and practical tone plainly making discussions. But really it was only to be expected that at first minds should bubble over and run astray. There is no good which does not pass through a period of lively fermentation in the process of which there is much expenditure of unprofitable gas. That wine is now becoming clarified and coupled with such other institutions as the Bengal Co-operative Organization Society the creation of which I have been among the foremost to welcome. I have no doubt that the Conference and similar exchanges of opinion, carried eventually locally more into detail, will further the movement a great deal and help in producing common action with realised common ends.

People should not lose courage or confidence by reason of the difficulties now encountered. Difficulties have had to be contended with in every other country, different component parts in them overtopping others according to the locality. They are infant complaints like mumps and teaching. There were two complaints given special expression to at the Conference—two complaints that practically answer one another. Sir D. Hamilton of course, lamented over the large expanse of territory calling for co-operative credit and not receiving that blessing. Another speaker bewailed the hopeless denseness in matters of co-operation to be encountered among the masses to be dealt with. If these men are so hopelessly unfit, how are you to proceed faster, and, with any reason and prospect of success, to carry out Sir Daniel's proposal to devise a "policy" by which the country is gradually to be effectively "covered" with co-operative credit institutions? It is not the "society" that yields the

benefit, it is the men who compose it. In my opinion the Government of India, and the Registrars working under it, are pursuing altogether the right plan in setting great store by the quality of the societies formed than the number, and following in the expansion of the movement the line of least resistance. You cannot, as a Latin proverb has it, hunt with unwilling hounds. Organisers should not become distressed about the present non-receptivity in respect of principles of co-operation prevailing among the people. It was Mr. Holyoake's standing complaint that in Great Britain, the country of all others of successful co-operation among the millions of "members of co-operative societies," there were—and that is so still—so very few "co-operators". It is the same elsewhere—in Germany, Hungary and in France. Quite accountably the difficulty shows itself under its most serious aspect in India, where illiteracy is still rampant—though the Editor does very right in reminding his readers that illiteracy and the knowledge required for practical co-operation are not by any means the same thing. A man may be totally ignorant of letters and nevertheless a thoroughly good judge of the trustworthiness, circumstances and doings of his neighbours.

The difficulty of making ignorant people accept and assimilate co-operative principles is at the present moment in India the great trouble, and every effort should be made to get it out of the ways. The ardent desire for education which had been awakened by its action is one of the chief points to the credit of co-operation. And yet in providing co-operative *gurus* and *pathsalas* the co-operative movement is doing what it is not its business to do. It does it, and deserves credit for doing it, because there is no one else to do it. That form of education is really a matter for the community. Co-operative education should begin where it leaves off. The proposal put forward at the Conference, that the Government should make provision for rudimentary instruction in co-operation to be given in elementary schools, and courses of lectures on co-operation on a higher grade at Universities, is a good one and one may hope to see it carried out. In Finland the vigorous propagandist action of University students, instructed at their University, has been half the making of the rural co-operative movement, which is excellent and full of grit. And the example there set has been productive of simi-

jar propagandist work by University students in Russia, which has likewise proved fruitful.

But there is a very great deal of co-operative training to be done by societies—and by leaders of societies and groups of societies rather than by Central Banks or the officers acting qua officers of Central Banks. That is in truth the point at which the shoe pinches most. And it is at this point that a remedy appears most difficult to procure. It is undeniably the best gifts which require the hardest striving for. *Ardua Quea Pulchra*. For inculcating a sound knowledge of co-operative principles and practice personal influence is indispensable. Even in the matter of Registrar's work Mr. Gourlay, the Registrar in Bengal, has owed to me that his four weeks at Neuwied, seeing all the practical work done, had taught him more than all his reading and thinking. In the United States and in Canada agriculture is now being powerfully and substantially carried forward by the services of "Country agents" and "Country Representatives," as they are severally called, who visit the people to be instructed and teach them in talking to them. Something of the same sort though not merely as laborious or applied to the individual is necessary in the earliest ages of co-operation. Now, who is going to do it? An occasional meteoric visit and delivery of an oration is nothing like enough. The first battalions of the new army to be created want to be taken in hand with some care—taught and shown things, and superintended. Once the skeleton force is so trained, the cadres may be left to fill up themselves and obtain their teaching from their leaders and comrades. Plainly, we want volunteers moved by devotion to the cause—the Hugheses, Vansittart Neales, Ludlows of India. The service requires a sacrifice. But for altruists there is a prize in sight.

Passing on to another subject I devoutly hope that Sir D. Hamilton's excellent proposal of an enquiry by a joint committee of Bankers, co-operators and men of business will be carried into execution. It would be odd indeed, if such a committee did not succeed in devising means for supplying co-operation with the requisite funds in a thoroughly businesslike way, that is the only way in which funds should be supplied. In this matter both Italy and Germany have set an excellent example and what has proved practicable also in the countries of the Indus and Ganges.

The greater attention paid to industries as contrasted with agriculture and rural life, is decidedly a point to the good. And I doubt if there will be many to be content with waiting, like the "rustic" of the Latin verse for the "brook to run down", in other words, for the advent of that large industry which some people consider to be the true destiny of India. If it is, it threatens to be a long time in coming and to leave many millions, for, whom it is to the public interests that occupation should be found, and should be found near their present homes, out in the cold. The remark made about our Co-operative Wholesale Society having "taken up" production, and the hint given for a study of the ways of carrying it on in India are a little surprising—seeing that production was "taken up" by the "Wholesale" as long ago as in 1872, and now employs millions of money and thousands of hands. It is all to the good. But it is of no earthly benefit to you in India, unless the C. W. S. were to find means of dealing with you, for which at the present time there appears to me, to be little scope. Above all things the production carried on by the "Wholesale" is not "co-operation" at all—no more than is the eating of a slice of bread is the receiving of practical training in agriculture. It is an alternative way of purchasing the things required for the use of consumers. And in the next place it is not even remotely or indirectly that "small" more or less domestic industry that would be valuable to India. Rather the reverse. It gathers workmen together into large factories. It pays its workmen "list" prices. It sees that the factories are convenient and sanitary. But it leaves those workmen mere wage-earners still dependent upon their employers—and it has resulted in workmen's and employees' trade unions and even a strike.

#### GOVERNMENT HOUSING. \*

We must first of all define our terms.

What do we mean by Government Housing? Government initiative and supervision? Government financing? Government building?

I agree with Mr. Ackerman that the most important step is a mental one. When the American people shall have realized, as other peoples have long since done, their collective responsibility for the proper housing of every man, woman and child in the land, in a

\* A paper taken from 'The Housing problem in America.'

positive as well as a negative sense, then Government housing will be an established fact and the rest merely a matter of ways and means.

Government financing, direct or indirect, we must have, if we are to reach any solution of the housing problem, because in no other way can a sufficiently large supply of capital be obtained at a sufficiently low rate of interest. Building costs are such, not simply now, but on a basis of pre-war prices, as to make it an economic impossibility to build a house of acceptable standards and rent it at a price which the unskilled wage-earner can pay, and produce a commercial return on the capital invested. It simply cannot be done. This has been proved over and again at these Conferences by architects, builders, and town planners, but the final inference have not always been drawn from the facts presented. The only solution therefore, is the elimination of commercial profit, and this can only be done by the Government. It is a misnomer to call such a policy paternalism when it occurs in a democracy. It is the people deciding to do for themselves collectively, on a cost basis, what they cannot do for themselves individually. It is less paternalistic than our public school system, where the tax-payers do pay the bills. Nobody wants the tax-payers to pay for the housing of American working people.

Please don't misunderstand this statement. I am not talking about slum clearance schemes. The process of atoning for the housing sins of our fathers by purchasing slum areas, tearing down existing rookeries, re-plotting streets and lots, and re-building on proper lines necessarily means a bill for the tax-payers. This is not the case with a *de novo* housing project, which when properly managed, is run neither a profit nor at a loss, but at cost.

What shall be the part of National, State, and City Governments respectively? The National Government and the State Governments will quite certainly concern themselves with the supply of capital on credit and the control of standards through the control of the purse-strings. The actual buildings may be done either by cities or by housing societies or by individual working men, in any case with the help of Government loans. The best results have been obtained abroad where all three modes of activity prevail. The in-

dividual working man may get his loan directly as under New Zealand system, or through the medium of non-commercial loan societies, as under the Belgian system.

The war has accustomed us to direct building enterprises by the Federal Government. It is quite likely that the Federal Government may continue to build homes for its own employees as the German and Austrian empires have long done—and the practice is not necessarily bad because of its origin either. In fact, it has much to commend it. Beyond this however, in building the Federal Government is not likely to go.

We have here in Massachusetts the only example of a state carrying on a direct building enterprise—the Lowell project of the Massachusetts Homestead Commission. This is, however, a demonstration—an educational experiment. Except for such a purpose, or, again, to provide housing for its own employees, State Governments are not likely to turn builders.

Direct Government building in this country as has been the rule elsewhere, is likely to be the work of municipalities—and may we soon have as good examples of municipal housing as the White Hart Lane and Totterdown Fields Estates of the London County Council!

From the administrative point of view, we should look forward to the establishment of a National Housing and Town Planning Board. We all realize by this time that housing and town planning are inseparable. This board should dispense loans from a National Housing fund created by bond issue, and should control standards through that power, exactly as the Vocational Education Board does with its grants. Each State should have its Housing and Town Planning Board, under which should function a network of local bodies. We are indebted to Belgium for this system. Her *comités de patronage*, established by the law of 1889, have been so successful that they have been widely imitated. The Massachusetts planning boards might easily develop into such a system if housing were more definitely added to their functions and if they were placed under a State board instead of being independent units. Their voluntary federation shows their own appreciation of some such need.

Financing may be largely done through the release of already existing accumulations of capital. Thus Belgium, and, following her, France and Italy, and several other countries use a certain percentage of the deposits of their State savings banks for housing loans. Germany uses the funds of the State insurance institutes. A bill has been introduced in congress ever since 1913 to liberate Postal Savings deposits for this purpose. They only pay 20/0 interest to the depositors and could therefore be loaned at a very low rate. Another practical proposal has been to amend the Federal Farm Loan Law so as to permit housing loans as well as farm loans. Our Building and Loan Associations afford a wonderful mechanism ready to hand for extending credit to working men to build their own houses if they co-operate with a Government agency. The reason why the Building and Loan Association as they stand do not meet the needs of the unskilled wage-earner is that his saving capacity is not great enough to re-pay the whole cost of a house in 200 monthly instalments (a little over 16 years), which is a necessary part of their system. If the Government loan for half the amount could be secured, re-payment of which did not begin for sixteen years, the total re-payment time could be doubled and the scale of saving-capacity necessary for a home-builder reduced nearly one half. In addition to the use of existing accumulations of capital, like the Postal Savings deposits, the credit of the Government can be safely utilized to raise considerable sums of money beyond issue. Hence the rate of interest charged on the housing loans would depend upon the rate at which the bonds were sold.

The war has shaken us out of our old ruts and habits. Everything has gone into the melting pot. This period of Reconstruction is one of great possibilities for good if rightly used. The task of providing a real American home for every American family is an enormous one, but not beyond the power of the American people if they undertake it seriously. And unless we do bend our energies to it, we shall fall behind in the race with countries whose greater war losses have brought them to a deeper realization of the need of conserving human life.

## The Madras Bulletin of Co-operation.

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### NOTES AND NEWS.

The Inspectors of Co-operative societies of this Presidency have sent up a memorial to the Government through the Registrar of Co-operative societies, praying that the services of a peon may be granted to each of them. The memorial says that at present when an Inspector visits a village he has himself to go in search of persons with whom he has business much to the disparagement of his self-respect; that he has to do the pasting and posting of covers, cashing bills, posting and receiving of tapals and other 'menial' duties which are humiliating to a Government servant of his status. It also says that the organisation, starting and auditing of societies are duties which do not engender whole-hearted sympathy in the minds of ignorant villagers and that the village officer is not generally complaisant enough to afford the necessary help to the Inspector. We do not think there is any force in the latter contention. There is no ground for complaining that members of primary societies assume a hostile attitude towards the Inspector on account of his inspection and audit. Nor is there need for the village officials to dance attendance on the Inspector. Behind the demand for a peon there are we think, both official vanity and real necessity. The Inspector sees officials of other departments going out with a peon and obtaining certain conveniences and a certain amount of respect and he naturally feels hurt that he does not enjoy the same prestige and comfort. We may not sympathise with this weakness of human nature but there are some real inconveniences suffered which would be avoided by having a peon. For instance, it is very undesirable that an auditing officer should go after the president or secretary of a society or that he should have to go to another village for the sake of tapals. We have often pointed out that a better class

of men should be attracted to the ranks of the Inspectors and that better pay and prospects should be held out to them. Some of them should look forward to be made Assistant Registrars after ten or twelve years of approved service. Graduates who have taken Honours in Economics should find it possible to become Inspectors and auditors. For men of that status peons are indispensable. It will be said perhaps that a peon with a badge attached to the Inspector will further officialise the movement, that peons of all departments are like so many pindarees let loose on the villagers and their number need not be increased. It may further be urged that those who constituted the Co-operative Department considered this question fully and disallowed the peon in order that societies may be organised without undue official pressure or even a show of it. There is no doubt some force in this argument. But if the cadre should be improved and if the Inspector of today may happen to be the Assistant Registrar of tomorrow it is good to give him a peon. Moreover, there is not now the same amount of ignorance regarding the nature of the Department as existed nearly fifteen years ago; and if supervising unions are strengthened the main duty of the Inspector will be audit and organisation. To prevent abuses the Inspector should be asked to take particular care that his peon behaves properly and the Assistant Registrar also may occasionally make enquiries in the villages. We hope the prayer contained in the memorial will be granted.

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When there is a dispute between the members of a society regarding an election, can it be referred to the Registrar by either party for arbitration? and has the Registrar power under the Rules to decide the matter? Our opinion, as already expressed in the April number of the *Bulletin*, is that the arbitration rule applies only to financial business and does not apply to any and every dispute. In a communication published elsewhere Mr. B. Pattabi Seetharamayya holds a different view and thinks that administrative business is also included in the Rule. The wording of Rule XII (1) is, "In the case of a dispute touching the business of the society between members or past members of the society or persons claiming through a member or past members, or between a member or past member or persons so

Are Election Dis-  
putes matter for  
Arbitration?

claiming and the committee or any officers &c." The word 'claiming' can refer only to money claims. Again, the award of the arbitrator is enforceable by a Civil Court as if it were a decree of that court. Can the decision in an election dispute be executed by a Civil Court as a decree? The election of office bearers, the dismissal of a member and other administrative matters are dealt with by the bye-laws whereas arbitration does not depend upon them. The model bye-law expressly states, "The ultimate authority in all matters relating to the administration of the Society shall be the general body of members.....The following among other things shall be dealt with by the general body:—(1) the election and removal of the Board of Directors &c." If, as Mr. Pattabhi Seetharamayya thinks, any dispute could come up for arbitration, irrespective of its nature the general body or the board of directors would be reduced to a nullity. If the panchayat refuses to grant a loan to a member, can the Assistant Registrar pass an award that it should grant the loan? We think certainly not. If party spirit develops in a society and an endless series of general meetings are called each annulling the proceedings of the previous meeting, is not the Assistant Registrar to step in and stop the progress of ruin? He should, surely. He should convene a general meeting of the members, explain matters to them and get them to do the right thing, and if they refuse to do so he can threaten to dissolve the society. Generally things no where go this length. But it cannot be emphasised too often that co-operative societies are self-governing institutions which have a lot to learn by making mistakes. Self-government may not result in the smoothest working of an institution but it conduces to its strongest growth.

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Small and single industries can be helped to a very great extent by co-operation. The help that cottage industries most need is in the matter of the purchase of raw materials and the organised sale of finished products. At present the middleman supplies raw material at very unfavourable rates and takes charge of the finished product at a price that leaves very little profit to the producer. In Bengal, Mysore and elsewhere an earnest attempt is being made to push up cottage industries and almost the first thing done is to open a depot where

Co-operative In-  
dustry.

the articles are exhibited for sale. Of late several industrial Co-operative Societies have been organised in this Presidency, and in the nature of things there is bound to be a large increase in their number in the near future. Without an assured market it is impossible for these societies to get on and a central depot in Madras similar to the one maintained in Calcutta by the Cottage Industries Society of Bengal is very urgently needed. The small Industrial Society cannot undertake satisfactorily the marketing of its goods, and if it should go on producing goods uninterruptedly it should be freed from the risks and worries of marketing. Nor can it bear the heavy advertisement and other charges incidental to distributive trade. There are a good many people both among traders and consumers who would like to purchase articles turned out by co-operative societies if only proper facilities existed. If there be a central depot they could all go to it. Moreover, it could serve as a wholesale supplier of raw materials. But the expenses of maintaining such a depot, especially in the initial stages, would be more than the productive societies, such as now exist, can bear and therefore Government aid is necessary. The depot should take up the whole of the marketing; it should be the Sole agent of the industrial societies. It should charge only a certain percentage on the value of goods for its expenses, which percentage would naturally differ for different kinds of goods. In the beginning the Commission so realised would not be sufficient to meet the expenses and so the Government should make up the deficit. When the depot could maintain itself direct Government aid may be withdrawn. It would not be necessary to give this help for more than five years. We earnestly commend this suggestion to the Director of Industries, the Registrar of Co-operative societies and the higher authorities concerned.

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The Co-operative Department tried hard for over a year to organise a co-operative society for the milkmen of the City of Madras for purchasing feeding stuffs at wholesale prices, for creating credit facilities for the purchase of cows and buffaloes and for the sale of pure milk. But the attempt did not succeed and the Registrar of Co-operative Societies reported that the matter should be left to the Agricultural Department and the Corporation of Madras. The

Co-operative milk  
Supply for Madras.

Government has approved of this proposal. Similar attempts have been made by non-officials which also failed, the main reason being the milkman's unwillingness to bind himself to sell his milk pure. He stands to lose by selling it pure as the public is either unwilling or unable to give an economic price for it. The milking capacity of the Indian cow, especially the South Indian cow, is very low and the cost of maintaining it in an urban area is very high. The profit which the milkman is able to get from adulterated milk he is unable to get from the sale of pure milk. He would like, no doubt, to purchase feeding stuffs cheaply and to have credit facilities generally, but the advantages to be derived from these will not be greater than the loss sustained by being bound to sell the milk pure. And perhaps he fears that if he came under Government supervision of any kind, he would be frequently rendering himself liable to prosecution for the sale of adulterated milk. He is therefore not very eager to become a co-operator.

The supply of pure milk is an absolute necessity from the sanitary and public health point of view. To obtain good milk for children and invalids the sanitarian will pay any price. But it is idle to expect the milkman to become a sanitarian at a sacrifice. The state should therefore offer such concessions and facilities to the milkman as will make it worth his while to sell his milk pure. The Agricultural Department and the Corporation would be in a position, unmindful of cost, to afford such facilities. The Co-operative Department can organise into a society only those who are willing to be so organised. It cannot give grazing and other facilities of an extraordinary kind. We think the matter is therefore rightly left to the Agricultural Department.

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All over the Bombay Presidency, but especially in Gujarat where Jain influence with its concomitant kindness to animals has been strongest, there are institutions called Pinjirapoles the object of which is to afford shelter for the aged ownerless and maimed animals. Sheep, goats, cattle and horses are their principal inmates. The local merchants of each place levy a voluntary tax on their business transactions and with the proceeds maintain these institutions, there being a committee in each place to look after their management. In years of famine, like the last year in Bombay, Deccan, many able-bodied

Pinjirapoles.

animals particularly young cows, are given over to the pinjirapoles because their owners are unable to maintain them and their religious sentiments do not permit of the animals being sold to butchers who are the only purchasers in such times. Based on his experience of the present famine conditions of Poona District. Mr. Y.N. Marathe, Veterinary Inspector, Poona, has written a small pamphlet in which he urges the pinjirapoles to undertake the work of cattle-breeding. He points out that the pinjirapoles have large resources, that they are in possession of a large number of young cows on which breeding experiments may be carried on and that as animals of different breeds are available in different pinjarapoles, cross-breeding may be attempted with a view to evolve a type which will supply both good milkers and good bullocks. He advocates the formation of a Central Committee at Bombay to which the local pinjirapoles should all be affiliated and under which their funds might be amalgamated. This central institute could employ a competent staff to carry on breeding experiments and also establish a fodder farm. The daily milk yield could be sold locally and the manure could be utilised by the fodder farm. When the central institute proves a success, other experimental stations and fodder farms could be started in the different parts of the province. 'Every pinjirapole ought to be able to supply thousands of pounds of milk and hundreds of bullocks every year.' Mr. Marathe recognises that the pinjirapole is a charity institute and not a business concern, and that the merchants would be opposed to its conversion from the former to the latter. He therefore suggests that it should have two branches in one of which the principles of charity would be fully carried out, while the other branch would be run on lines of more enlightened philanthropy. There is a pinjirapole in the City of Madras and we commend Mr. Marathe's suggestions to its consideration

In reviewing the work of the Department of Industries, the Government of Madras remark:—"With reference to paragraph 20 of the Director's report the Government are considering the possibility of extending and elaborating the work on the improvement of the handloom weaving industry. Meanwhile much interest centres on the experiment of initiating a co-operative credit society at Ichchapuram for the benefit of weavers who were suffering from distress owing to the high price

Co-operation  
among Weavers.

of yarn. This scheme was started originally to relieve the distress of the weavers and to provide a supply of cheap cloths in order to steady the price of cloths bought by the poorer classes. It was formulated rather late with the result that the conditions which the society was to remedy were to a great extent alleviated by the great fall in prices which followed the armistice. The scheme is, however, being continued partly as an experiment in co-operative production and partly to test the possibility of utilizing co-operative societies for the introduction of improved methods of manufacture. The Director of Industries is requested to submit to Government at an early date a full report on the working of the society at Ichchapuram. The report should give details of the average earnings of the weavers, the extent to which they have been persuaded to adopt improved appliances and the effect of the adoption of improved methods on their average earnings. Details should also be given of the quantity of cloths produced, the numbers sold and the prices which they fetched. The method by which the wages of the weavers were fixed should be reported and a description should also be given of the arrangements made for distributing the yarn and passing the cloth. The financial side of the experiment should be fully examined and figures should be given to show how far the working of the society was really successful when an appropriate deduction has been made for the cost of supervision."

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The *International Bulletin of Co-operation* gives the following news about Co-operative housing in Switzerland, and incidentally indicates the Imperial and local Governments' policy to such enterprises. "Owing to inadequate housing accommodation at Geneva, an association has been formed for the purpose of establishing a workers' Co-operative city. The financial basis will be established in conformity with the decree of the Swiss Federal council dated 12th December 1918, providing loan capital at the rate of 2½ per cent. interest for a period of 40 years. The cantons, together with the communes, viz., in the urban districts, are required to participate in the loan advanced to the same extent as the Swiss Confederation. In this connection the necessary steps are being taken with the authorities, and all questions such as the purchase of land, means of communication, and

Workers' Coopera-  
tive city at Geneva.

the style of houses to be erected, will be duly considered. The rents payable will include sinking fund, thus enabling tenants to become owners of their houses and ground on favourable terms. This being possible owing to the low rate of interest charged on the loan capital advanced by the authorities."

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The Salem District Urban Bank has made steady progress during the year 1918—19. There were at the close of the year 196 members on the roll of whom 65 were individual share-holders, and 131 registered societies. The paid-up share capital rose from Rs. 76,154-8-0 at the beginning of the year to Rs. 88,185-9-0 at the end. The working capital of the Bank increased from Rs. 5,07,825-4-9 to Rs. 6,68,551-1-1. A net profit of Rs. 14,372-5-0 was earned during the year as against Rs. 11,635-14-9 of the previous year, and Rs. 7,189-0-6 was given as dividend to members at 9 per cent. The reserve fund of the Bank stands now at Rs. 29,017-9-3. The bank has a paid secretary. The Registrar in his audit order congratulates the Bank on its steady progress during the year under report and hopes that the constitution of the Bank will be suitably altered as to make the institution a real banking union in which societies will be in a position to take a lively and abiding interest.

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At the first annual general meeting of the shareholders of the Moulmein Central Co-operative Bank, a purely Burmese concern, Mr. U Chit Pe, chairman of the bank, in opening the meeting said :—" There has been at present a great deal of talk and writing about corruption and bribery prevailing among the subordinate Government officials and also as regards the ways and means for its prevention. In my opinion the best way to prevent it is to form a net-work of co-operative societies in the whole of the province. Co-operation will impart to the people the civic education which is much needed in Burma. Besides, what cannot be done by individuals can be done by co-operative bodies. Individuals dare not go to the higher authorities to speak against an official and even if they do, what they say will have very little weight or effect on them. Co-operative societies being combined bodies have the courage to be straight to the higher authorities to place their grievances before them. The Government will have to give due regard to what they say. Very soon, we shall be asked to govern our own village, our own town, our own district and afterwards our own country. To be able to do that efficiently we must have co-operation which is the foundation of self-government. Co-operative societies are the results of practical co-operation and therefore our fellow-countrymen should at once form such societies throughout the length and breadth of the province so that may become one of the chief factors for the salvation of our nation."

### ASSISTANT REGISTRARS.

#### IV. BY MESSRS M. SHIVA RAO AND M. ANANTA RAO, PUTHUR.

We have perused with much interest the article on 'Assistant Registrars' in the June number of the Bulletin and gladly avail ourselves of the opportunity to give expression to our views on the observations made in it. We may state at the very outset that we are in general disagreement with the ideas expressed in the article except with regard to the suggestion that there should be direct recruitment from non-official ranks for the posts of Assistant Registrars. We shall proceed to answer *seriatim* the points set out in your communication.

(1) The Proper Functions of Assistant Registrars :—Just those they are discharging now, *viz.*, organisation, registration, audit, inspection, and arbitration. No need has so far arisen for the curtailment of those powers and functions or the doing away with any of those powers and functions.

Organisation :—The Assistant Registrars rarely do any organisation work themselves; they do it ordinarily through their staff of Inspectors. Even where such organisation is made by the Departmental Inspector, it is our experience that the organisation file is sent as a *matter of course* for the opinion of the Central Bank whose opinion has always been respected by the Assistant Registrar. There have been instances where in deference to the opinion of the Central Bank, the Assistant Registrar has refused to register societies organised by his own men. Where organisations are done by supervisors we know always that reference is made to the departmental Inspector before it is registered. We do not consider that this course can be objected to by us with any sufficient reason. Two men are better than one, and it is decidedly better in the long run that the department should share the responsibilities of organisation with non-official agencies. We need not necessarily construe such action as implying any inferiority or want of confidence in non-official agencies. We know that where societies are organised by Honorary Organisers of known experience, a reference to Inspectors is dispensed with and the Assistant Registrar registers the society straightway, but we do not quite approve of such procedure, for in nearly all such cases, the interest of the department in such

societies is not likely to be as keen as it would be if the department too had an opportunity of expressing an opinion as regards the necessity of the society and its probable chances of success. There are Honorary Organisers of sorts, and they should not grudge the Assistant Registrar's satisfying himself about each application through his own men before he finally registers a society. We know this procedure is adopted in the case of such a high and eminent personage as Rao Bahadur v. Govindan of the Fisheries Department, and we do not see why lesser men should complain. We are both organisers of societies ourselves (though only one of us has so far been formally appointed as such), but we should be very glad if our organisation papers are sent to the Inspectors for scrutiny. Being human beings we are apt to commit mistakes which we should be very grateful for being pointed out before it is too late, by such an official as an Inspector. We think the question of personal dignity or loss of prestige should not enter into honorary work of this sort. If it does, it is high time we had learnt to realise the democratic spirit which we preach with so much zest in co-operation. Regarding the travelling allowance paid to Honorary Organisers, the article characterises it as niggardly and humiliating. The travelling allowance, if we understand right, is meant to meet only the bare out-of-pocket expenses, and we are not sure that the scale fixed now does not meet the same adequately. We are not aware that the position of the Honorary Organisers has been considered as unsatisfactory on this account or for any other known reason. It may be that we here are extremely lucky, but we have had no reason to feel our position humiliating on this account, nor has there been any occasion where our recommendations have been 'lightly' set aside. The statement made that 'Supervisors recruited but yesterday' are sent to check Honorary Organiser's reports looks rather incredible. Such instances, if any, must probably be quite exceptional and due to causes other than the incompetence of the Honorary Organisers. The wide outlook necessary for the safeguarding of the interests of the movement in an extensive area as a whole can be present only to the mind of an officer like an Assistant Registrar whether he be an official or an Honorary Worker. When non-official workers such as Honorary Organisers and official workers such as Inspectors have co-extensive jurisdiction in any matters such as organisation, for example, the

consistent preservation of any well-accepted policy in such important matters as registration can be safe-guarded only by treating such agencies as complementary and supplementary to each other and passing final orders only after both the agencies are given an opportunity to express their opinion upon the matters.

- Registration :—is a function invested in the Assistant Registrar by legislative authority and cannot be disturbed.

Audit and Inspection :—Unions are no doubt doing the work of audit through their supervisors who are also often entrusted by the Assistant Registrar with the final audit. The Act makes it incumbent on the Registrar to audit the accounts of each society at least once a year, and it is obvious that this is an important function of the Assistant Registrar ; and though it is in practice carried out only through Inspectors, the control over these Inspectors, necessitated by the responsibility which vests in the Registrar and Assistant Registrars alone under the Act, cannot be efficiently executed by an Assistant Registrar having jurisdiction over as many as three or four districts at a time. As for inspection, there are manifest advantages in an inspection of almost every society in his jurisdiction once at least in every year by an Assistant Registrar who has opportunities of coming across a large number and various sorts and conditions of societies existing over a wide area. "Inspection into the affairs" of the societies, provided for by the Act, can and ought to be attended to only by the Assistant Registrar himself for obvious reasons.

Arbitration :—A few Honorary Assistant Registrars have been appointed for the purpose as mentioned in the article and unless and until suitable men are found in every area who could be safely and properly entrusted with this responsible work, the paid Assistant Registrar must continue as heretofore to discharge this function as well.

2. Regarding the desirability of having an Assistant Registrar for every district, we have hardly any hesitation in saying that for every district in which the number of co-operative societies is 200 and above, there ought to be an Assistant Registrar. On the question whether there should be paid Assistant Registrar for every district, our answer is that wherever there are persons who have means, capacity, and willingness to work as Honorary Assistant

Registrars, Government should prefer them to paid men, but Government should not fight shy of the expenses involved in increasing the number of Assistant Registrars merely because suitable non-officials are not available. Gradually the proper men might be forthcoming in each district, whose honorary services can then be substituted for paid service.

3. In a district which has a strong Central Bank and fairly good and efficient Unions, there is no fear of any Assistant Registrar needlessly interfering with primary societies. If he does so imprudently, he is sure to get his fingers burnt. After all, interference depends entirely on the men who are interfered with and on the individual temperament of the Assistant Registrar, and if the latter is of a quarrelsome nature, he can quarrel whether he be at a distance or stationed in each district headquarters. Assistant Registrars of a distinctly quarrelsome disposition and with an exuberance of temper are quite exceptional. Though drawn from the ice chambers of the Revenue Department, their autocratic spirit becomes considerably leavened by the broadening and humanising touch of co-operation and we have no fear of any warping or stunting of the movement if Assistant Registrars are further imported from the rank and file of the Revenue Department, provided that as heretofore, the men so drafted are carefully selected. Our complaint here is rather that the Assistant Registrar hardly interferes even in necessary cases and we should certainly welcome persons who continuously interfere, as we are sure that such interference will make both the parties stronger and wiser and it will bring about a more real solidarity and co-operation among societies so as to be able to withstand together the attacks from without.

(4) The probable effect of the appointment of an Assistant Registrar for every district will certainly be salutary in the extreme. Delays in registration are the common cause of so much disappointment and absence of facilities to non-official workers to frequently consult and confer with Assistant Registrars have always stood in the way of a more rapid expansion of the movement in many directions. We think non-official effort will be considerably stimulated by a District Assistant Registrar and we have for this very reason strongly urged the appointment of an Assistant Registrar for our district at least. We have not the least apprehensions that the movement

would suffer in any way on that account. On the other hand, we have every confidence that with an Assistant Registrar of own here, the movement in this district of South Kanara at any rate will march on with surprising rapidity thereby paying the way for the economic well-being and prosperity of the district.

V. BY T. ADINARAYANA CHETTIAR, PRESIDENT, SALEM

DISTRICT URBAN BANK.\*

It is a pity that some one has raised the cry for more Assistant Registrars. The *Bulletin* has rightly drawn attention to the danger of such a step to the progress of co-operation. What is wanted is not more Assistant Registrars, but more honorary workers. But honorary workers should not be given merely the shadow of responsibility. The real thing must be given to them. They should be chosen not as a reward for subservience to the officers of the Department. Even for the rapid spread of the movement, I am of opinion that non-official agency would be preferable. I can instance cases where batches of societies started owing to official zeal having to be wound up. The *Bulletin's* remarks on recruitment are also pertinent. Persons drafted from the Revenue Department are not quite used to deal with uneducated rural people in a manner which the new spirit of independence makes them expect nowadays. Moreover in several districts the prominent co-operators are in many cases village officers and there may be an unconscious tendency not to think against the Assistant Registrar who, in spite of his co-operative cloak is regarded as the Divisional Officer. There are, of course, many exceptions like our present Assistant Registrar to whose indefatigable efforts so much of our success is due.

The ordinary official also fights shy of taking the initiative as regards new forms of co-operation. He is more likely to keep to the well-worn paths and not fly to dangers he knows not of. A long course of official life produces a sort of mentality which is very difficult to get rid of. A certain district bank which wanted a paid secretary could not succeed in choosing one itself and it applied to the Registrar to lend them one of his inspectors. After a few months when the Assistant Registrar of the Division was

\* From his welcome Address as Chairman of the Reception Committee, at the Second Salem District Co-operative Conference the proceedings of which will be published in the October number.

consulted as regards some contemplated changes in the bank's bye-laws, one of the suggestions sent in by him was that whenever the bank appointed a Secretary in future such appointment should be subject to the veto of the Registrar. The gentleman in question, I know, meant well. I give this instance only to show the evil of going on multiplying the official agency, without the natural leaders of the people exerting themselves to take their proper place at the head of the movement. The special committee of the Bombay Provincial Co-operative Conference seems to favour the view that the appointment of temporary Government paid inspectors to guide and develop backward and scattered societies is preferable to any increase of permanent highly paid staff and that organization work should be left to non-officials.

I cannot close my remarks more fittingly than with the words of H. E. Sir George Loyd, at the Bombay Provincial Co-operative Conference, as recently as Monday last, wherein he sets down the limits of Government help and Government interference if the movement is to develop on national lines of growth :—

“The Government is responsible that the provisions of the Act and rules and bye-laws are observed and it is willing to provide co-operators with a staff of experts. But beyond this it has no desire to go.”

VI. BY RAO SAHEB T. NATARAJA PILLAI HONORARY ASSISTANT REGISTRAR, LALGUDI.

I thank you for drawing my attention to the article on “Assistant Registrars” in the June issue of the *Bulletin*. I have read the article with much interest and am in entire agreement with the opinions expressed therein. Considering that the work of supervision of primary societies are in the hands of Local Unions which are again under the District Council of Supervision, the Assistant Registrar has now only to check the work of Government Inspectors to sanction loans and look after the liquidation and organisation of societies. I think the latter three functions might very well be transferred to the Honorary Assistant Registrars who are now entrusted only with arbitration work. Thus being relieved of some of his present functions the Assistant Registrar can conveniently look after 700 to 800 societies. Hence the multiplication of Assistant Registrars is unnecessary and superfluous.

Real co-operation can be promoted only if the organisation work is undertaken by non-official agencies. As for the recruitment of Assistant Registrars from Educational Department and non-official sources, I think a move may be made in this direction.

VII. BY V. C. RENGASWAMI AIYANGAR, SECRETARY, THE MADRAS CENTRAL URBAN BANK.

1, The Proper Functions of an Assistant Registrar :—The duties of an Assistant Registrar must primarily be that of a counsellor to the various Societies entrusted to his charge. He must act the part of a friend and draw the attention of the Societies to the various mistakes committed by them. Exclusiveness and hauteur must be conspicuous in the official attitude only by their absence. A good deal of effect can be worked by gentle persuasion rather than by the issue of orders by a D. O. He must feel an amount of natural interest in the movement and must be egged on by enthusiasm for the cause. Mere marking of time is not likely to produce any result at all—not to say of any good result. He must look to the careful organisation of societies and also occasionally look to their working. Over and above, he ought not to interfere in the internal management of any Society at all. During his tours he may find out whether the members of a Society have rightly understood the basic principles of co-operation. He must draw the attention of the members to any unco-operative practices that might have grown up in the Society. In short he must act the part of a pater-familias of a large family mainly with a view to training up the Society to bear the burden of its management independently of his help. So much as regards the functions of an Assistant registrar.

2. The desirability of having a paid Assistant Registrar for every district :—Sooner or later it may be necessary to have an Assistant Registrar for each district, for, with the large growth in the number of Societies in each district the necessity of an Assistant Registrar for that district becomes peremptory. And with the expected growth of other sides of co-operation it will be more than enough work for a single Assistant Registrar, if he can attend to all the Societies in a District. I even think it may be necessary to have more than one such officer for a District. I am not very anxious that they should be called Assistant Registrars. Give them what

ever name you like, but for goodness sake do not expect them to work for nothing. I do not believe that you could get the best out of a man if there is no payment made for his honest labour. There may be a few earnest and enthusiastic patriots who may, for the enthusiasm they feel for the movement, work honorarily, but I do not believe that you will get them in large numbers. So, personally speaking, I am not very much enamoured of the idea of Honorary Assistant Registrars. If you want good material you must pay well for it. Honorary work entails the minimum of responsibility and as such it is not conducive to the steady and rapid growth of the co-operative movement in the land. You need talented, energetic and honest men to work hard and enthusiastically. You will require men comparatively young and it is not likely that honorary work requiring continuous attention will be able to attract the kind of men necessary for the work. Honorary work is generally spasmodic and fails to take note of important minor details. Hence if the movement is to grow rapidly and strong, it is absolutely necessary that a well paid agency must be employed for it.

3. Probability of Interference:—This thing can be guarded against only by creating a genuine spirit of co-operation and also by educating the members of the village co-operative societies. The attention of the members of societies must be clearly drawn to limitation of powers of the various Assistant Registrars and when once such a knowledge gains ground then the fear of interference in the internal management of the Society by the Assistant Registrars will be reduced to a minimum. And if over and above this the unions are made the primary factor in the recommendation of loans and supervision of societies, the interference of the Assistant Registrars in the internal management of the societies can be reduced to almost nullity.

4. The Effect of One Assistant Registrar for Every District on Non-official Effort :—Personally I am not in a position to realise what the effect of appointing one Assistant Registrar to each District will be on non-official effort. It is well-known to us that up till now there has not been much of a non-official effort sprouting in this Presidency. Of course here and there, there has been some spasmodic effort, but nothing of a sustained nature on a pre-arranged plan even as regards propagandistic work has been done by non-official

public. My doubt is whether non-official public will ever come in large numbers to interest themselves in this branch of work. Till such time as non-official public come in such large numbers, the above question does not enter into practical politics at all. So, for the present, this question may be shelved.

- To me, it seems, that the non-official public can direct their best attention to propagandist work and any amount of work that may be done in this direction would bear plenty of fruit.

VIII BY P. RAMACHANDRA SASTRI, CONJEEVARAM.

I have read your leading article on 'Assistant Registrars', and I thank you for drawing the attention of the public to the evils of multiplying their number, and also to the desirability of recruiting them otherwise than from among the Deputy Collectors. I am equally glad when you give utterance to the great satisfaction felt by all co-operators at the appointment of Dr. John Matthi and of Mr. K. Daivasikamani Mudaliar as Assistant Registrars.

I would say on this subject that owing to the appointment of Deputy Collectors as Assistant Registrars, certain undesirable characteristics are developing in societies. The chief thing that societies want is audit, and that should be carried out at the head-quarters of each society. People have been complaining of Jamabandy by Revenue officers, in that it, among others, puts the people to the inconvenience and hardship of leaving their homes and hanging about the camps of Jamabandy officers. I have been of late noticing that when the audit season arrives people about the villages hang about the Co-operative Inspectors with the account books of societies for being audited. And judging from the way in which the work is run through, one is led to think that the beneficial results of inspection and audit by the officials cannot accrue to the people of the villages.

I would not like to see the number of Assistant Registrars increased at all, whether they are paid officials or unpaid honorary men. The Registrar and his staff must confine their attention to audit, and non-official bodies should look to the other things. If co-operation in the country should be really and truly a non-official movement, each district must have its own organisation to look after the movement and develop it to the utmost extent in its own

way, and in all possible directions. It may be that uniformity of detail is not had, which is not at all important. The circumstances of one district may be different from those of another, and if the co-operative affairs are in complete charge of a non-official body of that district, they are in the best possible hands. Such a body, composed as it would be of the natives of the district, would be most capable as well as interested in the prospering of its affairs. Mistakes by these bodies are possible, but are all official acts free from the charge?

Under the existing circumstances, the District Bank or the District Banking Union is the most competent body to take charge of the co-operative affairs in a district. Its directors are generally the picked men of the district. They are drawn from all parts of the district. It may be very safely entrusted with this work. An Assistant Registrar whether paid or not, is an official, and is most likely to develop and perpetuate red-tapism. He would more or less always look up to inspiration from above. A body formed by the people from among themselves would be forced to act with a full sense of responsibility to them.

IX BY V. VENKATACHARIAR, PRESIDENT, CHINGLEPUT  
DISTRICT BANKING UNION, CONJEEVARAM.

I am of opinion that, instead of there being an increase in the number of highly paid Assistant Registrars so as to give one officer for each District, the existing staff of Chief Inspectors may be strengthened. These Inspectors practically take the place of personal assistant to Assistant Registrars. They annually audit the accounts of Central Banks and other large Urban societies. In the successful performance of this important work lies the safety and healthy progress of the movement itself. The existing staff of Supervisors and ordinary Inspectors are doing useful work in their own way. Further the time is not far distant when the Unions that are being formed everywhere in District centres will have to address themselves to the task of supervision over Primary societies including, let us hope, audit work also. The development of the institutions to their full stature must eventually negate the need for any costly addition to the list of Assistant Registrars. Government audit must be continued for sometime to come and we can safely rely upon the training and experience of duly qualified Chief Inspectors

to prevent all lapses and direlections of duty on the part of Societies in handling their finances till such time as may be required for Unions to justify their existence. If any relief to the Assistant Registrars already in service is really needed, some of their routine duties may be delegated to the Chief Inspectors who in conjunction with Union Heads will be quite competent to advise the Assistant Registrars in important matters. The experiment of appointing Honorary Assistant Registrars wherever possible may with advantage be tried on a more liberal scale than at present.

### CO-OPERATIVE HOUSING.

[The following is the main body of a demi-official letter by Mr. F. R. Hemingway I. C. S., Registrar of Co-operative societies, to the Hon. Mr. Justice T. V. Seshagiri Aiyar, President of the Madras Social Service League. We are thankful to Mr. Hemingway for having permitted its publication. Ed.]

The main problem is to get money for poor people to build houses at such a rate of interest and on loan for such a period that they will be able to repay the loan with interest in instalments which will not be burdensome. The advantage of having a society (apart from getting the sites more easily and cheaply) is that it gets the money on far easier terms than the individual can.

The basic security for such a loan is naturally a mortgage on the houses and sites. But it is desirable for the society to add the security of some share capital of its own. Firstly, it is better that each member should have some of his own money in the society, so as to strengthen his allegiance to it and increase the sense of solidarity. Secondly, it is desirable to have a considerable margin over the estimated value of the houses and sites. Though such sites are likely to increase in value, it is conceivable that owing to an initially bad selection, the reverse might be the case. There is further more the danger of fire or other accident, unless regular insurance is insisted on, which may prove difficult. Furthermore a forced sale is always liable to give less than the real value.

• There are two main forms of co-operative building societies. The first is a society in which each member becomes the owner of

the house he lives in. This is essentially a mere extension of ordinary Co-operative Credit, the society obtaining a loan and passing it on to the member, with a margin of profit. The society's security as against the member is the member's share capital and deposits (if any) and a mortgage on his house and lands. And the creditor's security against the society would be society's share capital with the collateral security of the mortgages which would be, presumably, made over to the creditor. It is true that in such a society other co-operative activities beside credit would be manifested, since economy could almost certainly be secured by a joint purchase of materials and perhaps by joint building through one or more contractors. But it is essentially, as noted above, an extension of ordinary co-operative credit. It would have to be treated on a basis different from our ordinary credit societies. Such building societies would be ordinarily on a *limited liability* basis; and in lending to limited liability societies we follow the rule that a society should not borrow more than 8 times its paid-up share capital. But I am afraid that in building societies for poorer people (with which we are primarily concerned) we should have to extend this multiple considerably, since it is not likely that such people would be able to put up—at any rate at the beginning—anything like this proportion of the cost of their houses. In such cases it will be necessary to have a decent *subscribed* share capital which should be made as high a proportion as possible of the loan to be taken; but it will also be necessary as a rule to allow payments of share capital to be made in instalments continuing over a period of years; whereas the loan must be taken at once or nearly so.

The second type of society is called the tenant co-oparcenership society. Here the houses are owned by the society which merely leases the houses to the members. There is no question of individual loans to members, and the whole liability falls on the society. Naturally the land and houses are mortgaged directly by the society to the creditor.

The points to be considered as between these systems seem to be as follows:—

(a) In the Co-parcenership system the member since he does not *own* his house has a much less free hand in what he will do with it. He cannot add to it or improve it without the permission of

the society. He may even be turned out of it (though I presume this could only be done by the General Body for bad conduct). He cannot sell or mortgage it (perhaps not a grievance, as he has not *paid* for it). But on the other hand he has not got it "on his hands and can sever himself from it and from the society at will (subject to necessary notice and other limitations).

(b) Since the member cannot sell his house the society can always decide who shall live in the settlement and who shall not. This is a considerable advantage, as it can therefore exclude bad characters or other undesirables.

(c) The society is under the obligation of keeping its houses full *i. e.*, of finding tenants. This is an advantage from the society's point of view; since the locality may have been badly chosen and may not prove popular. On the other hand this will be a stimulus to the society to keep the settlement clean and attractive.

(d) The society will find it simpler and easier to spend money on *general* improvement of the amenities of the place. Such expenditure is of course not impossible in a society of the other type but would involve more complications.

(e) The society will be able to take loans for *much longer periods*. In a society of the other type you cannot make the payments go on from generation to generation. The circumstances of families change in time; and it is repugnant to common sense that an individual should, to build a house involve himself in a personal debt, lasting for more than, at the outside 20 or 25 years. A co-parcenership society on the contrary, may expect, if not immortality, at any rate a much longer life than the adult life of an individual and can therefore reasonably borrow for a much longer period. This is a most important factor; since *period of repayment being longer the instalments* payable by the society (and therefore by the individual) *become smaller*; or in other words the individual has to pay less per month for the privilege of living in this house. It is true the individual does not become the owner of his house, being only (like the other members) part owner of all the houses. But the smaller payment—especially in the earlier years—will be a great relief.

(f) The difference in the security may perhaps be little. But it is arguable that a loan to a co-parcenership society with a direct mortgage on the land may be more attractive than a loan to a society

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backed by made-over mortgages given by individuals to the society. The individual *might* play tricks which no society could or would, and might thereby cause a lot of trouble.

It is perhaps unlikely that our Madras people would accept a co-parcenership system except in the large towns; and even there it is doubtful. But such societies are said to be doing well in Bombay; and they are certainly advantageous to poor people who cannot pay much per month towards buying a house, and to floating population which do not wish to own a house. On the other hand it is generally said that the Madrassese prefers to *own* his house, and would not trouble to join a society merely for the privilege of *leasing* one. This is a subject on which the opinions of gentlemen who know the people of our towns intimately, would be of much value.

Whether a housing scheme will succeed, depends on the answer to the question, whether (*given* a body of men anxious to form a society) we can reckon on getting money cheap enough and a type of house cheap enough to make it possible for the members to pay the rent or the instalments necessary to pay for the houses. Perhaps the best way to get the grips with the problem is to take imaginary cases. If we (1) divide intending members into 5 classes with incomes *e. g.*, not exceeding Rs. 15, 25, 50, 100, 150 per mensem, and (2) estimate according to our knowledge and experience (a) the amount that those can reasonably be expected to pay either on rent or amortisation (b) the cost of a house such as each class of member might reasonably expect to live in and (c) the amounts which would be payable as instalments on the loans advanced for the construction of such houses, assuming the interest payable by the member to be  $6\frac{1}{2}$  percent,  $7\frac{1}{2}$  percent or  $9\frac{3}{4}$  percent, and the period to be 20, or 25 or 30 years; we might then be in a position to see what were the essential requirements of a scheme for any such classes. I take  $9\frac{3}{4}$  percent as the normal rate at which a member may expect to get a loan through our ordinary co-operative financing bodies. The rates  $6\frac{1}{2}$  percent and  $7\frac{1}{2}$  percent assume that a Government loan might be obtained at  $5\frac{1}{2}$  percent or  $6\frac{1}{2}$  percent and that the society must retain at least 1 percent for itself.

I have tried to think out some of these factors. I shall be grateful if you will consider whether there is any value in my tentative conclusions and if you will kindly correct them for me.

As to the cost of a house, I assume that, in towns, tiles are essential because of the danger of fire. The building is to be one of the main securities for the loan and must be reasonably immune from accident; and I presume insurance for a thatched house will be prohibitive.

Apart from tiles, however, it would seem that for the lower classes houses divide themselves naturally into mud or brick houses. I understand, that in some localities "good mud" is obtainable and that excellent houses are made of this material, that last for many years. We have therefore, to work out figures, for mud and brick houses separately, for the lower classes. I take it that the higher classes would be in any case unwilling to build mud houses.

I am advised, but these are only layman's approximations, that for the five classes mentioned above, suitable houses might be built for the following sums.

| Income not exceeding |          | Mud  | Brick | Site. |
|----------------------|----------|------|-------|-------|
| (a)                  | Rs. 15 } | 250. | 500.  | 25.   |
| (b)                  | Rs. 25 } |      |       |       |
| (c)                  | Rs. 50.  | 350. | 750.  | 50.   |
| (d)                  | Rs. 100. | ...  | 1500. | 100.  |
| (e)                  | Rs. 150. | ...  | 2500. | 200.  |

The value of the site is of course mere guess work and will vary enormously.

It is difficult to guess how much each class could *save* and could therefore afford to *pay* towards rent or amortisation. I suggest that the possible savings will approximate to the rent that such men now pay, but that the rent ordinarily paid by the lower classes is probably too high (*i. e.*) above what they ought reasonably be expected to save) and that the higher classes could be expected to save rather more than their usual rent. It is suggested that the monthly savings for rent might be estimated as follows:—

| Pay not exceeding. |      | Rent. |
|--------------------|------|-------|
|                    | Rs.  | Rs.   |
| a.                 | 15.  | 2.    |
| b.                 | 25.  | 4.    |
| c.                 | 50.  | 6.    |
| d.                 | 100. | 15.   |
| e.                 | 150. | 20.   |

It is unlikely that the above figures are correct ; and they are merely suggested as a basis for criticism. I shall be grateful if you will kindly let me know what you think of them. When these estimates (*i. e.*, for houses and rents) are corrected, I can estimate the amortisation scales.

And in connection with the estimate for houses I should be much obliged if you would kindly consider and advise me whether the houses need necessarily be separate or whether economy could be effected by having common walls, or, indeed whether a suitable scheme could be devised whereby several satisfactory dwellings could be included in one building. Such a scheme if feasible at all would probably only apply to a co-oparcenership society; and I am not much attracted by the idea. But it would be a mistake to dismiss it without examination, especially as I am advised that a good many houses are jointly occupied in Madras and that this is not always insanitary or unsatisfactory.

It is necessary also to consider whether any special safeguards are necessary to protect the public purse in case Government loans are used for these societies.

First there is the question of insurance. Obviously the security will be better if the house is insured. I do not know and should be grateful for advice whether the insurance of houses in our towns is easy or reasonably cheap or whether the added security is worth the extra expense and trouble.

Secondly, special supervision by co-operative officers, aided by competent officials or non-official, would be necessary to see that the building was carried out expeditiously and properly, and that the loans were properly given in proper instalments and properly utilised and the accounts were properly kept and collections properly made.

Again the lay out and the plan of the houses would have to be approved by some officer on behalf of the Government, so as to ensure the money not being wasted and to ensure the best possible value of the security; and adherence to this would have to be made a condition of the grant of the loan both to the society and to the individual.

The money would probably have to be placed in a Local Co-operative Bank or savings bank or treasury and issues would probably have to be restricted to those generally or specially authorised

by the Assistant Registrar. The loans to members would almost certainly have to be advanced from time to time as work progressed. Moreover the society could probably effect a saving for the members (as above noted) by jointly purchasing materials, and perhaps by jointly employing contractors ; and could arrange that payments for such materials or to such contractors should be made direct from the society and debited to the members. The Society would act as Agent for the purchase of materials or for the employment of contractors, and if a contractor was employed, he should, I think, be responsible for handing over the building complete and bare any loss owing to fire or accident during construction.

### MESSAGE OF WESTERN CO-OPERATION.

By G. K. DEVADHAR. M. A.

During my sojourn in England, Scotland, Ireland and Denmark I got ample facilities to make myself familiar with the leading features in the movement and draw comparisons therefrom. I shall briefly dwell on some of the very broad features of this great and powerful organization hinting at its difficulties and successes and what I particularly propose to do is to emphasise the need for adopting in India some of the new features in a manner suited to the requirements of our country ; and lastly, I want to show how the West unfolds to us the manifold benefits accruing from the movement and tells us to profit by the experiences gathered by the people of those countries, and now that India acquired a valuable experience during the last fifteen years from the application of co-operative principles to agricultural life in the solitary direction of credit to some extent, it is high time now that she should adopt other useful lessons to enable poor people to reap very great profit by applying the same principles to other important phases of agricultural life and to the general life of small traders and poor wage-earners and the struggling middle class in solving some of their urgent problems. This in brief is the message which the west has to give us and to show to the world how the little seed of co-operation has sprung forth into a mighty movement, and while trying to effect the economic betterment of the poor labouring class population

• (An address delivered on the 22nd August '19 under the auspices of the Bombay Central Co-operative Institute at a meeting presided over by H. E. Sir George Lloyd.—)

who materially contribute to the production of wealth of a country and who form no small part of the community, has raised their social and educational status and endeavoured to make them capable to lead the life of constructive socialism, 'disciplined democracy.'

#### MANIFOLD FUNCTIONS OF CO-OPERATION

Here the first thing that strikes the observer is (1) the origin of the movement, and the history of its struggle, defeats and ultimate successes. Secondly, (2) the manifold functions which the co-operative movement is now made to fulfil in its mission of serving the poorer section of humanity by its varied activities which principally aim at (a) business or trade for economic betterment, (b) social advancement (c) educational improvement, (d) and larger out-look on civic life and (e) securing a large number of other small benefits to those who are served by the movement. (3) Another feature that strikes an observer here is a comparatively very small number of institutions dealing in credit—it seems that they have made war upon the demon debt and driven it—and a proportionately large number of institutions or stores dealing in cash. Moreover, (4) the stream of co-operative effort in the West is seen to run into channels quite different from those in India today. For instance in England (a) the distributive and productive co-operation occupies the field and has given the country the most leading position in the world to day. It is needless to say it is the classic land of co-operation. (b) In Ireland where the peasants were in a deplorable condition, the Irish Agricultural Organization Society has spread a net work of co-operation all over the country and agricultural outlook is materially improved. (c) In Denmark, moreover, cooperation has very considerably helped the improvement of agricultural industry when she was faced with a fearful competition ; and today in the matter of dairies and products from live-stock that country is considered a model in the world.

#### EVILS OF FACTORY SYSTEM.

When the modern factory system began to dominate the industrial life in the West, new conditions came into being which forced many evils upon the poor and struggling wage-earners, attracting the earnest and sympathetic attention of men like Robert Owen who tried principles of communistic co-operation to improve their lot. Lady

Byron helped in these efforts in the beginning. But because these attempts lacked the element of sound business and practical grasp of hard facts of life they failed in grappling with the problem ; but their moral and educative value proved very great as could be seen from an old document. A Liverpool society stated that its objects were the acquisition of common capital for the mutual protection of its members against poverty; the attainment of a greater share in the comforts of life and the diffusion of useful knowledge and moral improvement. The early stalwart pioneers of the then little, but now big, town of Rochdale to which I had the privilege of making pilgrimage, improved upon this Owenite plan in the year 1844 and started a little store. They knew that co-operation was not a charity but it was business ; it was selfishness, but associated self-help ; it was not competition, but comradeship in mutual dealings ; it does not deal in commodities alone but with human beings. They could have hardly thought that they were the pioneers of a mighty growth. In those early days some very high-souled and charitably disposed people like the Chartists or Christian Socialists interested themselves in guiding and helping the movement which made great strides in the absence of necessary legislative and other facilities from the state which was in no way friendly, and in spite of the opposition of the trading classes. The humour of this attitude of the latter class is shown by a story on record which says that a poor secretary of an early co-operative shop was way-laid and was shamefully maltreated.

#### COLOSSAL GROWTH.

Thus from the small beginning at Rochdale made by the pioneers, the co-operative movement in the United Kingdom had developed into such colossal proportions that its growth is described as titanic. At the end of 1917, though the number of co-operative societies of all descriptions not including those that deal with agriculture was very small, *i. e.*, 1,478 still, their membership numbered 3,835,376, or approached roughly 4 millions and they claimed a total capital of £70,000,000 or roughly over one hundred crores of rupees ; their turnover amounted to £225,000,000 or over three hundred crores of rupees in that year ; and their net profit reached to £18,000,000 or over two and half crores of rupees. The army of employees in these co-operative concerns mustered over 160,000

and the collective wages and salaries bill exceeded £12,000,000 or nearly two crores of rupees. 'Now is the 'era of super-organization' and the co-operative wholesale society (C. W. S.) which commenced its operation in 1864 has become the symbol and the leading landmark of co-operation in the United Kingdom and throughout the whole world. The figures relating to Ireland, though some of which are included in the above, deserve a special and separate enumeration. The total number of societies in 1917 stood at 947 ; their total membership was 113,640 and the total turnover amounted to £7½ millions, the average turnover per member being £66 showing the increase of £9 in one year. The Danish progress of co-operation is more striking than the Irish, though both these countries are primarily agricultural there has been a steady growth in all directions. The dairies, bacon factories, creameries and the egg-collecting societies, horse-breeding societies number about 1,600, all affiliated to a wholesale with a total membership of a quarter of a million (245,000) in a population of three millions. The total sales of the wholesale amounted to 4½ millions sterling. The annual sales of societies that supply milk, butter, cream, eggs, bacon and other meat exceed annually several millions sterling. In Russia, at the outbreak of the war there were 35,000 co-operative societies and at the present moment there were 54,000. The Siberian growth has been very phenomenal. The educational activities in this branch seem to be very striking. The movement in Germany has been largely agricultural, there being 29,082 co-operative organizations for the improvement of agriculture with a membership of 2,800, whereas the distributive co-operative societies numbered 1,079 with a membership of 2,052, 139. Thus in Germany there were over 3,000 co-operative concerns distributive and agricultural, with a total membership of nearly five millions.

#### THE PROGRESS IN INDIA.

As compared with this growth, the progress in India during the years is not quite negligible. There are 26,400 societies to day with the total membership of 10½ lacs and the amount of working capital stands at 14½ crores of rupees. In those three respects it is a matter for congratulation that our presidency of Bombay stands ahead of the other two major provinces of Madras and Bengal in proportion of population. The Bombay presidency has done a

considerable amount of non-credit co-operation, both agricultural and non-agricultural, such as manure, seed, cattle-breeding and housing, etc., and it appears that the Bombay cooperator has shown more initiative and originality in these spheres than his compatriots in other provinces. The Indian movement, like the German movement, has naturally developed a large number of financing institutions useful to agriculture because of the need that existed and still exists. The greatest need of the Indian agricultural population was the cheap and facile credit and this has been secured, to some extent, by this movement inasmuch as out of the 26,465 societies, 24,141 are agricultural societies and 1,450 are non-agricultural societies. The public confidence in the movement seems to grow as the proportion of loans and deposits from non-members has nearly doubled in the course of 4 years, and represent 31 per cent of the total capital. The reserve fund amounts to one crore and 14 lacs. This, really speaking, represents a small fraction of the real savings made by the members, considering that it represents only the difference between the borrowing rate and the lending rate. Though the co-operative societies have very considerably brought down the rate of interest charged by the money-lenders to the agriculturists, still the co operative societies have to borrow at between 6 to 9 per cent and lend at between 8 to 12½. Compare this with the rate 37½% which was commonly paid in U. P. or Bengal. But in order to make money really cheap the credit has still further to be organized on sound lines so as to bring down the borrowing rate as low as in the west. It is sometimes suggested that the Indian co-operative movement has gone on wrong lines and that in order to clear off agricultural indebtedness, banks of the type of Egyptian Agricultural Banks must be established in India and these new fangled co-operative credit societies would not answer the purpose. Fortunately for me I got the opportunity of going to Cairo and visiting the Egyptian Agricultural Bank and meeting the manager. I was accompanied by the other editors. I would not like to go here fully into details of the mistakes committed in Egypt and the drawbacks in that system. It is enough if I say here that the manager, after hearing of our experiences and the lines of work adopted by us here in making a beginning to solve the problem of indebtedness, expressed his regret that the Egyptian

movement was not guided by our principles which are strictly co-operative. Mr. Wolff, when I met him in London and discussed with him the lines of growth, assured me that we were on very sound and correct lines and they made a mistake in starting in Egypt the bank without the spade work which we have done here. But India needs a very large development in this direction to meet the requirements of her people and the possibilities of growth are unlimited.

#### WHAT THE MOVEMENT COULD ACHIEVE.

If co-operation would achieve such wonderful results in several fields of human activities in the west it is needless to say that there is great need in India to-day for the wide spread of this movement with its budding industrialism, high-soaring nationalism, and enchanting democracy. The ardent social reformer, the eager politician, the steady statesman, the calculating, industrialist every one, in fact, wants to see that the average man, woman and child in India enjoys improved social and economic conditions and that his capacity and character are raised. India wants better production, increased provision of food stuffs, and more equitable and cheap supply of necessities of life, as has been observed during these recent days of control. There is, besides, the crying need for better housing, better sanitation etc. We, co-operators, believe that these new problems will, to a large extent, be helped by the application of co-operative principles. Besides, Indian agriculture needs development and improvement on a large scale and Ireland and Denmark, comparatively very poor countries, have shown how co-operation could assist this industry and bring it in line with the modern conditions. In the plans of re-construction which India will have to take up soon, the co-operative movement will play a large part and it is our duty to-day to prepare the ground for these large developments by the spread of primary education, coupled with rudiments of scientific and agricultural knowledge and particularly by initiating the people in the principles of co-operation.

How is the result to be achieved? So far in India it must be recognized frankly that a great deal of work of initiation, administration and education in this co-operative field has been attempted by Government. The intelligent public have not yet taken a pro-

portionately large part and so long as they will fight shy of this movement, the character of the movement will not be largely popular. In the west the movement has been entirely popular because people felt the great need for it and organized it and raised it to its present pitch. As hinted already, the attitude of Government has not been particularly helpful and the trading and the capitalist classes have not been positively unfriendly. In spite of these difficulties the movement has progressed so much that co-operators in the west dream of a co-operative commonwealth of nations so as to ensure greater peace in the world. But we, in India, stand in a very favourable position with regard to both Government and the capitalist classes who are taking a large share in its present development.

#### HOW TO POPULARISE THE MOVEMENT.

In the west most successful and well organized methods of propaganda have been employed to popularize the movement by the following organizations (a) the Manchester Co-operative Union does a large amount of educational work by teaching the principles and methods and instilling proper co-operative spirit among members of stores. (b) The Scottish Agricultural Society at Edinburgh tries to educate the agriculturists in the methods of co-operation and persuades them adopt them—(c) The Irish Agricultural Organization Society or the Plunkett House at Dublin does for Ireland almost everything that is necessary from start to finish. (d) The Royal Danish Agricultural Society at Copenhagen tries to coordinate the forces of the movement. The last three agencies receive help from Government and both work hand in hand. Moreover, systematic efforts are made in most of these western countries where co-operation has very well prospered to enlist the sympathies of women and to interest them in its spread. There are women's co-operative guilds established in England, Scotland and Ireland and their objects are to organize women as co-operators for the study and practice of (1) co-operation and other methods of social reforms, (2) improved conditions of domestic life. In April 1918, it had 666 branches with a total membership of 28,020. It is interesting to note here the subjects selected for discussion by these during the year 1918-19 include the following topics—(a) Women and the Co-operative Political action, (b) Co-operative Democracy, (c) Co-operative capital; the need for its increase, (d) Family Endowments

(e) International Co-operation and the League of Nations. (f) National care of Maternity (g) Co-operative Women's Ideas on Housing and (h) Cash Trading. The Scottish Women's Guild has similar objects and in 1919 it had a membership of 19,799 in 201 branches.

Similarly, the children and students are kept interested in the movements by instituting Penny Banks for them. The parents give their children pennies and the children are taught the lessons of co-operation by asking them to invest them in their banks.

Hitherto politics and religious differences were rightly kept out of the movement. But now in the matter of politics English co-operators have begun to feel the need for sending their own representatives to Parliament to safeguard the interests of the movement and to advocate its cause. Though in India its origin is different, and there be no conflict of interests, a time might come when the movement may have to seek representation in the legislature of the country.

#### GOVERNMENT AND POPULAR CONTROL.

In India today the ultimate responsibility of conducting the movement still rests with the Government. There is a growing tendency to bring it under popular control or to make it as non-official a movement as possible. So long as the ideals of the movement are clearly and closely adhered to the joint work of both the Government officials and the leaders of public thought and action will yield better results especially when there is a very large field crying for co-operative expansion. This is the matter in which the principle of co-operation in work should be put into practice, though it will be quite in keeping with the traditions of the movement and its aims if the people at large, whose needs are to be satisfied, interest themselves more extensively and thus obtain adequate voice in its management. It is all a question of work. It is a fortunate circumstance that Government are anxious to extend the basis of this movement and make it as largely popular as possible. It is now for the people to respond to the call. In western countries like England where Governments were not keen about co-operation there was need for starting for effective work a large number of voluntary or popular organizations to do the spade work to organize co-operative societies to lay down lines of work and its policies, to supervise the activities

of the movement, and to control, guide and co-ordinate them so as to avoid over-lapping or waste of energy and money. There is on the continent of Europe a strong co-operative press; a great effort is made to train people in co-operative principles and by means of classes and institutions. We started in Bombay five years ago a class to train secretaries and its work has gone on well. Several countries send men to England and Denmark to learn co-operative principles and to imbibe the spirit of the movement, and to draw inspiration and instruction from it. I have heard of the parties of Americans, Australians, Canadians, French and Russians coming to England and Ireland and visiting Denmark in order to make a detailed study of their methods of co-operative work, and to make a long stay. If Indian co-operation in the near future is to develop on western lines, I am of opinion, that the Indian Government and the leaders of public opinion should also organize similar parties or commissions of well-equipped agriculturists to pay visits to England, and other countries like Ireland, Denmark, where they can acquire a new faith and a new creed. I had had opportunities of discussing the scheme with very responsible people in England and they have approved of it immensely and I would, therefore, urge upon my friends in Bombay and the Bombay Government to take a lead in this matter and show the way to the rest of India. Let the Government and the people form a Joint Committee to examine this scheme.

Side by side with the growing industrialism, of the country, agriculture will have to be pushed on on sound lines and a growing contact will have to be established between rural co-operators and urban co-operators to understand the needs of one another. But our landholders and the capitalist classes will have to take a leading part in pushing on co-operation because it is bound to profit them and their country.

#### A FACTOR OF NATION BUILDING.

Co-operation has come to be recognized now in countries where it has prospered sufficiently, as a great factor of nation building. Mr. George Russell, one of the guiding spirits of Irish co-operation, who impressed me as being a very practical seer, always lays great stress in his books on this aspect of co-operation, and in his recent publication called 'A Nation in Being' he has built his argument with

regard to Ireland on the strength of the co-operative experiences of that small country without the valuable help of which, Russell thinks, that the condition of the people would have been merely deplorable and they would have been totally unfit to bear the burden of self-government or home rule.

His Imperial Majesty King George V, when in India, praised co-operation and exhorted the people of this country to adopt it to life. Mr. Gladstone once called it a man-making principle and described its growth in England in about 1864 as a 'social marvel,' by saying that 'there is, in my opinion, no greater social marvel than the manner in which these societies flourish, combined with a consideration of the soundness of the basis on which they are built'. Prof. Fawcett in his essay on modern socialism has clearly described the merits of co-operation.

It is no longer necessary now to plead for the need for the extension of this and the formation of an organization to carry out this plan. Fortunately such a need was felt a couple of years ago and the result is that the Bombay Central Co-operative Institute came to be started as a non-official centre of co-operation for western India. Now that there is the organization ready and it has got a definite name let Bombay city find for its activities a magnificent home like HolyOake House in Manchester or the Plunkett House of Dublin, a gift of the friends and admirers of Sir Horace Plunkett. This will meet a long-felt want and it will be the centre of truly democratic activity reaching the masses right into the village and aiding them in the solution of the problems of their life. It needs funds, and for Bombay it must not be very difficult to create a fine house for a co-operative central institute. Moreover, a large number of voluntary workers will have to come forth and I feel that with the establishment of this house in Bombay, we may find a Sir Horace attaching more importance to constructive work and keeping himself free from party squabbles or politics. We may then get a George Russell to inspire the movement, and an Anderson to regulate and guide its details.

#### AN APPEAL TO PATRIOTIC INDIANS.

Let me lastly appeal to my patriotic countrymen and countrywomen to recognize the practical, economical and social value of

co-operation as it is seen in the west. We are living in a democratic age in which the destinies of the rich and the poor, high and low educated and uneducated, are bound together and closely wedded. For common good all have to be brought to a higher level and that task can best be achieved by adopting methods of co-operative education as one of the efficient means. Democracy means the art of self-government and self-government is one of the attributes of co-operation. That is why many thoughtful people value co-operation as a great disciplinary and educational force whose value lies in training people in civil duties. The creed of co-operation wants its votaries for this emancipation. It is a work of resurrection also. It is a noble task, and like all noble undertakings it pleases those that serve and those that are served.

#### CORRESPONDENCE.

##### INTERFERENCE.

To The Editor, "Madrass Bulletin of Co-operation."

SIR, In the issue of the *Bulletin* for the month of April 1919, you published a strongly worded Editorial paragraph headed 'Interference,' wherein you take to task the Assistant Registrar (of a certain circle) for what you fancied as 'undue interference in the internal administration of the society.' Though at the time it was represented that by a printer's devil an interrogation mark intended to be affixed after the word 'Interference' was omitted, still the contents of the paragraph left little doubt that you were quite certain whatever, that the case you had in view was a clear instance of gross and unwarranted interference. As if to confirm such a view, you have casually adverted to the "feeling that of late some Assistant Registrars have been unduly interfering in the affairs of the individual societies" in an article headed 'Assistant Registrars' in the issue of the *Bulletin* for June 1919. Apparently you are overpowered by the idea that there has been interference and it is just as well that the matter should be cleared up.

So far as I am aware two instances have occurred of such interference in Kistna and Guntur, the former in Gudivada and the latter in Tenali. In both the 'dispute touching the business of the society' related to a doubt regarding the validity of certain elections. In Tenali when the dispute was filed before the Assistant Registrar, the

latter referred the matter to the party complained against and waited long enough for amicable settlement and when all chances that way failed called upon both sides to appoint their own arbitrators. When the parties failed to do this too, he thought he had no alternative but to 'interfere.'

In regard to Gudivada this was what happened. The Assistant Registrar used his good offices to compose the difference between the two sides and when that failed appointed two persons (of whom I was one) to arbitrate. We brought about an adjustment and hoped that the matter would be settled amicably without an 'award' but when that proved hopeless, we had to pronounce one formally.

Now in both these cases it is for the public to decide whether the Assistant Registrar interfered and whether his procedure might as is alleged be regarded as tactless. There is little doubt that the utmost tact and patience were exercised in both the instances. The best opportunities were offered for settlement by agreement or by non-official arbitration. In the case of Gudivada about ten months elapsed in this process of waiting and the business of the Bank was utterly disorganized. The alternative course suggested by you is reference of matters in doubt to a general meeting. But the crux of the matter lies there. It is because unfortunately there have come into existence two parties in co-operative organizations, that the proceedings of the general body have come to be challenged and in the case of Gudivada at any rate, a counter meeting of the General Body was held at which the elections of the earlier meeting were cancelled and fresh elections took place, whereas as arbitrators we held that the proceedings of the first general meeting were absolutely constitutional and beyond question. The character of the proceedings of a general meeting depend upon who convenes the general meeting and according as the one party or the other is in the ascendant at the meeting, the proceedings of the earlier meetings would be confirmed or cancelled. There is no finality to such transactions and an interminable series of moves and countermoves would be the result.

If then the Assistant Registrar might apply Rule XII, the question remains whether he could do it, whether the word 'business' means

only financial business as includes 'administrative business as well. It is hard to see how any one can limit the meaning to the narrower financial sphere. It is indeed a serious state of things, when for reasons of faction, proceedings of a constitutional character are sought to be unvalidated and unending quarrels are allowed to prevail, destroying business in every sense. Business must include administrative business surely. The scope provided by Rule XII for compulsory arbitration is most desirable and healthy and it is certain that Assistant Registrars would not care to interfere oftener than necessary. In both the instances under reference the interference was absolutely unavoidable, for all the chances afforded for private settlement were thrown away. I am sure the Assistant Registrars themselves would be most loathe to project their personalities into the arena of party fights unless they could not help it. Under the circumstances I beg leave to point out that your reading of the situation requires correction and that the Assistant Registrar was neither tactless nor meddlesome.

D. PATTABHI SITHARAMAYYA.

[That the 'printer's devil' omitted the interrogation mark at the end of the marginal heading in the paragraph referred to is a fact which may be accepted from us. Even with it, Mr. Pattabhi Seetharamayya says that the contents of the paragraph left little doubt in his mind that we 'were quite certain' that the case we had in view was 'a clear case of gross and unwarranted interference.' We should request him to read it again, for we cannot find anything in our language to justify his assertion. Nor is the note strongly worded as alleged by him. The correspondent referred to in the paragraph called it interference and we questioned his opinion. While we agreed with him in holding that the matter did not come under arbitration rules and thought the Assistant Registrar's action tactless under the circumstances we did not agree with him in thinking it a case of interference, much less of 'gross and unwarranted interference.' Action due to ignorance or misconception could not in our opinion, be called interference which consists knowingly infringing upon the rights of others.

That there is in some cases needless departmental interference is not our opinion only but also that of experienced co-operators like Rao Bahadur K. Ramaswami Aiyar of Madura and Mr. C. N.

Krishnaswami Aiyar of Coimbatore. We hope Mr. Pattabi Seetharam ayya has perused their articles in the August number of the *Bulletin*.

The question whether the word 'business' in Rule XII regarding arbitration includes 'administrative business' as well as financial business is discussed in an editorial note as we think it a matter of general interest.—Ed.]

#### RESTRICTION OF FUNCTIONS.

Sir, In the July number of the *Bulletin*, among your editorial notes are found a few observations *re* two resolutions adopted at the Coimbatore District Co-operative conference, on the necessity of co-operative credit or other concerns taking upon themselves the supply of medicine and medical help as well as sanitation and education. You say "that the leading co-operators of Coimbatore are not disposed to limit the function of a Co-operative Society to the carrying on strictly economic transactions. It is not quite clear what "strictly economic transactions" is meant for. If it is to be understood as implying a division of labour on the "Ox-for-the-field and the camel-for-the-desert" system, then I am bound to say that so far at least as the large masses of the rural folk here are concerned, no co-operator worth the name can agree to it. This question of co-operators "meddling" in other matters has been before the public for many years. The writer had the honour to commend a resolution on this subject at the Provincial Co-operative Conference, at which Sir John Atkinson presided and at the conclusion of his speech Sir John had the kindness to send for him and express his "entire disagreement" with him. But two years had not passed before the Imperial Committee on Co-operation was pleased "to find for him," and you will agree that this finding is more likely to be in the right than Sir John's.

Again, four years ago, when an Indian member of the Council presided at the Provincial Conference, the writer had the privilege of moving a similar resolution, though in a slightly altered form and among the very few who opposed it was Mr. G. K. Devadhar, whose arguments you seem to closely follow. The Conference however, adopted it and have not seen cause to modify since or go back upon it.

Last April was the third time that the Provincial Conference has returned to the subject and the Coimbatore Conference has only

echoed its voice, let us therefore try and see where exactly our difference lies. Mr. Devadhar, if the writer remembers well, was afraid that the capacity of the average man in rural areas was hardly equal to the managing of a credit society well and that therefore, disturbing him in other ways would spoil even that. Well all that one is disposed to say is that credit societies are too often ill managed, not precisely because the capacity is wanting even in the average man, but because the credit society has hardly fired his imagination. The credit societies in and by themselves can never hope to induce the village folk to put forth their best, because after a time they "cloy" and unless you put forth other interests capable of appealing to their needs, some of which are at least as urgent as cheap credit you can never get full work out of them. Let it be remembered also that sanitation, education and medicine act upon credit work and are acted upon by it directly in a hundred different ways, so that if you attend exclusively to credit work, you may be sure to do even that work very well in the long run. Hence we are trying to attach joint purchase and sales, agricultural improvements and other varieties of activity to credit societies where they have done well. This last is the one condition upon which we may always insist. It is only where the Panchayats have shown that they can handle other people's money so as to satisfy lenders as well as borrowers that you may be sure that that work is not likely to become burdensome to them in its onward progress, however much it may expand. Furthermore we are daily inventing methods of simplifying procedure and lessening drudgery by means of cash credits and other methods. And successful working of Credit Societies brings forth powers of various kinds latent till then and we can hardly afford to waste them.

"Strictly economic transactions" is a phrase which has given rise to any amount of mischief in the past, but it need not be discussed here or in the present case. The writer fears that it is a relic of the past still haunting us. People who lived a hundred and fifty years ago had had reasons to think in straight lines but the writer does not think that we have the same excuse. The air is now full of suggestions for the resuscitation of the old villagelife, and it is to be hoped you agree that it will be realised only when every phase of villagelife is based upon selfhelp. The world is wide enough for your experts, sanitary engineering and medical, and it is not sought

to be denied here that they have their places and spheres of work in God's scheme of things ; but the work relating to each phase can become perfect only when masters remain masters *de facto* and only so long as they retain their sovereignty in matters relating to their commonwealth the experiences of the tyranny of experts and of those who ' have the honour to be ' , " your most obedient servants " could produce, but one kind of result, with which we are all very familiar. Accordingly, in respect of village sanitation and village education and medical help, the writer finds it difficult to imagine "overlapping and conflict of jurisdiction," so long as our villages continue to be villages. In the best of circumstances the work demanded of a village Credit Panchayat cannot occupy all their time and energy and unless we have village-folk with public spirit enough and to spare, and the volume of work is killing, both of which are not, it is bad economy to have a number of organisations in a village, each for one purpose only. A strong Credit Panchayat such as we have already been lucky enough to find, here and there is the best agency, in the writer's opinion, to be in charge of these small concerns, doubtless employing and controlling paid expert agency wherever it is needed.

It does not need very fine imagination to picture to yourself the results to village-life under the scheme commenced. In their regard for "strict economic" division of labour, our village-folk have left the Government and the local bodies to think and act for them in regard to the matters under discussion as well as other kindred matters for nearly two centuries, and you know with what result. Money has been collected and spent methodically year after year and yet village-roads to-day remain in most cases a disgrace to civilisation. In regard to medical help again, the Government and the local bodies have been at it for more than half a century and yet the latest tale coming from the head of the Madras Government is "a wish for some magic wand and a possible state of things in some remote future when every villager may get medical help when he wants them." You will agree that this is not as it should be and close adherence "to strict economic" lines of activity will not help. The idea is of course not that of a visionary or maniac, who believes co-operation is a "magic-wand." Farthest from it. All methods are welcome. The Government must have its share, the Local Boards theirs, and Co-operators their share also. If the last is believed in more strongly than either of the other agencies, it is because this agency is based upon selfhelp, which is the true basis of all sound work, public or private. It is therefore to be hoped that our difference is not in respect of principles, but only in respect of methods, in which case we shall trust to experience much more than to arguments to teach us.

C. N. KRISHNASWAMY AIYAR

COIMBATORE.

SECRETARY, RECEPTION COMMITTEE. •

5th Coimbatore District coop. Conference.

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### BUSINESS NOTICE.

*The Editor does not hold himself responsible for views expressed by contributors. They are requested to write legibly and on one side of the paper only. Payment will be made for news and articles at the discretion of the Editorial Committee. Manuscripts will not be returned unless stamps are sent to cover the postage. Matter intended for the issue of any particular month should reach the Editor before the last week of the previous month.*

### NOTES AND NEWS.

" One nation cannot live to itself alone no more than can one man. The bond invisible but invincible is economic. Every man white or black, red or yellow, has the natural right to live, to the essential things of existence—food, raiment and habitation. No nation must withhold or deny those natural needs any more than an individual. Hence we must co-operate one with another individual with individual, and people with people. The war just ended was to be a war to end all war. War will end when we cease to be as animals and act as brethren under one Omnipresent Father of all. Neither man nor nation can ' dwell together in unity ' whilst one seeks to make profit out of his neighbour in the things that are essential to human life. The world will never be safe for Democracy, and a C-3 nation can never become A-1 as long as the false God of profit remains enthroned in the hearts of men. Cast down that idol, and let men and nations freely take and freely give of the store that nature has so richly bestowed throughout the world. Let men and nations work together in the spirit of Each for All and All for Each, and then there will be no bloody wars or revolutions. Co-operation breaks down all artificial hindrances to progress, whether selfish economic barriers or state-decreed frontiers. Co-operation alone paves the golden way to the common-wealth of the peoples."—*The Millgate Monthly*.

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The organisers of the recent Salem District Co-operative Conference deserve the heartiest congratulation on the great success that it was from every point of view. The addresses delivered by Mr. T. Adinarayana Chettiar in welcoming the delegates, and by the Hon. Mr. V. K. Ramanujachariar from the presidential chair deserve to be carefully studied by all co-operators. Nearly a hundred delegates attended the conference and an equal number joined the Reception Committee. A neatly got-up report of the conference is made available to the public within a few days of the conference, which constitutes almost a record in the efficiency of Reception Committees. While Mr. Chettiar's address is eloquent and inspiring, touching the deeper chords of one's heart, and calling up a vision of peaceful progress to be realized by means of co-operation, Mr. Ramanujachariar's is bold, thoughtful and practical. He frankly told his audience that he was going to say some things which might not be quite palatable to them, and proceeded to discuss some important matters on which he was aware there would not be unanimity of opinion. He found fault with co-operators for seeking Government aid in various directions while professing to believe in the gospel of self-help. He praised the efficiency of a joint stock bank in Kumbakonam the success of which was attributable to its self-reliance and supported the levy of an audit fee from all societies that could bear it. On this point a difference of opinion does exist, the *Hindu*, and some co-operators holding the view that audit being in the present condition of India a function of the state it should not ask payment for the service. We cannot sympathise with this view. While rural societies and poor societies should be audited free of charge, we think societies which can afford ought to pay a reasonable fee especially when a maximum is prescribed to it. The tendency, unconscious it may be, to save something for co-operation at the expense of the general taxpayer, should be watched with care and resisted. Mr. Ramanujachariar pointed out that as in the case of self-help so in the matter of thrift and punctuality, the societies had not shown any appreciable progress. Referring to the proper functions of a Registrar, he pleaded for greater freedom to societies to commit mistakes and learn by experience, and deprecated the control by the Registrar of the supervisor who was a servant of the union. He said that where local unions go wrong the District Bank should have power to intervene, and if that was allowed the need for appointing Assistant Registrars for the supervision of local unions would be obviated.

He rightly pointed out that the appointment of more Assistant Registrars was a concern of the general tax-payer and not of the co-operator. Long term loans were necessary for Building Societies and for enabling landholders to pay off their debts. At present the Central Banks had only short term deposits and even reserve funds were liable to be withdrawn on sufficient notice being given. Unless trust funds were made available or debenture loans raised, long term loans could not be given, and advocate of self-help as he was, he did not hesitate to ask for state aid in amending the Trust Act and guaranteeing interest on debenture loans floated by the Provincial Bank. Finally, he suggested that high officers of the department should be recruited from among persons who had a knowledge of banking principles and methods.

Most of the resolutions that were passed at the conference do not call for any comment. A resolution was considered which wanted the audit of primary societies to be conducted by persons who were not subordinate to the Assistant Registrar. After some discussion it was put to the vote and defeated, as it was recognised that no suitable and qualified agency other than Government Inspectors, was at present available. Speaking on a resolution which asked for loans under the Land Improvement Acts and the Agriculturists Loans Act a delegate said that people would be willing to get the money even at  $9\frac{1}{2}$  per cent through the society in preference to about 6 per cent through the Revenue officials. We wonder how much reliance could be placed on this statement. We do not think that expensive improvements could be undertaken with money borrowed at so high rate of interest as  $9\frac{1}{2}$  per cent. The ryot or landlord would be unable to pay such a high rate of interest along with an instalment of the principal, and the inevitable consequence will be the accumulation of arrears and a bad name for the society.

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Under the auspices of the Bengal Co-operative Organisation Society Co-operation and Industry. Mr. T. C. Roy delivered an interesting lecture on industry.

'Co-operation and Industry' with Sir B. N. Mookerjee in the chair. Mr. Roy said that if co-operation was to be applied to industry, production should be undertaken by the consumers. Then only the desire for profit would not operate. He did not very much favour co-operative production by producers for, in his opinion, they were as much permeated by the desire for profit as were capitalists. He thought that consumers would produce things only for use and would

not prefer things made by others to those made by their own men. We are afraid these are vain hopes. The refusal of the Triplicane Stores, the largest co-operative society in India registered under the Act, to encourage the Mambalam Society as it was requested to do, by taking up its pure oil to the exclusion of other sources, shows that consumers can be as unco-operative as others. The fact that there have been strikes among the employees of productive concerns started by consumers' societies in Britain shows that they are not very different from other employers in their treatment of labour. What is essential is the bearing in mind of co-operative ideals. It is immaterial whether production is undertaken by consumers or producers provided these principles are borne in mind. Mr. Roy is right in pointing out that co-operative industries cannot succeed unless proper facilities are created for the distribution of the articles produced by them. We are therefore, advocating organisation of a large wholesale depot in Madras for whose maintenance in the early stages Government aid should be given. Sir R. N. Mookerjee said that the principle of co-operation could be successfully applied in our present conditions only to small industries. He might have added that it is so even in advanced European countries.

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We are thankful to the Government of India for introducing a Bill **Amendment to the Land Acquisition Act.** in the September session of the Imperial Legislative Council for amending the Land Acquisition Act so as to enable the acquisition of land on behalf of Co-operative Societies and charitable and other societies under Act XXI of 1860. Companies registered under the Act of 1882 have been enjoying this facility, and it is absurd that charitable institutions and co-operative societies which do not exist for private gain should have been at a disadvantage compared with joint stock companies. We in this presidency have a special reason to be grateful for this amendment because we are just now in a position to benefit by it to a greater extent than perhaps any other province. It will be remembered that an Assistant Registrar of co-operative Societies has been put on special duty to form co-operative societies among the panchamas of Tanjore District and to arrange for the acquisition of house-sites for their benefit. If we remember right the mirasdars who are interested in seeing that the panchama labourers do not own independent houses, have launched proceedings in the civil courts questioning the

Government's right to acquire land on behalf of co-operative societies. In the city of Madras itself the Corporation attempted to acquire on behalf of the Neriangadu Co-operative Society the site on which its members have built their huts, and from which the landlord wanted to oust them, though they have been on that land for half a century or more. He filed a suit in the City Civil Court, and as the right of the corporation did not appear to be quite clear, we think the matter was settled by a compromise. The housing of the panchamas in the city of Madras and in the Delta districts is to receive earnest attention in the immediate future. But without legislative aid such as this has given us all our attempts should have been futile. For in the city of Madras out of eighty-eight paracharies only three are owned by Government and all the rest are private property. Besides benefitting individual members, co-operative societies are beginning to take up enterprises, which are useful to the general public like the maintenance of seed farms, as was pointed out by the Hon. Mr. R. A. Mant in introducing the amending bill. The bill has not evoked opposition from any quarter, and that we think is very satisfactory.

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Mr. Hemingway recently visited the Perintalamanna Union when delegates from its thirty-two affiliated societies **Social Reform.** had a most useful conference with him. It seems among those that were seated on chairs in the front row was a Panchama, Karika by name who had no coat and wore a dirty red mud smeared cloth round the loins reaching up to knees. Rao Sahib C. Karunakara Menon, President of the Union writes in the *Hindu*:—

The news of a Panchama, in dirty clothes, sitting on a chair along with orthodox Nambudris, Rajahs, and prominent officials of the place, created a sensation in the town and a very large number of people came to see this strange and unheard of spectacle.

Now, coming to the Conference, there were not set speeches at this gathering. We indulged in a free discussion for three hours. The Registrar and the local co-operators got great help from the Panchama about the economic condition of his people. He took a prominent part in the discussion and showed once again that Panchamas, notwithstanding their illiteracy have much natural shrewdness.

Mr. Hemingway was most insistent upon three points:—

- (i) Never send the member of a society to a sowcar. (ii) Save Rs. 20 on an acre by giving adequate financial assistance from societies

to enable the ryot to hold up his stock, and sell it, when most advantageous, and not drive him to the necessity of selling at harvest time under unfavourable conditions. (iii.) Encourage the practice of joint purchase of the articles the members require and the joint sale of the produce of members.

It was a most inspiring discourse which Mr. Hemingway treated us to, and I am sure, the societies affiliated to the Perintalmanna Co-operative Union will act up to the advice given by the Registrar. His suggestion that the members of the societies should not on any account be driven to the necessity of going to the money lender may be a little difficult to put into actual practice. Let us, anyhow, put it up as our goal.

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Under the guidance of its able Chairman of the Board of Directors The C. P. Provincial the Hon'ble Rao Bahadur N. K. Kelkar the Provincial Bank. Social Co-operative Bank of C. P. and Berar propose to redeem the shares held by individual shareholders and allot them to affiliated societies, so as to make the Bank fully co-operative in character and constitution. During the last co-operative year there was a large increase in the number of societies in the province but the demand for funds was not commensurate with it because the Central Banks received large local deposits in spite of lowering their rates of interest, and in fact passed on those deposits to the Provincial Bank. They were due to the abnormal prices cotton and wheat of which the Province had a good harvest.

The Bank has in our opinion very unwisely, invested about £12,000 in British securities and in order to meet the depreciation in their value and the fall in exchange value, it has had to set apart in all a sum of Rs.54,000. We cannot understand how the funds of the Bank came to be invested in England which has all along possessed more capital than any other country in the world and which is the great market for supplying capital to borrowing countries, while India has been ever in need of capital. From January last the Bank has employed a Commerce Graduate of the Bombay University as its manager and the report says he promises to do well. We commend the example to the other Provincial and large central Banks.

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The Kashi Co-operative Bank of Benares had a bad year. On a paid-up share capital of about Rs. 35,000 the net profit earned was only

about Rs. 440 which is a little more than one per cent. A number of urban societies for artisans which had been financed by this bank have had to be liquidated. It was estimated that nearly Rs. 30,000 would have to be written off on their account but owing to the U. P. Government having recently authorized the dues of co-operative societies being collected as arrears of land revenue it is hoped that the estimated loss would be much reduced. The Bank is spending a disproportionate amount on management, which amounted to nearly Rs. 6,000 in the year under report. No dividend could be declared for the year. The Bank did much useful social service by distributing medicines for influenza and blankets for poor patients. Three depots were also opened for the sale of cheap standard cloth for co-operators and other villagers.

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Speaking at the first annual meeting of the Burma Railways Co-operative Credit Society the chairman gave an interesting account of the economic rescue work that was being done by the society. "It is our practice to deal direct with the creditor and to make the best terms we can in favour of our members. There was one case where a clerk borrowed two sums of Rs.105 each at 10 per cent per mensem. When he came to us he had paid the creditor Rs. 120 interest on the first loan and Rs. 48 interest on the second, and the original debt of Rs. 210 still remained against him. We got hold of the creditor and by much argument and persuasion and a little pressure made him agree to a rate of 2 per cent interest from the commencement of the loans. The interest was recalculated at this rate and it was found that a sum of Rs. 121 would entirely liquidate the debt. He was paid this and left a sadder but a wiser man. I do not think he blessed the intervention of the Co-operative Credit Society in his serious dealing with the staff, and as far as I am aware he is not likely to make loans to any clerks in future. There were other cases in which the creditors waived all interest due at the time the members concerned got loans to repay their debts. In this way the society has been of great help to the members and altogether a sum of Rs. 3,000 was, as stated in the report, saved to the members."

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We are very much grieved to learn the untimely death of Mr. K. G. Venketasubba Aiyar public prosecutor, Salem, and a very earnest co-operator and social reformer. Of a quiet and unobtrusive temperament, he has however, done very solid work in the cause of co-operation. He was a director in the Salem Urban Bank ever since

its formation, a director in the Salem District Bank, was one of the organisers of the newly started co-operative swadeshi store, and did much for the Municipal Employees' Society. He was further the president of the Salem Union of Co-operative Societies and was also the president of the informal Council of Supervision which has been replaced by the newly formed District Council of Supervision. We offer our deepest sympathy to his family and friends.

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We draw the attention of our readers to the article on housing by the Hon. Mr. Justice T. V. Seshagiri Aiyar and also to those portions of the welcome and presidential addresses at the Salem conference published elsewhere dealing with the housing problem.

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At the recent Salem District Educational Conference a resolution was adopted recommending the starting of Co-operative Societies for students and teachers.

### ASSISTANT REGISTRARS.

X BY R. SRINIVASA AIYANGAR B. A., B. L., TIRUKOILUR.

While I am in entire agreement with many of the views expressed in the article in the *Bulletin* for June, I wish to point out one or two things wherein I differ from them. It is necessary that we should develop non-credit and industrial societies in order to bring to the doors of every villager all the benefits of the co-operative movement. To develop such societies it requires more study, insight and tact than in the case of purely credit functions. Again such societies require more frequent attention than ordinary societies. Though it cannot be said that non-official gentlemen who have the time, ability, and desire to do this work are not available, yet to begin with paid agencies would be better. Even here non-official agencies should be introduced from the early stages.

At any rate there cannot be two opinions about the way in which the Government proceed in the appointment and treatment of non-officials, I mean as Honorary Assistant Registrars.

With very few exceptions the selections are considered by many not to be of the best available. The duties and functions entrusted to them are again of such a nature that they give them very little training in such branches of work that are entrusted to Assistant Registrars generally. Lastly, the treatment given is I am afraid not very encouraging for many co-operators to accept the appointment. The whole procedure is halting and slow as though it is based on distrust.

Under these circumstances it is extremely unlikely that we will be able to secure capable and enthusiastic co-operators to do the work of the Assistant Registrars which is increasing everyday. Unless this policy is changed for a better, if more officers are not appointed the movement may not spread as it ought to.

In many cases after societies are started, and put into working order it would be advisable to hand them over to non-officials for further work, any subsequent interference by the Assistant Registrar being entirely of an advisory character. Up to that point it may be considered the legitimate function of the Assistant Registrar. I do not however, mean that non-official agency would not come in earlier. Up to that stage they may follow the leading of the Assistant Registrar to secure uniformity in general.

About the number of Assistant Registrars, instead of indiscriminately having one for every district appointed, the additional appointments may be made as necessity arises as was the practice hitherto. In ordinary cases inspectors of sufficient experience may be appointed to do the work of organisation of societies or to help non-officials in such work.

My experience of other districts being limited, I am afraid I am not competent to deal with the question of needless interference by Assistant Registrars. My personal experience is certainly very happy. I have never had any occasion to complain of any such interference. It purely depends upon individualities. I think non-official co-operators who know what they are about can always defend themselves against really needless interferences, except on broad questions of policy, when they may have to give way, as I said before for securing uniformity.

About the last point referred to in your letter I think such appointments in large numbers must necessarily have the effect of curtailing non-official work in the co-operative movement.

XI BY M. NARAYANA RAO GARU B.A., SECRETARY, DIVISION CO-OPERATIVE UNION LTD., PENUKONDA.

Sir, In reply to your letter dated 2-9-19, I have the honour to inform you that I heartily welcome the proposal of appointing Honorary Assistant Registrars. I fully assert that the time has come when the work of the official Assistant Registrar may be safely entrusted to non-official gentlemen. Number of Unions have been started and I need not say that much of the work hitherto done by the Assistant Registrar, has with conspicuous ability been done by the Governing Body of the Unions. When I say this I am only giving expression to what I personally feel in the matter, having done the work of a Secretary of a Union having supervision over 50 societies. If the scheme of appointing non-officials as Assistant Registrars is acceptable to Government I would suggest that they be entrusted to start with, with control over 50 to 100 societies. I believe, they will give enough of work for a full-timed non-official, deeply interested in the movement. I would further suggest a bifurcation of functions between the non-official Assistant Registrars and the official Assistant Registrars. I would like to give all control over societies to the non-official Assistant Registrars, even in the matter of recommending loans and of general supervision etc., but I would reserve the matter of passing awards under rule 12 in all disputes referred to by

the society and members to the official Assistant Registrars during this transitory period.

As regards the appointment of an Assistant Registrar for every district I would say that his existence will be justifiable if there are not less than 200 societies in the district, otherwise there will be no necessity to have a paid Assistant Registrar and the work can be got up by non-official agency subject to the general control of the Registrar himself. In the early stage of the society his interference even in details into the working of the society may be welcome, as they have much to learn from him, but after they have justified their existence for a sufficiently long period by building a strong reserve and when the members evince a keen desire in the work of the society, I would not welcome any interference at all. For instance, it is often seen that even in the matter of election of office-bearers the Assistant Registrar or the Inspector want to have their own nominee put in, contrary to the wishes of all the members. Another thing which I have often noticed is the interference even in the matter of distributing loans to the members thereof. I say the panchayat must be deemed responsible in all such matters and the Assistant Registrar must have no power to order the recall of loans against the wishes of the panchayat. Of course, there are several things of detail which need not be dilated upon here. I would only make a suggestion that the more the societies are alive to their responsibilities the less must be the interference from the official heads.

XII BY N. KRISHNASWAMI RAO, PALAMCOTTAH.

I am sure that most of the co-operators have read the article entitled 'Assistant Registrars' in the June number of the *Madrass Bulletin of co-operation*. The readers of the *Hindu* would have also perused the views of Mr. T. Raja Row of Kumbayanallur published in the *Hindu* of the 19th ultimo. The chief point raised in the article is the policy of of the Government to increase the number of Assistant Registrars so that there may be one for every district. In India the co-operative movement is one of vital concern to the people. But it has originated on the official initiative and it has yet to become fully the people's movement. The increase in the number of Assistant Registrars will not in any way help to make the movement grow as vigorously as it has done in European countries by the intelligent participation of the people. On the other hand it will become purely a Government organization. The natural tendency of each Assistant Registrar will be to hold all the

societies in his district in leading strings. When the imperial committee on co-operation visited Madras some of the eminent officials and non-officials that gave evidence before it laid much stress on the formation of supervising unions but not on the multiplication of Assistant Registrars. On the other hand if the area is wide the experience of the Assistant Registrar will be varied and he will be betterable to act as an expert adviser to a large number of societies. He will necessarily have to go in for non-official help and thereby draw more men into the field. It is only such Assistant Registrars that have been in the past able to do real work. Any how a district is too small an area for a paid full-timed Assistant Registrar.

As for Honorary Assistant Registrars the number need not be limited; the more men we get the better would be the progress. The jurisdiction of each Honorary Assistant Registrar may be so arranged as to suit the energy and capacity of each of the men available for that work. So, though it would be very advisable to have one or more Honorary Assistant Registrars for every district, the number of paid Assistant Registrars need not be more than, say ten or twelve, for our Presidency giving an average of two or three districts for each.

The proper function of an Assistant Registrar in my opinion is to keep an effective control over the subordinate staff who carry on the audit work and to see that they do not in any way hamper the progress of any society by their unnecessary interference in the internal administration, management and working of the societies. His next function is to see that the enthusiasm of practical workers in the field does not wane away. He should always have an eye upon people who take an intelligent part in the management of societies and try to see if he cannot create in them a willingness to serve as Honorary Assistant Registrar or as members of supervising unions. He should also create opportunities to such people to come together to examine notes and supplement each others experiences. Last and the most important function is to see that all the societies in his jurisdiction work on true co-operative lines. Organization of new societies for carrying on co-operative work chiefly non-credit work, should be one of his important duties. He should have an area wide enough to give him field for carrying on his experiments. It should be his chief anxiety when once a society is registered to find out men and train them properly and entrust the society to their care. If the duties of the Assistant Registrars were accepted to include

the above functions, it is needless to increase their number; but the quality may be improved by recruiting eminent men of high qualifications with a salary high enough to attract such men. Such men will be able in the course of a few years to throw the whole of the organization and supervision work on the shoulders of the non-official agency keeping to themselves the work of expert advice and guidance.

If the number of non-official workers in the field does not increase in proportion to the number and variety of the societies and if only the paid Assistant Registrars increase, the inevitable consequence will be that in their zeal to improve or quicken the growth of the movement the latter will increase their interference in the internal management of these societies and thereby retard their healthy and gradual expansion. When a society works on wrong lines in spite of the timely warnings of the department, the Assistant Registrar will be able to correct it at the earliest opportunity at which the society seeks his advice. Then is the time for educating the members and non-official workers as regards their responsibility. On the other hand, if the Assistant Registrar is able to find in any part of his jurisdiction a number of non-official workers able to apply co-operative principles for the development of various industries, agriculture, etc., then he will be able to utilize them for the expansion of the movement in different directions. The value of first hand experience cannot be over estimated and therefore blunders and corrections have their own value. In European countries where the movement has taken a deep root, people have committed blunders and learnt their lessons. The expert advice must come when it is needed and the Assistant Registrars should be always ready to give it with such sympathy and tact as to rectify matters and to make the societies work with renewed vigour and zeal when they apply to him for such help.

#### DEVELOPMENT OF PRIMARY SOCIETIES.

BY V. VENKETACHARI, PRESIDENT, THE CHINGLEPUT DISTRICT  
BANKING UNION.

Anything that may be attempted to be done by way of educating primary societies into the knowledge of the right principles of co-operation must be a welcome deviation from the humdrum business that is now being done almost with an uniformity that altogether leaves out of account the need there is for gradual enlightenment on the twelve points of co-operation. Those who read the September number of *Bengal, Bihar*

and *Orissa Co-operative Journal* should have gathered a deal of information as to the lines on which the development of primary societies should take place. It need hardly be said that the increase in the number of societies of all sorts, especially of unlimited liability in the Presidency, in some of the districts especially is rather phenomenal. So far no effective steps have been devised for educating primary societies into the complex problems of co-operation. The address of the Patna Registrar of Co-operative Societies to the assembled managers of Central Banks published in the same journal must serve as an eye-opener to the many defects one observes in primary societies. It is really refreshing to read that the main object of the movement is to make the rural societies independent and self-reliant. To achieve this end it is suggested that the societies themselves should do what is now being done for them by others. There must be as little interference as possible in the internal management of societies so as not to take away from them all elements that generate a feeling of self-respect and self-responsibility. The chances of "Over-doing" must be minimised to a large extent and each society should be taught the elementary principle of "All for Each and Each for All". What is really pleasing to note is the opening of Sunday classes and debating clubs for imparting instructions to fresh men in the field of co-operation. A description of the 'Sunday Classes' is given in the journal and it is unnecessary to repeat what is stated therein. Suffice it to say that the institution of the classes is, in my opinion, a very effective medium for training young men anxious for public work. The report says "Every Sunday a class is held at my house from 12 a.m., to 3 p.m., Mostly writers and panches are selected from the bad and average societies to join the class. A fresh batch is taken in as the old batch is discharged after being trained." We have our training classes for supervisors but what is equally urgently needed is that members of the Panchayat and select members should, by turns have special tuition from competent persons in the fundamental principles of co-operation. These must clearly understand what their by-laws are and how their account books should be kept; in what cases extension for the repayment of loans should be granted and in what cases the time limit should be strictly enforced. The Registrar at Patna truly remarks "In Co-operative Banking, concerned as it is in financing agriculturists some latitude has, of course, to be allowed in view of the uncertainties concerned with all agricultural operations, but it is one

thing to allow extensions for good reasons and quite another to regard the kists as mere ornaments for the Loan-Register."

Again periodical meetings of the governing body of unions and members of select societies in the Union area to discuss questions directly bearing upon safeguarding the essentials of true co-operation and to lead a debate upon one or two questions of general importance will not only heighten the utility of unions as the immediate supervising agency but will also strengthen the bonds of Union among the members of different societies in close vicinity and the Governing Body of the Union. Union Conferences are now and then held but for a purpose entirely different from what is aimed at above. I hope and trust that the above few lines will draw the attention of the authorities concerned, especially of our zealous and devoted Registrar and pave the way for some concrete scheme for real education of Rural Societies into the elementary principles of the science of co-operation.

#### DISTRICT COUNCILS OF SUPERVISION OF CO-OPERATIVE SOCIETIES.

BY S. K. YEGNANARAYANA AIYAR, M. A. PRINCIPAL, SALEM COLLEGE.

Co-operation is acknowledged on all hands to be Peoples' own concern and the declared policy of the Government has been to train us to manage our own affairs in this field without their aid. The starting of local unions to supervise the work of Societies affiliated to them was the first step in this direction and almost all districts have now such unions. The next natural step in the course of further progress is the starting of an organisation which would do for the district what these unions are doing for their limited areas, and the formation of a District Council of Supervision is to be welcomed therefore by all lovers of Co-operation.

Just as the general body of Supervising Unions is constituted of the delegates from the various constituent societies, the general body of this council of supervision is made up of the directorates of the various unions and from the general body thus formed a small executive committee is elected to carry on the work of the council. In some councils primary societies not affiliated to any union are allowed to send some representatives to the general body of the Council; but if their number be sufficiently small, they are left out of account altogether.

The District Banks are now supposed to be exercising some supervision over the working of Societies in their district; but it is a well known fact that except as in Coimbatore where the Secretary is working with the zeal of a missionary and perhaps in a few other centres the amount of supervision exercised by the lending agency is practically nothing. Putting of Directors' meetings of the District Banks for want of quorum is not an uncommon thing and that must serve to indicate the nature of effective supervision which the District Bank generally would be able to exercise over its constituent and debtor societies. It is with a view to lighten the supervising work of the District Bank and make that work more efficiently executed that this new Council of Supervision is instituted.

The one important matter for consideration is the relation that ought to exist between the District Bank and the District Council of Supervision.

"Financing and supervision ought to go together" say one set of Co-operators. These are for investing the District Bank with full supervising power over all the Societies within its jurisdiction and regard the newly started Councils of Supervision as superfluous institutions. Others holding the opposite opinion say that for better management of both financing and supervising specialisation is necessary and that the Bank must resign its powers of supervision and be content with lending money to Societies on the recommendation of properly constituted authorities.

In the Salem District Council of Supervision recently started the District Bank is entirely left out of account altogether. It sends no delegates to the general body of the Council; much less has it any share in the management and actual working of the Council.

Because the District Banks have hitherto been vested (in theory at least) with powers of supervision (though they were not effectively discharging that function) and because the almost entire financing the Council is made up of the rebate allowed by the District Banks on the transactions of various societies with them it appears to be rather unjust that they be totally disregarded in the matter of supervision as it has now been done in the case of Salem. It seems to me to be a fair arrangement if the District Bank be allowed the right of sending three or four delegates to the Council, and further a seat in the Executive Body of the Council may be reserved to the representative of the Bank. Such an

arrangement will bring both these central organisations of the district into vital connection with each other and not set up the one against the other as two rival and absolutely unconnected institutions.

What the Constitution of the Council might be when all our District Banks have metamorphosed themselves completely into Banking Unions is a question for future to decide. For the present with the mixed constitution of the District Banks it is unfair that they be shut out from the Councils of Supervision altogether.

As the councils have been started in one or two districts and as they are likely to be started in others, I appeal to all co-operators through the columns of the *Bulletin* to think about the subject beforehand and have such bye-laws framed for the Councils to be started as would tend to increase Co-operation and not bring in the unpleasant elements of discord and rivalry.

### THE HOUSING OF THE POOR.\*

By THE HON. MR. JUSTICE T. V. SESHAGIRI Aiyar.

Educate the Public.—The problem of housing the poor has assumed very wide proportions in the West. Here in India, a few of us are struggling for a hearing. The reason why it is so clamant in Europe and in America is that the lower classes have votes and have found that they have other rights. Apparently Mr. J. P. Orr of the Indian Civil Service who wrote about the housing problem in Bombay in the *Local-Self-Government Gazette* had this in mind when he counselled Indian workmen to have "divine discontent." But I hope that before the unrest of the West infects the East, the public would realise the necessity for a sane treatment of this question. Before there is pressure and before there is resort to unlawful methods or means, the duty of the few who feel strongly on the subject, is to educate the public. I have no doubt that the Government will respond to suggestions in this behalf, if it is assured that there is public opinion behind them.

The public do not realise that it is as necessary to provide the lower classes with good houses as it is for themselves to live in good ones. The immunity which they desire from diseases cannot be had unless the lower classes are decently housed. The lesson must be impressed on them that any contribution they may make to the Government, to the Municipal Corporation and to Local Boards must be utilised not only to

\* From 'The Servant of India'.

secure for them good water, good roads, and healthy surroundings, but also to provide good habitations for the submerged classes. There is a feeling among municipal bodies that it is sinful to devote money contributed by the richer classes to bettering the localities in which the poorer classes live. These custodians of our comforts and conveniences must be taught that in proportion as they pay attention to the conditions of the poor, they would secure comforts for the rich.

**Educate the Poor.**—The second matter is to carry home to the poor ideas of sanitation, cleanliness and purity of life. They have so been accustomed to ignore these essentials of healthy existence, that they are inclined to look upon those who insist upon their observing them as emissaries of the Government for taxation or for transporting them to Mesopotamia. Persons interested in social service should visit these persons and assure them that habits of ages past must be given up if they want to rise in the social scale. This duty of educating the lower classes to the realisation of better conditions of life is as essential for a successful solution of the problem as educating the richer classes to a sense of their duty towards the poor. Economy must be preached to these classes. They are woefully negligent of their pecuniary responsibilities. They do not think of husbanding their resources and of keeping back something for use when owing to disease or infirmity they may not be able to earn. Very often the little they can save they squander in drink. They wreck themselves physically and render their homes intolerable. Therefore, ideas of thrift, economy and clean living should be preached in season and out of season to these poor people. That alone will ensure the success of the housing problem.

**Legislation.**—The conscience of the community should be awakened to the unfortunate condition of the poorer classes. In addition to the two lines of work mentioned above, the Government should be approached to legislate for bettering the housing conditions of the poor. There are two modes of legislation which can be thought of for the present. One is to confer upon persons who have been residing for thirty years and more in a particular house belonging to a landholder a permanent right of occupancy. Especially, in cases where the landlord has permitted the putting up of a superstructure by the tenant, this should be done unreservedly. The Government of Madras and other local Governments have passed laws which have enabled tenants of small holdings to acquire permanent rights in the soil. I do not think there will be much difficulty

in giving tenants of houses in cities the same facilities. Another class of legislation is the one which has been attempted in Bombay. I think that that legislation requires broadening and deepening. The landlords have gradually been raising the rent of houses. What was called by the present Prime Minister in England as "the unearned increment" has come to stay in India. A predilection is shown by the richer classes to leave the mofussil and to own bungalows in the metropolis of the Presidency. This has led to an artificial rise in the value of house sites in cities. This tendency of the richer classes cannot be checked by legislation. But by prohibiting the landlord from raising the rent unless it be on proved circumstances which make it desirable that he should do so, the Government will not be violating any principle of justice. In the case of landlords in this Presidency laws have been enacted which forbid them to raise the rent unless in special circumstances. In the case of ryotwari landholders, the Government have imposed upon themselves a time limit before there is re-surveying and re-assessing. Provisions of this kind may very well be enacted in regard to tenants in cities.

**Corporate House-owning or Individual House-owning.**—One other problem which should be taken in hand is the compulsory acquisition of property where the land-holder either neglects his duty towards his tenants or attempts their eviction. The Government should encourage the formation of societies like the Public Utility societies in England. These societies must be enabled to acquire the house-sites with the aid of contribution from the Government. On such acquisition the further question will arise whether the society should continue to own the sites and allow the poorer classes to be its tenants, or whether they should parcel out the sites and make the tenants owners thereof. This is a problem of some difficulty and requires careful consideration. I have simply alluded to it in order that the point may be fully discussed by persons who have given attention to it. My own inclination is in favour of parcelling out the land. Against this view it is urged that this would offer a premium to improvident persons to mortgage their houses. But the sense of responsibility which will be engendered by making them owners of the sites and by compelling them to subscribe to a co-operative fund for paying off the debt is likely to withstand the inclination to alienate the property. This would further enable some owners to improve their dwellings and to make them models for others. However, I do not propose to discuss the matter very fully at present.

Conclusion.—My conclusion is that if we are wise we should take steps betimes to deal with the question. It would be an evil day if modes of agitation which have paralysed industry in the West are allowed to invade India before we conciliate the working classes and make them feel that they are our fellow-citizens, in whose welfare we are deeply interested. Above all, the annual visitations of epidemics can be staved off only if we pay attention to this problem. The conscience of the community and the civic authorities is very dormant at present. They are vaguely sensible of a peril ahead, but they do not probe to the bottom the cause of the unpleasant feeling. Once they realise where the root of the evil is, I feel no doubt that they would move in the directions I have indicated and solve the problem which at present seems a puzzle to many a mind.

#### THE SALEM DISTRICT CO-OPERATIVE CONFERENCE.

The Second Salem District Co-operative Conference commenced on Saturday, the 20th September, 1919, in the spacious hall of the Salem College which was decorated for the occasion. There were present at the Conference besides the leading citizens of Salem, many gentlemen who had come from outside the district. The unique feature of the Conference was the presence of a large number of ladies. The Assistant Registrar, Vellore section, was present throughout and the Registrar was present on the second day.

#### WELCOME ADDRESS.

Mr. T. Adinarayana Chettiar, as President of the Salem District Bank under whose auspices the Conference was convened read his Reception Committee's Welcome Address, from which the following passages are extracted:—

Co-operation is a poor man's movement which the purse-proud capitalist can afford to ignore but the lowly and the humble of mankind cannot. It is the magic wand armed with which he can overcome poverty, slavery, drudgery and helpless dependence upon the rich. It is, therefore, no wonder that our poor district was one of the earliest to take advantage of this great world-movement which, as you all know, has worked wonders in Germany, in Denmark, in Ireland and in many other countries besides. Our societies count down to 17 and 20 (Velur and Namakkal). The Urban Society which has been doing such excellent work in our town bears the number 25. Our progress in the earlier years

of the movement was indeed striking, thanks to the interest taken by the first Registrars Diwan Bahadur Rajagopalachariar and Diwan Bahadur Ramachandra Rao. It was then a close tie between Salem and Chingleput. The number of societies was pretty nearly the same in both. Chingleput started the first Supervising Union; but to us belongs the credit of starting the first District Bank. This healthy rivalry continued for some time. Then other districts made a bold bid for the premier place. The Kallars of Madura-Ramnad and the hill-tribes of Nilgiris astonished us with the progress they showed. Then came the turn of the municipal scavengers and lastly that of the low-paid teachers. Thus has co-operation, like God, fulfilled itself in many ways scattering benefits right and left among people most in need of relief. To one who has watched the history of co-operative progress one thing must be patent. Wherever there has been noticeable progress there was behind it a non-official or non-officials imbued with a real love of their fellow-men or some official who was able to induce non-officials to realise the great possibilities of co-operation. And, as in the past, so in the future, the progress of the movement will depend largely upon the number and zeal of the non-officials who come forward to take up the service of their motherland. Of course, co-operation affords not the many glittering inducements which other activities afford for self-advertisement or advancement. But it is all the more reason why it should attract all genuine selfless workers to its service and the fact that you my friends have assembled here in such large numbers is an assurance that our district shall not want willing workers.

Even though, judging by the number of societies we are no longer occupying the premier place in the Presidency, yet our position in the movement is not one to be ashamed of. The number of societies in our district comes to 181; our District has gone in for Union supervision in a through-going manner. We have now already in the district six Unions. We have also got a Council of Supervision, and although we cannot yet say we have derived all the benefit we ought to out of such an institution, yet it must be no small matter for pride that we have ready to hand a complete system of Union Supervision which will be second to none in the Presidency. There now remain only 14 non-union rural societies and if the present rate of progress is kept up, there will be soon no non-union society in the district.

We have 5 stores' societies working and 2 more are about to be started in a few days. Loans have been advanced to societies to enable them to go in for Rangoon and Delta as well as broken rice.

\* \* \* \* \*

Proposals will be laid down before you for converting the present District Bank into a Banking Union. The representatives of primary societies must beware how they use their newly acquired power. For instance, it may be possible to pass by a majority or by packed votes, resolutions or bye-laws which may appear to yield them temporary advantage or profit. For instance they may pass a byelaw that interest on loans shall not be collected in a hard year that it should be collected only once in two years, whereas the District Bank has to pay interest on its borrowings half-yearly and that too strictly. If they pass such bye-laws they would only be thoughtlessly laying the axe at their own roots. For the moment, no doubt, it would hit the individual share-holder in his dividend. But in the long run it would turn out as the boon asked for by a short-sighted fellow that his neighbour should lose one eye oblivious of the fact that by the effect of a prior boon he himself was to lose two for the one lost by his neighbour.

\* \* \* \* \*

#### FOOD SUPPLY.

Profiteering can be successfully prevented by resorting to Co-operative Stores. For instance, during the worst period of the war, bread, the staple food in the U. K., was a half-penny a loaf cheaper in the stores than outside and the quality also distinctly better. The figures of the war-trade of the "English Co-operative Wholesale" would appear to be incredible to the uninitiated. Several stores, sold goods below market rates and were able to pay a rebate of 3 to 4 shillings in the pound on purchases. And there was the quality besides. I am not drawing on my imagination but am relating only my personal experiences. Even during the worst period of the war I found co-operative goods, whether they were boots or flour, or matches or biscuits, or soaps or flannels, they were of a most reliable quality. The secret is the consumer and the producer are one and no man thinks of cheating himself. Apart from the elimination of profiteering by resort to co-operative trading, there is yet another possibility.

Many hold that the present food scarcity to which, according to Maharaja Tagore, even martial law's action in bringing down prices

would be preferable, is to a large extent due to the fact that the ryot grows less and less of food grains and more and more of industrial crops like cotton for the benefit of the foreign manufacturer. I know of even half-acre backyards bearing their modest crops of cotton. A true popular co-operative organisation can do a great deal of educative work among the ryots and induce them not to neglect the food grains in favour of industrial crops. For what avails the ryot even if he gets more money for his cotton if he has to sell out more for his food grains? Such a vast scheme of popular education is not an impossibility. The I. A. O. S. aims at informing the cultivators in Ireland of all that is going on in the world which is likely to affect their interest. The farmer in distant Galway is kept telegraphically informed of ruling prices for his market produce in the capitals of Europe. Even in our country, the Government is able through its vast ramification of villiage officers, to obtain statistics of crops. This is now often taken advantage of by the foreign manufacturer and exploiter. A true non-official organization like the I.A.O.S. imbued with real love for the people can spread knowledge of co-operation into the far corners of India.

Next to food is the

#### CLOTH SCARCITY.

But what can co-operation do here? Everything. It can make India self-supporting and independent of trouble brought about by foreign wars. Incidentally it can find healthy and suitable occupation for our starving millions who have either to work in mills or emigrate. People must resort to Swadesi and honestly keep the vow if the above good result is to be brought about. Patriotism apart, we that have been buying cloths made of Japan yarn know to our cost that they do not wear so well as cloth made of country-made yarn. To revive home-spinning would be not only giving employment to millions of women but we ourselves would feel a peculiar pleasure and pride in wearing cloth woven in our own villages out of yarn made in our own households. It follows that we will take better care of such cloths. What is wanted is the formation of co-operative societies, either as separate societies or as adjuncts to the existing credit institutions, for supplying the prepared cotton to the members and buying up the spun yarn for adequate prices or arranging to get them woven. Home spinning has caught on in Western India and in Punjab during the last few months. The women of Guzerat have welcomed it as a godsend. Can Madras alone afford to be idle? There is also another

important aspect to this question. Co-operation has hitherto been a men's movement. This step will help to enlist millions of women in the movement.

Next to food and clothing would be health and housing. As regards

#### HEALTH.

the various Ayurvedic dispensaries that have been recently opened in various parts of the Presidency and the economical way in which they are being managed—I am told a dose of medicine costs only one pice—and the immense relief they afford to large masses of our people, are matters of common knowledge. If such relief is required in villages it will not do to depend on private charity. No efforts should be spared in opening such dispensaries as adjuncts to the larger primary societies. In the days when epidemics are claiming their annual tolls of millions the value of such dispensaries in preventing loss of life is incalculable.

As regards the crying need for

#### BETTER HOUSING.

a decent house is a true index of a man's standard of living. If he lives in a decent house with due regard to privacy and the susceptibilities of growing children—a house situated amidst healthy surroundings and which he can call his own either at once or by a few years' purchase, such a man will at once rise not only in his own estimation but that of his neighbours as well. Co-operation offers a ready means of achieving this also. I have seen both in Europe and in Bombay thousands of houses co-operatively built and owned by a system of gradual purchase spread over a number of years. The promise of the Madras Government in this direction as a result of the efforts of our esteemed citizen, the Hon. Mr. B. V. Narasimha Iyer, does not go a long way. The relief is halting and partial. To run a building society on loans from the District Bank secured at  $7\frac{1}{2}$  per cent would be surely out of the question. Either philanthropic gentlemen or the State must come to the rescue. I can here only draw your attention to the undoubted and urgent need for housing societies and leave it to the Conference to suggest the proper solution. The sort of housing I contemplate would consist of plots quarter acre or less with neat little cottages with a garden patch behind each and built on approved sanitary principles and by co-operative effort and joint purchase of materials and at cost within the reach of the poor. In a district susceptible to periodical visitations of epidemics the importance of this goes without saying.

It is only by co-operation that we can make the village once more the living unit in the organization of our national life. Once more will the people be enabled to develop their life on the old well-tried spiritual lines.

#### EMIGRATION.

with all its attendant evils, indignities and debasement of character will stop as if by Act of Parliament. For, if the possibilities of co-operation come to be realised, if agriculture and industry get established on a co-operative basis there will surely be work—pleasant, healthy occupation amidst home surroundings—for all our population and even more. Our men need not then emigrate to South Africa and be looked upon as undesirables to be got rid of by fair means or foul. Nor need our women be subjected to dehumanising indignities on the sugar plantations of Fiji. Moreover, the larger outlook and fellow-feeling which co-operative practice necessarily inculcates would knit together town and village, and the whole of India will then begin to feel as one nation. For instance, if there be suffering in Punjab, it will be felt as suffering in every household in the remotest corners of India.

All this is possible through co-operation; nay much more. But we cannot hope to obtain all this without efforts on our own part. Self-sacrifice and vigilant, zealous, unremitting steady work, work from day to day, unswayed by considerations of personal gain or advancement, is the last price that is demanded of us if success is to be won and conferences like these would have been held in vain if, as a result, more such workers are not forthcoming.

#### THE PRESIDENT'S ADDRESS.

The President then delivered his address in Tamil. He began by saying that he was going to make some remarks which were well-meant though they might not be quite palatable. He thanked Lord Curzon for enacting the Co-operative Societies' Act of 1904, and also the first two Registrars who did spade work for the cause in spite of great odds.

Discussing how far the objects of the Act had been realised, the President said:—"Let us consider the object for which the Co-operative Act was passed. It is, as stated in the preamble, the promotion of self-help, thrift and punctuality. What is the progress made in these directions? First, we have had to cultivate self-help, but has any trial been made? To get an answer to this question, let us compare our societies with small joint-stock Banks, which are springing up in various parts of

the Presidency. Take, for instance, the Union Bank, Kumbakonam. This Bank had to pay heavy stamp duties for its Memorandum and Articles of Association, and heavy registration fee. It pays annually a large amount as income-tax, and stamps its receipts for sums exceeding twenty rupees. Our societies have been exempted from payment of these taxes, and we have been so far dependent upon Government. The exemptions are not legally compulsory, and if Government will it may be withdrawn at any time. What will be our condition then? Shall we not be like the creeper, which has twined itself round the branches of a tree, when that tree is cut down? The exemptions were necessary at the start to induce the formation of societies; but when they have become firmly established is it not the part of wisdom to throw aside these adventitious aids and stand upon our own legs? The Union Bank, I referred to, has a paid-up capital of one lakh rupees and a reserve fund at the end of 1918 of fifty-nine thousand rupees. It has been paying a dividend of eight per cent. for many years, and last year the dividend was raised by one per cent. Why should not our societies do equally well, if looked after with the same devotion? The need for the cultivation of self-help is not only not recognised, but the desire to lean upon Government as much as possible is in evidence—you perhaps remember the controversy that arose, when Government proposed to levy a fee for the audit of societies' accounts. The Registrar has no doubt to audit the accounts or to cause them to be audited by others; but should Government pay for the audit?—that is the question. When a self-reliant person gets some work done for himself, he will certainly pay for it. How do our societies differ from this person? If we ask Government to pay auditors, they must obtain the funds therefor from *ourselves*, the general tax-payers. Does it make any difference if the funds are collected in this indirect way? If the auditors of primary societies were appointed by the district bank, and the auditors of district banks by the Provincial Bank from a list of qualified auditors published by the Registrar, the cost of audit may and is bound eventually to be cheaper. As another instance, let me refer to the struggle of obtaining a rebate on the money order commissions now paid by them. This subject comes often before our conferences; but has any one seriously considered the ground on which the demand for rebate is based? It will turn out to be nothing more than the mendicant policy, because you have given us something, we ask for more. The time has come for us seriously to discard Government help in all these matters and to rely upon ourselves.

Take next the subject of *thrift*. The provision of cheap credit was intended to enable us to repay our existing debts to others and to repay the debt to our societies in easy instalments from our own earnings. Our societies are not for lazy people who will not work. They are for industrious folk, who will toil with their hands and save. Has any society compared the total indebtedness of its members when it was started, and the same after it has been doing business for some years. If this has been done, what is the result? Has the indebtedness decreased? It may be that by the addition of new members recently, the extent of indebtedness may have been swollen, but if only the members who have been in the society for the last five years be taken, and their indebtedness be examined, the result will be interesting. It can be seen at once whether they have been thrifty, and whether they have profitably used the facilities afforded by the Co-operative Societies Act. Another way in which the same thing may be gauged, is to consider the amount of deposits made by the members in the society. Does this show a tendency to increase? I give below for five years members' deposits of primary societies for the Presidency as a whole and for the Salem District in particular.

|           |     | Presidency  | Salem Dt. |
|-----------|-----|-------------|-----------|
| 1913—1914 | ... | 2, 10, 914. | 7, 683    |
| 1914—1915 | ... | 2, 46, 267  | 6, 242    |
| 1915—1916 | ... | 3, 25, 215  | 8, 629    |
| 1916—1917 | ... | 3, 89, 457  | 5, 779    |
| 1917—1918 | ... | 4, 12, 966  | 15, 842   |

The result for the Presidency is satisfactory enough, but as regards Salem, though there is a tendency to rise, there are ups and downs.

Lastly there is the subject of *punctuality*. This habit is cultivated by the members paying their dues to the society on the due dates. When this is not done, the dues are called overdue balances. The extent to which punctuality is cultivated is indicated by the amount of overdue balances at the end of each co-operative year. As before I give below for the same period the amount of overdue balances for the Presidency as a whole and for the Salem District in particular.

|           |     | Presidency. | Salem Dt. |
|-----------|-----|-------------|-----------|
| 1913—1914 | ... | 11, 17, 755 | 96, 690   |
| 1914—1915 | ... | 9, 45, 369  | 58, 981   |
| 1915—1916 | ... | 10, 43, 545 | 37, 870   |
| 1916—1917 | ... | 11, 64, 347 | 39, 393   |
| 1917—1918 | ... | 11, 68, 590 | 39, 198   |

The results for the Presidency are disappointing. If the figures are correct, the overdue balances were as heavy in 1917-18 as in 1913-14. But Salem appears to have done well, and I congratulate you provided there are no adjustments. But the balances are still large."

After dwelling at length on the benefits of co-operative production and co-operative Trade, Mr. Ramanujachariar went on to say:—"I attach great importance to the extinction of litigation. Members of co-operative societies should be persuaded to refer their disputes for arbitration by the panchayat of the society itself to abide by their decision. They should never be allowed to figure in civil courts as plaintiffs or defendants, to dance attendance upon vakils and their gymasthas and to return to their village impoverished after years of litigation. Those who will not accept the friendly mediation of their fellow-members should be regarded as untouchables, as one guilty of any one of the five great sins is now regarded. And such a view will be perfectly justified; for one guilty of the five great sins injures another individual or two, while the litigant breaks up society by his spirit of separateness."

Dealing with functions that should be exercised by Government in regards to co-operative societies the President said:—"Government is represented by an officer known as the Registrar and he has a number of Assistants. Whether any particular function should be exercised by the Registrar or his Assistant is a matter wholly for them, and, as far as the societies are concerned, they may be regarded as forming one entity. The Registrar's chief function is to register societies and sanction their bye-laws. He has also to supervise their growth and working. When a child has to learn to walk, what does the parent do? He places some attractive object before the child to induce him to go forward and take it. He leaves it to walk towards it, and he interferes only when there is a chance of its injuring itself by a fall. Precisely the same thing should be done by the Registrar in regard to societies. He should leave them to grow by their own efforts. If a little mistake is made here and there, it does not matter much; for, they will reap experience. Advice should be freely given, and persuasion attempted, but no compulsion should ever be used."

Referring to Unions he said, "He (supervisor) is the eyes and hands of the Union panchayat—he inspects societies on its behalf and reports what he sees, and he carries out its orders by going to the society

and doing what should be done. The supervisor is thus the servant of the Union panchayat, and should be appointed and controlled by it. To prevent selection of improper persons, the Registrar may publish a list of persons qualified to be supervisors and out of this list the Union panchayat may be asked to select. It passes my comprehension why the Registrar in practice controls the supervisors. Is it unwillingness on the part of the Registrar to surrender his power, or is the time-worn plea urged that the Union panchayat is too young to be entrusted with the power?

"Then comes the District Banks, known also as Banking Unions. Their function is to finance primary societies (*i. e.*,) to obtain deposits and to lend to the societies. They lend on the recommendation of the Union panchayats, and if the instalments of principal and interest be not paid punctually on the due dates, they send notices to the societies concerned, reminding them. If the notices do not produce the desired effect, what is the remedy? Presumably reference has to be made to the Union panchayat concerned. From the beginning societies as well as individuals not directly interested in societies have been share-holders, and an equal number of representatives from each class formed the Board of Management. The interests of the societies were thus fully safeguarded. Yet the Registrar often looks askance on the District Banks, as having interests opposed to those of societies. Attempts are also made to introduce uniformity on the ground that District Banks "should all work along the same lines"; but it is not recognised that beauty lies in diversity within uniformity, and that while the general outlines are uniform there must be perfect freedom in the matter of detail. If the attempt be resisted by the Board of Management, the societies' representatives are whipped to assemble in large numbers at the general meeting and to carry the desired bye-law over their heads.

"Some energy is being expended in democratising District Banks. This consists in securing a seat on their Board of Management for the representative of every local Union and in arranging for the representatives of individual shareholders being in a minority of one at least. The former item is not changed except as to the mode of election of the representatives. For, while they were elected by the representatives of all the societies, they will be elected in future one by each local union. This is analogous to the election of municipal councillors by wards instead

of the whole town. There is therefore, no democratisation so far. Nor does it consist in reducing individual share-holders to a minority a process to which they may reasonably object. For, individual share-holders are not a handful of persons, but are as numerous as representatives of societies. One effect of this change will be to raise the number of societies' representatives to a high figure, in course of time, and if they number fifty, the individual share-holders may be as many as forty-nine. A body consisting of ninety-nine persons will be unwieldy, and can meet only occasionally and the business will be thrown into the hands of a small, but powerful, executive committee. I do not see what is gained from a practical point of view by adding another consultative body to the general meeting of share-holders.

"After taking all this trouble, are District Banks to be allowed to have anything to do in regard to the supervision of primary societies? No interference is suggested in regard to the functions assigned to the local Union; but if any local Union neglects its duty, may the District Bank interfere? And for this purpose may it obtain a monthly report of the work done by each Union? If the District Bank is merely to stand aside and be interested only in the security of the loans made by itself, then the supervision of Local Unions must fall on the Assistant Registrar, and as the number of these Unions rises, officers of this class must be multiplied. Whether this is the right course to follow is one for consideration not by the co-operator, but by the general tax-payer.

"Another function of the Registrar is to arrange for the audit of the society's accounts. By 'audit' "I mean not the examination of the accounts from time to time by the supervisor of the Local Union, but what is called the final audit by the Government Inspector. This officer, being under the orders of the Assistant Registrar, accepts his policy and shapes his audit report in accordance therewith. If the Assistant Registrar favours long-term loans even under present conditions, the Inspector calculates overdue balances from that point of view. And such a thing has happened. The accounts of six societies were examined with the following result. When the loans were granted, the bye-laws in force allowed re-payment in two, three, four or five annual instalments, but the total period of the loans never exceeded five years. The inspector, however, assumed that the loans were repayable in eight years, and the overdues were therefore reduced as shown below:—

## Overdue balances.

| Society. | As they should be. |        | As made out by the Inspector |       |
|----------|--------------------|--------|------------------------------|-------|
|          |                    | Rs.    |                              | Rs.   |
| A.       | ...                | 2,696  | ...                          | 1,348 |
| B.       | ...                | 2,185  | ...                          | 749   |
| C.       | ...                | 1,661  | ...                          | 197   |
| D.       | ...                | 1,936  | ...                          | 917   |
| E.       | ...                | 824    | ...                          | 113   |
| F.       | ...                | 3,063  | ...                          | 1,555 |
|          | ...                |        | ...                          |       |
| Total... |                    | 12,365 | ...                          | 4,879 |

I mention this fact merely to point out the need for an independent audit—(i. e.) by Inspectors not under the control of Assistant Registrars charged with the duty of supervision. There should be one branch under the direct control of the Registrar for supervision, and another for audit. This principle being generally admitted, need not be dwelt upon at length.

"One more function of the Registrar or of the Government whom he represents is to afford facilities to District Banks and the Provincial Bank for obtaining deposits. Societies do not require loans from Government, as suggested by a gentleman in the Legislative Council after having been a Director of the Provincial Bank for many years. They have been getting on without Government help in this matter and it is recognised by the authorities on co-operation that they are right in doing so. Government have been approached by co-operators with this request, viz., that the Indian Trusts Act may be so amended as to permit the investment of trust funds in co-operative societies. Resolutions to this effect have been passed at numerous conferences; but so far they have fallen on deaf ears. The difficulty of Government is not apparent. It cannot be that they distrust District Banks or the Provincial Bank. The former lend mostly only to societies with unlimited liability and under Government control and supervision and the latter lend only to District Banks in districts in which they have been started. The Government of India appear somehow to have got over the difficulty and to have amended the Act in favour of the Bombay Provincial Bank. Another point in which Government help is needed is in regard

to the issue of debentures to enable the Provincial Bank to give long-term loans either directly or indirectly through District Banks to building societies and to landholders with a heavy load of debt. Members of Co-operative Building Societies need long terms to repay their loans and they also require cheaper credit than other co-operators, and it is to the interest of the country that poor people should be helped to build healthy and substantial houses. Landholders form the backbone of the country and they should be enabled to repay their debts by annual instalments extending over a long period of time and be placed on their legs again. Where landholders are so involved that this is not possible, they should be made to sell a portion of their land; but most landholders are not in this predicament. Without a Government guarantee the debentures that may be issued by the Provincial Bank may not be taken readily by the public. There is a mad craze for the purchase of land or for lending on kist mortgages. Investors do not yet realise that at present prices they cannot earn more than two or three per cent, and that with periodical enhancements of revenue it must tend to decrease. In regard to mortgages of land also there is difficulty in realising interest as it falls due, and the principal is not recovered in most cases without litigation. Loans to co-operative societies are perfectly safe; the interest will be paid half-yearly; and the rate of interest may be as high as six per-cent. The public should be educated on these points and until then Government help will be needed. There is an impression in the minds of some co-operators of high position that even at present long-term loans may be given from the share-capital of District Banks and the reserve funds of societies deposited with them. Under existing bye-laws the share capital is to some extent liable to withdrawal, and even if it be not, it cannot go a long way. The reserve funds of societies are also liable to withdrawal on two years' notice, and may, at any time, be required to meet probable losses. Unless therefore, Government be pleased to come to our help, long-term loans will be impossible.

"I have done. Let me only suggest that the appointment of the high officers of the co-operative department a knowledge of banking principles and methods should be insisted. In the past several erroneous orders were issued by Government and it took a long time by numerous representations to get them altered. Let me cite a few instances. One order was that until the reserve fund of a society was built up, fifty per cent. of the profits should be carried to that fund. This order did not

affect primary societies, as they do not generally pay any dividend on their share-capital; but it did affect District Banks, the share-capital of which has been contributed by individuals with a view to the earning of a reasonable dividend. I may inform you that the Co-operative Societies Act fixes only a twenty-five per cent. limit, and this was raised by executive order to fifty. The order has now been withdrawn. Another order was that in preparing their balance sheets primary societies should leave out the interest which accrued on the loans to their members up to the end of the co-operative year, and that they should include similar interest on the loans taken by themselves. This procedure is inconsistent with the practice of all bankers, and makes the balance-sheet incomplete and incorrect. This order also has been withdrawn. The last order that I shall mention related to the proportion of the deposits of District Banks that should be kept in fluid condition, and that proportion was fixed as fifty per cent. When a District Bank takes only fixed deposits, but does not keep current accounts, there is no great difficulty. And this question was considered with the advice of Sir Bernard Hunter, the Secretary and Treasurer of the Madras Bank, at the recent Bankers' Conference, and a modification of the orders of Government may be expected early, if it has not come in already.

The following resolutions were passed:—

- (1) That this Conference requests that Government be pleased to take steps to get the Indian Trusts Act and the rules thereunder amended in such a manner as to permit the investment of trustfunds in co-operative societies.
- (2) That this Conference requests that Government be pleased to permit the Provincial Bank to issue Debenture Loans to enable that Bank to lend money either directly or through District Banks for long terms to help building societies and indebted landholders.
- (3) This Conference recommends that as in the case of Revenue Money Orders, Co-operative Societies may be permitted to remit amounts including fractions of annas.
- (4) That the Conference requests that Government be pleased to arrange for a portion of the Gold Standard Reserve now kept in London and lent to English merchants be lent to the Provincial Banks.
- (5) That the delegates assembled in this Conference will induce the formation of building societies wherever necessary, in congested areas.

(6) That this Conference requests that funds may be lent to Co-operative Societies for being lent to the ryots under the Land Improvement Act and the Agriculturists' Loans Act.

(7) That this Conference is of opinion that the work of the Agricultural Department may be rendered more efficient and popular by employing Co-operative Unions as their agents for distribution of seed, etc.

(8) That this Conference is of opinion that the rules as to exemption of Stamp duty may be so amended as to clearly exempt from such duty documents executed in favour of Co-operative Societies.

### THE MADRAS CO-OPERATIVE LEATHER GOODS FACTORY.

#### OPENING OF NEW WORKSHOP.

The Hon'ble Mr. Justice T. V. Seshagiri Aiyar opened the new workshop of this factory in Perambur Barracks behind the Buckingham Mills very near the Chuklarpalayam where most of the workmen live. Among those present were Mr. R. W. Davies, Director of Industries, Mr. K. Nageswara Rao of the "Andhra Patrika," and others. Some three to four hundred chucklars were also present.

Mr. V. Venkatasubbia B. A. of the Servants of India Society, read the report in which he gave the history of the Factory which was a natural result of the appreciation of the principles of co-operation, due to the working of the Credit Society that was organised by him about four years ago. He referred gratefully to the generous assistance which the Hon'ble Mr. S. Srinivasa Iyengar and the Rajah of Pithapuram had given to the Factory. It was the latter who had enabled it to purchase the house in which the new workshop is located. The work turned out by the Factory would well compare with the best turned out in this city including Mount Road firms. The factory was short of working capital, as there was need for opening a Co-operative store for the sale of trade requisites to those who worked in their own houses and also as the factory was developing in every direction. They were running on strictly Co-operative lines and had set their face against profiteering of every kind and their prices were considered by European customers as a marvel of cheapness. He then referred to social work that was to be undertaken for the people of that locality. A small boarding school would be started as an experiment for the brightest children of the community and a social

worker would be stationed there to organise meetings, after-noon classes for women, classes for workingmen, a Reading room and Library, to look after the sanitation of the place, in short, to work on the lines of the Toynbee Settlements in England. The chucklars had developed recently an amount of public spirit which was gratifying to all who came in contact with them. They were constituting that evening a permanent Arbitration Board for settling all disputes, personal or communal so that no cases might go to civil or criminal courts. The work proposed to be undertaken was one worthy of everybody's sympathy, and he appealed to those present to give generously the monetary assistance that might be asked for.

Mr. Seshagiri Iyer in declaring the building open made a felicitous speech in which he complemented Mr. Venkatasubbiaiya for his earnestness and devotion and said that this experiment in Co-operative Industry was being watched with the keenest interest by those interested in the welfare of labour. If this succeeded similar institutions would be organised all over the country and for his own part he had the organisation of nearly twenty such ones in his mind. Mr. S. Srinivasa Iyengar, the Rajah of Pithapuram and others to whom he had spoken about this factory were even prepared to lose the money and had given it at a low rate of interest so that the concern might succeed; and if under such favourable circumstances it did not justify expectations it would be deterrent to similar undertakings that would have to be started for the industrial regeneration of the country. A peculiar responsibility therefore, lay upon those who were managing this factory but he was sure everything would go on well. He then referred to a comprehensive housing scheme which the Madras Social Service League, of which he was President, had in view for the locality both for industrial undertakings of the evening's kind and for housing schemes. Government aid in the shape of cheap money ought to be forthcoming and such things ought not to depend entirely on private philanthropy.

Amidst loud cheers he declared the building open, after which a member of the Chucklar community thanked all those present, and Mr. Seshagiri Iyer and Mr. Venkatasubbiaiya in particular, for the work they were doing for the benefit of their community and exhorted his caste men to join the arbitration board and co-operate with each other to make all the educational and social work a success. If their children got educated a member of their community would one day sit in the

Legislative Council, as Mr. M. C. Rajah was now sitting by the favour of the Government.

The interesting ceremony came to a termination after the distribution of flowers and *pan supari*.

### CO-OPERATION ABROAD.

#### IN THE MOST OPPRESSED COUNTRY OF ARMENIA.\*

Before the war, Armenia was divided between Turkey and Russia. In Turkey, the co-operative movement was completely suppressed; whilst in Russia, it was regarded with suspicion by the Government and was under Governmental surveillance. Since 1870 the co-operative movement began in Russian Armenia, under the form of co-operation of credit. Little by little one perceived co-operative societies for the supply of necessities and products in the villages and towns, and at the head of these was the agricultural society of Armenia. There were three centres of co-operation—Erivan, Shousha, and Alexandropol—all of which contained wholesale establishments.

Towards the beginning of the war co-operative societies played a great part in the economic life of the country—the Russian Government and municipalities even sought their help in fighting against speculation and during the war they performed remarkable work in distributing articles of the first necessity, food, clothing, etc.

At the beginning of the Russian Revolution, with the departure of the Russian troops from the Caucasus, Armenia found herself completely cut off from Russia by the Tartar population, in the regions of Baku, Daghestan, and Northern Caucasus. Since 1917, the Armenian part of Russia has governed itself independently, having a Parliament of its own. It was officially declared a Republic in 1918.

The beginning of its independence was at the most difficult moment of the war, when quite alone it was compelled to carry on a war which proved too much for its forces against Germans, Turks, and local Tartars. It was obliged to yield a large part of its territory to enemy, such as Kars, Igdir, Sardarbac, Kamarloo, and Nakitchewan, from which the population ran away in a state of panic and crowded into the towns which were well-defended.

In the free territory of the Republic, more than half of the population

\* The Co-operative News

were refugees; and the economic position of the country was appalling. At this time the greatest help was given by the big co-operative societies of Erivan, Alexandropol, Dilijan, which, under the most difficult conditions, were able to procure the necessary products. The co-operative society of Dilijan sold bread for fifty copecks a pound—one shilling a pound—for nearly two years. At the same time the productive co-operative societies had met with great checks in their development on account of the scarcity of goods and the difficulty of transport: the tinned fruit co-operative society at Erivan had to give up its work, sugar being so scarce, also tin; and the Turks had destroyed the Cognac co-operative factory at Kamarloo. The farms, with milk and cheese products, continued to exist, also the factories of clothing materials; and with the help of the Government several other co-operative branches were started for carpentry, blacksmith's work, shoe-making &c., which received their materials from the Government.

After the conclusion of the armistice and the departure of the Turks the Russian Armenians commenced to return to their ruined villages finding in the co-operative movement a means for the re-construction of their ruined districts. The country after the departure of the Turks, was in a terrible condition, famine and a typhus epidemic raging, and 2,000 people dying daily.

The Republic has already existed nearly two years with a population of two millions, of which 500,000 are refugees; but not being yet recognised by the Peace Conference it has no means of arranging its financial and economic affairs, and cannot even issue its own money. There exists only the paper money of the Caucasus, which is of no value at present either in the country or abroad. Under these conditions all private commerce is stopped, and the only means of trading is by the exchange of products.

Notwithstanding the unfavourable conditions, the co-operative movement continues to work. At this moment there are 369 co-operative societies, 184 consumers' societies, 160 credit societies, and twenty-five productive societies, having collectively a membership of 200,000. All these societies conduct their business with the villagers by barter, exchanging goods from abroad for raw materials, principally wool, skins, carpets, and dried fruits; and besides these they can procure wine and cognac, and in case of their being able to get sugar, the fruit factories will begin work again.

In the month of June, at Erivan, there was a Conference of all the co-operative societies, at which more than 100 delegates were present. It was resolved to increase the production of the co-operative movement and open new stores. The Conference adopted the constitution of the Co-operative Union which would combine the societies of the whole of Armenia, having its headquarters at Erivan. According to the report of the Erivan Central Committee, their balance was thirty-two millions of roubles. The Government has promised all their help to the co-operative society.

Co-operation has a great future. If it only has help from other countries it will always have the means of paying back full value for what it receives, because the country is rich, and a great part of the trade in the hands of the co-operative movement. Owing to the disturbed state of Russia, all relations between the co-operative societies of that country and Armenia having been severed, the only hope for the vitality and further development of the Armenian co-operative movement lies in intercourse with, and the practical support of, foreign co-operative societies.

#### SAVING A NATION: MEXICO.\*

THERE is in Mexico a State which owes its salvation to the principles of co-operation. Six years ago it was an average Central American State, gradually dying out, but co-operation came and brought new life and hope to all its people. The story of Yucatan should be of interest to English co-operators.

Six years ago population, mostly Indians, were groaning under the exploitation of the few white traders who were their masters. The Spanish and American capitalists held the Indians in what was practically slavery. Then came a few strong men who secured the machinery of government. It was Alvarado, a president brought to the front in one of the periodical revolutions, who started out to save the nation by working along co-operative and Socialistic lines. He was ably assisted by an American named Robert Haberman. The first thing these two men did was to set up a sort of Co-operative Commonwealth. They tackled the question of providing the necessities of life. Haberman acted as general manager and buying agent for the co-operative stores which were established in every town and at many of the haciendas. The stores were run as part of the Socialist Party, and were controlled

\* The Co-operative News.

by the "locals" or branches of the party, the whole of the members subscribing the money to buy the merchandise. Something like one hundred shops were set up, and Haberman bought supplies for these and generally acted as wholesaler for the stores. He conducted a business amounting to 175,000 dollars a month, or roughly £525,000 per year, at a cost of only 1 per cent., including his salary as general manager.

The success of the experiment was so marked that the Government took it over and established the Compania Peninsular de Consuma Sociedad Co-operative (Peninsular Company and Consumers Co-operative Societies), with Haberman first as organiser and inspector-general, and later as auditor-general. The result was a big reduction in the cost of living, better wages, and a much higher standard of life altogether. From the position of serfdom the natives attained to a large measure of economic freedom.

But, as was to be expected, the scheme soon earned the enmity of the capitalists whose monopoly it had broken. They sought to discredit and by an insidious plan almost succeeded. They pretended sympathy but worked quietly to secure influence in the Government. Then they procured the appointment of a new general manager, a sympathiser with the old regime. Immediately he put up prices to the level of the extortionate figures of the commercial firms, and crippled the efficiency of the service. Business fell off 25 per cent. in the first month, and ultimately, there was a falling off of 75 per cent. The private firms then showed their hands and set up a keen fight to crush co-operation entirely. In spite of this the stores continued to exist, and are gradually winning back their old position because they do not trade for profit. The mistake of allowing an unsympathetic Government official to control the business has been recognised, and as soon as possible, the people themselves will see there is a change. Meanwhile, the fight goes on keenly, but the record of the co-operators is good, and there is every prospect that they will eventually win out.

#### CORRESPONDENCE.

SIR,

With reference to the suggestion of Mr. R. Sreenivasa Aiyangar, in his article on the need for co-operative education published in the *Bulletin* for August 1919, that the main principles of co-operation should be taught in all elementary schools, allow me to point out that the

young boys in such schools are hardly capable of understanding the subject even if we take it for granted that teachers competent to teach that subject are already available, I would therefore, suggest as the first step towards reaching Mr. Aiyangar's ideal that co-operation be made a subject of study in the training schools where the masters that are desired to carry the torch of learning to the distant nooks and corner of the country are trained and equipped for their life's task. I have known some instances of villages when the only literate adult is the village school-master and if a rural society is to be started in such places we have to depend invariably upon these teachers. At present most of them are absolutely ignorant of even the main principles of co-operation or even if they have a vague notice of it as an agency for getting cheap capital they are certainly ignorant of the higher aspects of co-operation, its social, spiritual significance. I would therefore, recommend that proper steps be taken to see the subject as a compulsory subject for study by teachers undergoing training (whether in colleges or in schools) and facilities be given for the imparting of sound instructions on proper lines on this all important subject by a competent staff paid or honorary, attached to each training institution so that when the pupil-teacher goes out as a full fledged pedagogue he may carry with him not merely the latest ideas about organisation and discipline of school and kindergartons, but he may have sound views on this subject which is bound to reform and remodel the village life if properly handled and popularised.

A CO-OPERATOR.

*The Editorial Committee does not hold themselves responsible for views expressed by contributors. They are requested to write legibly and on one side of the paper. Payment will be made for news and articles at the discretion of the Editorial Committee. Manuscripts will not be returned unless stamps are sent to cover postage. Matter intended for the issue of any particular month should reach the Committee before the last week of the previous month.*

## NOTES AND NEWS.

We grieve to record the death of Sir V. C. Desikachariar by heart failure on Friday the 16th of November. It would be no exaggeration to call him the genius who built up the co-operative finance of this Presidency. He was an eminent citizen, lawyer and judge. His services as citizen were so valuable that His Majesty conferred a knighthood on him. Of his work as judge of the City Civil Court it will suffice to say that the usurious Gujarati moneylenders of Sowcarpet looked upon him as their worst enemy. But it is as the founder of sound co-operative finance that his memory will be cherished for a long time in this Presidency. If so high an authority as Mr. Wolff has showered encomiums on Madras for its financial strength, if no co-operative bank in India has attracted as much deposit money as the Madras Central Urban Bank, if lack of funds has not stood in the way of the formation or working of any society in this Presidency—it is all due to the good work of the late Sir V. C. Desikachariar. It is the sound management and striking success of the M. C. U. B. that led to the organisation of mofussil district banks which have all been a great success. Sir V. C. Desikachariar has been criticised as having lacked enthusiasm for co-operation as such, because under his guidance the M. C. U. B. was run on strictly business lines. We think he should be thanked, rather than criticised, for working it on such good business lines. A co-operative society is from first to last a business society. It is not a charity institution. Prophets and enthusiasts may inspire but do not give stability to any movement, economic or other. It is the business-like management of the Bank, nay the excellent dividends which it has been able to declare, that ensured the confidence of the investing public in co-operative concerns. Sir V. C. Desikachariar had a strong personality. Everyone who had anything



THE LATE SIR V. C. DESIKACHARIAR.

to do with the shaping of co-operative policy in this Presidency strove to get him on his side and it was no easy task to succeed. We offer our humble but deep sympathy to Mr. V. C. Rangaswami Aiyangar and other members of the bereaved family. \* \*

In the series of thoughtful articles which Dr. Gilbert Slater University Professor of Economics, has been contributing to the *Hindu*, a recent one deals with some opportunities that exist in Madras for running industries on co-operative lines. Dr. Slater points out that if the poverty of India should be remedied there should be more production as in the countries of the west. There are two systems of production—the capitalist and the co-operative. The former is in a highly developed state while the latter is still in its infancy. Under the former though the wealth of the country increases it is distributed mainly among the moneyed classes and the proletariat is left as poor as ever. The result is luxury and indolence in the one and overwork and physical and moral depression in the other both leading to vice and ultimate misery. Under the co-operative system commodities would be produced not for profit but for use and so there would not be overproduction or un-employment or too unequal a distribution of wealth. Therefore the right order of things is for the consumer to arrange for the production of the goods needed for him, in other words, associations of consumers like the Rochdale Pioneers and other co-operative stores should take up the management of industries. Coming to the particular from the general, Dr. Slater suggests that the T. U. C. S. should take over the production of gingelly oil from the Mambalam Society, of leather goods from the Madras Co-operative Leather Goods Factory and also run the proposed Co-operative Printing Press.

It is no doubt right theory that the consumer should become his own producer, and if only he could be trusted to be a considerate and enlightened employer, there can be no objection to consumer's associations taking over all production. In practice it is however, there that the consumer fails. Even in England he has not proved himself an ideal employer, as strikes and grumbings among the employees of co-operative societies go to show. Though co-operation and competition are as opposed to each other as white and black, the co-operator has that much of the competitive spirit in him as makes him prefer cheap production to fair production. In India the spirit is particularly bad. The co-operative consumer refuses to identify himself with the interests of

the producer. It fact, the difference of a pie is enough to drive a member from the co-operative store itself to the competitive bazar. It is not the fair wage or even the living wage which the T. U. C. S. or any other store gives to its employees but the lowest market wage. The competitive spirit is there ruling the co-operative business. "Our members do not want the somewhat costly but pure gingelly oil, they want cheap though adulterated oil and we must cater to their wants". So say the co-operative directors. They are not to blame. They need education. The whole world needs education. But till they are sufficiently educated, till they learn to care as much for the material and moral welfare of their employees as for their own, the actual producers have a justification for organising themselves for their own benefit, that is for obtaining a fair profit. Under the present circumstances that is about the utmost that is possible. Neither the capitalist who seeks his own gain, nor the co-operative consumer who wants the cheapest foods, is willing to allow to the actual worker an income that will enable him to live in comfort and some refinement. The co-operatively organised worker therefore, has to take for himself something in the shape of profit. The aggregate profit is perhaps the same as the capitalist was making for himself, but instead of its going to a single individual or a small body of men, it is distributed among a large number. It is only when the producer tries to exploit the consumer that we shall be justified in protesting. Dr. Slater has not indeed overlooked the interest of the actual producer who is to be employed by the consumer, for he wants the latter to realise his responsibility for the conditions under which the former is employed. But we think he does not emphasise it sufficiently. The party that deserves most sympathy at present is not the consumer but the employee-producer and until this consumer becomes sufficiently educated in the ideals of a co-operative system of life we think societies should be organised separately for different productive classes, such as for artisans and agriculturists. These societies prevent the appropriation of profit by capitalists and middlemen. It is only when wages come to be adjusted on considerations other than competition that it will be possible to eliminate profit altogether.

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We regret to be somewhat late in welcoming our Kanarese contemporary the "Kanada Sahakari" into the ranks of co-operative journalism but our welcome is non-the-less hearty for becoming late. It is a monthly journal intended to serve the kannada societies of Bombay and Madras and

The Kannada Sahakari.

is published at Puttur in South Kanara under the authority of the Bombay Central Co-operative Institute. The Editorial Board consists of four persons, two from Dharwar and two from South Kanara, the latter being our well-known friends, Messrs, M. Shiva Rao and M. Ananta Rao of Puttur. It contains as much of useful varied and interesting matter as may be compressed into the limited space of 24 pages demy octavo. Some special features are the review column, where the books dealt with are not limited to co-operative or economic literature, following perhaps the example of the *Irish Homestead*; the diary of co-operative engagements; and the lists of new societies registered in the Kanara districts of Bombay and Madras. It is printed in the Sadananda Co-operative Printing Works at Puttur, and the execution is so good that any press might well be proud of it. The subscription including postage is only Re. 1-0-0 per annum which appears to be too low to make itself supporting even with honorary editing. The number of pages as well as the subscription should, we think, be raised at an early date. We congratulate the conductors on the excellence of the journal.

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*Madras young Men* a weekly publication of the Y. M. C. A. announces that the Hon. Mr. S. Srinivasa Aiyangar who presided over the last Provincial Co-operative Conference, has generously offered an initial gift of Rs. 50 per mensem for one year toward the employment of a secretary for co-operative work in paracheries. The Y. M. C. A. estimates that the expenditure would come to about Rs. 1500 a year for that work and appeals for similar help from other gentlemen. While we are thankful as co-operators to Mr. Srinivasa Aiyangar for his generosity and sympathy for the residents of paracheries, we cannot help wishing that his kind attention had been drawn in the first instance to the Madras Supervising Union the duty of which is to see that the poor societies in the City run on right lines. The Government have given that body a grant of Rs. 500 for the first year of its existence. It has at present only one supervisor who will naturally find it difficult to effectively look after the existing societies and stimulate the formation of new ones. We hope that even now the claim of the Union will be considered by Mr. Srinivasa Aiyangar who can increase immensely the utility of the institution.

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It is a matter for keen satisfaction that our women are beginning to take an active interest in the co-operative movement. In rural societies there have been here and there women members who have generally been putting

Indian women and  
co-operation.

their men co-members to shame by being more regular in their repayments than they. Even Gosha ladies are known to have taken shares in district and urban banks and recently there was a proposal in the Chingleput District Bank to allow lady-members to vote by proxy, the proposal being subsequently withdrawn as opposed to the spirit of co-operation. But now they have begun to grace co-operative conferences with their presence and even to take part in the discussions. A feature of recent Salem conference was the presence of several ladies, and at the Mysore Cooperative Conference Mrs. Srirangamma, a lady graduate took an active part in the deliberations and gave an interesting account of the working of the "Ladies Co-operative society." We hope no critic will be so carping as to accuse the members of that society with being un-co-operatively exclusive. Mr. G. K. Devadhar of the Bombay Branch of the Servants of India Society, who presided over the Mysore Conference was so pleased with their attendance that he has threatened to advertise the fact wherever he goes. We think the ladies of Mysore deserve it.

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One of the very useful channels in which co-operative societies and unions may interest themselves is to settle by arbitration matters of dispute which would otherwise drift into courts of law. It is a matter for gratification to us that some societies are exerting themselves in this direction. Mr. Ananda Rao of Vadamalaipuram has sent us an account of this kind of good work done by Thirutangal Union and by the Vadamalaipuram society which is affiliated to it. During the last year alone Vadamalaipuram society besides settling various disputes arising out of accounts, arbitrated and gave awards in two disputes between rich and stubborn people who would not have hesitated to spend any amount of money on litigation. Those awards are now accepted by all parties as the basis of several transactions, and matters are getting on very smoothly. In the same manner when a house in the locality was required for a public purpose, to avoid the delay and trouble involved in acquiring it through Government they settled by arbitration the compensation money and purchased the property within a few hours. The union itself settled a boundary dispute of a house to the satisfaction of all the parties concerned. We commend this example to all the societies concerned.

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The Morning Star Sundries Ltd, says the 'Millgate Monthly' is being conducted for supplying the various sundries essential to the well-stocked grocery department of a co-operative store. It owns nearly 500 acres of orchard plantations in Toddington, England. The plantations are laid out in avenues and beds as regular in form and measure as a geometrical proposition. There are approximately 4,000 plums, 2,000 damsons, 1,000 apples and 500 pears, and 40 acres of strawberries, 12 acres of raspberries and 106 acres of black and red currants respectively. The acquisition of a big glass-house has enabled the production of grapes, tomatoes and market vegetables. The cultivation of medicinal herbs is to be another speciality. The large supply of wood has made them think of establishing a fir-lighting industry. There is a big poultry colony attached to the plantations and cattle-farming, 'gentle-eyed kine browsing on verdant fields', providing the milk so much in demand for the English that are to be, is in contemplation. The jam factory attached to it is overworked, and fruit canning and bottling form part of the future programme. The welfare work for the hands on the farm is very interesting. Rows of huts clean and sanitary and fitted with camp-beds have been built, and well-equipped commodious canteens cater to its customers in comfort and cheeriness. But this, the paper says, is only a small instalment of an ideal rural colony. The share-holders are big co-operative societies and the regular workers, and the latter all of whom have some little at stake in the enterprise, are represented on the directorate and also have their share in the profits. The customers are the co-operative societies of the country, who in course of time become members: Labour, capital, and consumer are united in a happy, healthy and harmonious trinity.

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The enterprising co-operators of South Kanara have arranged for the First South Kanara District Co-operative Conference at Mangalore on the 20th and 21st of December 1919. The Reception Committee of the Conference have been able to secure as President the experienced co-operator Rao Bahadur R.G. Naik, M.B.E. Divisional Honorary Organiser of Co-operative Societies, Belgaum. A provisional list of subjects that will come before the Subjects' Committee of the Conference is published elsewhere. The list is long and comprehensive and will interest even those who have no intention of attending the Conference.

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The Ganapathy Secondary School Students' Stationery Society, Mangalore, is an unregistered co-operative society of which our Presidency may well be proud. At the end of the last co-operative year, out of a total strength of 503 boys in the School, 402 were members of the society. There was a remarkable rise in the amount of deposits attracted by the society, the total held at the end of the year being Rs. 2,291-13-8 as against Rs. 220-11-11 at the end of the previous year. The constant and free flow of deposits enabled the society not only to wipe off the entire loan of Rs. 445 due to teachers at the end of the previous year, but also to invest considerable sums, in current account, with the teachers who have generously consented to hold the loans at call, paying an interest of  $7\frac{13}{16}$  per cent. per annum. There was a slight increase in the business done, the value of the business being Rs. 1,537-14-7. The profits fell from Rs. 391-13-10 of the previous year to Rs. 248-15-5, in spite of the increase in business. This was solely due to the adoption of a lower margin of profit. On the other hand there was an increase from Rs. 3-11-3 to Rs. 3-13-3 in the incidence of purchase per head. Some idea of the enthusiasm of the members may be gathered from the fact that no meeting was adjourned for want of quorum.

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The Madras Electric Supply Corporation Workmen's Co-operative Society was registered on 9-12-18 though it began work on 29-9-18. It had 232 members on 30-6-19 and the paid-up share capital was Rs. 2,236. The society purchased articles for its members to the value of Rs. 10,754 and retailed them for Rs. 10,796. The value of the stock on hand at the close of the year was Rs. 481. Thus it earned a net profit of Rs. 475. One interesting feature was the sales were for credit though confined to the members only. Through the kind co-operation of the employers the dues were conveniently adjusted from their monthly salaries. The Corporation was also kind enough to lend the services of two of its employees to the society and thus avoid any expence on establishment.

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Substantial progress was made by the Chingleput District Banking Union during the last co-operative year. Its membership rose from 22 individuals and 277 societies to 56 individuals and 305 societies. The paid-up share capital nearly doubled itself while deposits from members and non-members increased from Rs. 3,000 and Rs. 4,891 to Rs. 17,050 and Rs. 18,705 respectively. The Reserve fund of societies deposited

with the District Banking Union rose from Rs. 1,26,662 to Rs. 1,48,646. It earned a net profit of Rs. 3,091. We congratulate the management on the improvement it has recently been able to show.

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In the second year of its existence the membership of the Chidambaram Teachers' Co-operative Credit Society rose from Rs. 23 to Rs. 91 and its share-capital to Rs. 354. During that period 100 loans amounting to Rs. 4,745 were disbursed of which we are told, 51 loans amounting to Rs. 2,535 were for productive purposes and 48 loans amounting Rs. 2,190 were for clearing old debts while only 1 for Rs. 20 was for a marriage. We should be very glad to know the particular productive objects in which the teachers spent their loans. We are agreeably surprised that only one loan and that for Rs. 20 was taken for a marriage. We should be exceedingly happy to be assured that the amount was sufficient for the marriage and that there was no supplemental borrowing from a non-co-operative source.

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The deposits from members in the Palamcottah Urban Co-operative Society rose to Rs. 38,846 from Rs. 22,547 while there was a fall in the deposits by non-members. After meeting its local requirements the society was able to invest more than Rs. 20,000 in the Tinnevely Banking Union and more than Rs. 7,000 in the Madura-Ramnad Central Co-operative Bank. The Assistant Registrar however, regrets in his audit order that the good record of progress made has been marred by arrears of share capital and overdue principal and default in the payment of interest.

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The membership and the paid up share capital of the Big Conjeevaram Weavers' Union increased from 293 to 347 and Rs. 1211 to Rs. 247 respectively. But there was a fall in the value of the finished products turned out by the union and also in the value of the raw materials purchased and sold to the members. The union produced during the last year Rs. 8933 worth of goods as against Rs. 11,360 of the previous. The value of raw material purchased and of those sold during the year was Rs. 4,158 and Rs. 4008 as against Rs. 6,994 and Rs. 7,357 respectively. The gross profit earned by the union during the year was Rs. 2,546 as against Rs. 2771 in the previous year. The net profit of the year under review was Rs. 615. Though the transactions shrank there was an increase in the membership and capital of the society on which we congratulate Mr. P. Ramachandra Sastri.

### JOINT SALE AND PURCHASE.\*

By F. R. HEMINGWAY, I. C. S.

There have been often resolutions passed at various co-operative conferences urging upon co-operators the great advantage of joint purchase and joint sale. The Registrar desires to bring the matter again before the minds of co-operators with reference to some experiments that have been made during the last co-operative year.

The theory of co-operative trade may be stated in a few words. The trade of the world is done, generally speaking, in large quantities. No body would think of exporting one cotton cloth from Manchester for sale in India or one measure of paddy from Nellore for sale in Madras. Such exports are made not by single cloths or in measures but by wagon loads and by thousands of bales. When they arrive at their destination it is necessary for some one to split up these large quantities and sell them to the consuming public in small quantities. This is ordinarily done by merchants, middlemen and shop-keepers, all of whom add a little (or a lot) to the price in order to pay themselves for their trouble. Similarly it is the duty of some one or other to collect from the various producers of any article required for export, the small quantities that each man has produced, to combine them together and to sell them to the large export merchants. This work also is usually done by merchants and middlemen. If for doing these two operations of collection and distribution, the middlemen concerned only charged a reasonable commission or fee, there would be no need for co-operation to intervene. But unfortunately it is generally found to be the case that the middlemen charge far too much and that the producer receives far too little and the consumer has to pay far too much. Hence co-operators all over the world have endeavoured to do, instead of getting the merchant to do it, both the distribution of imported articles and the collection of articles required for export. They hope by these means to give to the consumer and to the producer the profits at present taken by the merchants.

The most important of these operations is the distribution of imports or in other words co-operative sale. The most well-known form of this trade is exemplified by the ordinary co-operative store such as we find in Triplicane, Madura, Coimbatore and in some of our other large towns. These stores keep open a regular shop or shops in which they store articles required by their members and sell to members in the or-

\*A Circular from the Registrar.

dinary way when they come to buy. The articles are purchased wholesale and they are cheap. They are also of good quality, since the larger merchants are generally speaking more honest than the smaller ones and for the same reason there is no deceit about the weight or measure of the various consignments. Thus a well-managed store is able to sell good articles with fair weight and measure and at cheaper rates than can be had in the ordinary shops.

These are obviously great advantages. But unfortunately a co-operative store of this kind is not very easy to work. Great skill is required to know what to purchase, when to purchase it and in what quantities to purchase it. A considerable establishment is required to conduct the business of the shop and this is expensive. There is danger of loss owing to wastage, the deprecation of rates and other vermin, from unexpected fluctuation in prices and from the carelessness or even perhaps the dishonesty of the paid staff. And indeed it is to be admitted that with few exceptions our co-operative stores have not been a conspicuous success and some have failed disastrously. And it is only too clear that if such has been the experience in our towns it is useless to expect that co-operative shops of this nature will be successful in villages.

There is however another way of getting most of the advantages of co-operative purchase without keeping a shop. Supposing for instance a number of men join together and estimate how much of any particular article they may require, add up the requirements of each, make a total and order jointly the total amount so required, they will obviously get it a good deal cheaper than if they bought it in the local bazaar at retail price. They will also probably get better quality and fairer measure. Suppose moreover that these men are prepared to pay for the articles at once and each to take over his own share immediately, carry it home and store it in his own house, then there would be no danger of loss of the nature described above. This simple operation has often been done by members of co-operative societies in Ireland and Germany and no doubt in other places. It is not of course so convenient as a co-operative shop, since it is difficult for a man to estimate beforehand how much of any article he will require, and it is perhaps rather a nuisance to have to pay for a large consignment all at once and to have to keep it in one's own house. But experience seem to show that the advantages largely outweigh the disadvantages. And such experiments as we have made in this Presidency during the past year seem to bear out this belief.

Briefly, the members of some 200 rural societies last year undertook co-operative trade of this kind. They bought articles worth Rs. 3,00,000 and the members profited by the transaction to the extent of Rs. 60,000 or about 20 per cent. viz., they had to pay 20 per cent. less for the articles purchased than they could have had to pay in the local bazaar. The method of the trade done was roughly speaking as follows :—

Each panchayat asked their members from time to time how much of a given article they desired to purchase. They were asked to pay cash if they could do so, and, if they could not they were given short term loans from the society to make the purchase, and the total requirements of all the members in the village were then totalled up and the total quantity was ordered from the best available wholesale source of supply. The articles were distributed as soon as they were received and the transaction was finished, except for the fact that the society still had to collect in due course a few short term loans given to the members for the purchase of the article. Some of the societies preferred to join together for this trade so as to be able to make even larger orders still, since it is the common experience that the larger the amount of things purchased at one time, the better the prices obtainable. Sometimes the societies asked the local supervising union to which they were affiliated to undertake the purchase. Sometimes the societies join a separate union, called a "trading union" organised with share capital and with the societies as members, to undertake the work. Perhaps on the whole it was the trading unions that were most successful. But generally speaking it is understood that all the societies which undertook this kind of work were satisfied with the results and mean to continue the experiment. The trade done consisted chiefly of Burmah rice, salt, kerosine oil, manure, chillies, seed grains of various kinds and cotton seed.

It should be noticed that in doing these transactions the primary societies and the supervising unions disclaim all responsibility for loss and acted as the agent for the members. The trading unions being based on share capital, in many cases undertook the risk themselves; but in some cases, where the share capital was not sufficient, only undertook the business as agent. The matter is of course in an ordinary experimental stage and it will be for the future to show whether the primary societies can undertake all or any of the risk themselves.

• It seems to the Registrar that there are almost infinite openings for this kind of trade. The attention of co-operators is invited to the

following simple calculation. There are in the primary agricultural societies in this presidency over a lakh and seventy thousand members and it is a fair calculation that taking the average of rich men and poor men, each member purchases for the use of his family and from outside the village Rs. 200 worth of articles every year; and it is not an unfair assumption that practically the whole of these purchases could with sufficient foresight be made co-operatively and if bought co-operatively, the articles could be bought considerably cheaper than in the local bazaar. If we imagine that the whole of these purchases were made co-operatively and that the profit was not 20 per cent. (the average profit of the last year's experiment) but was 10 per cent the result would be that our societies would have taken out of the pockets of the middle men and placed into the pockets of their members no less a sum than thirty-four lakhs per annum. And such a result, it would seem, judging by our experience last year is, with ordinary patience and enterprise, by no means impossible to obtain. And if not impossible it is surely worth obtaining.

The Registrar is inclined to think that it is through the trading unions that success is most likely to be obtained. The trading unions will be in a position to pay a better establishment and command better management than an ordinary primary society and will therefore manage the business better. Such a union would be in a position to know beforehand what kind of articles would be required by its affiliated societies through the various seasons of the year and would be able by constant circulars and reminders to induce the primary societies to join together for joint purchase of these articles. And indeed the chief difficulty of developing this trade will lie in inducing the villagers to take the trouble to estimate their wants beforehand and to join in a co-operative purchase. Constant propaganda, circulars and reminders from the trading union will be the most effective weapon to overcome any indifference. The Registrar hopes that there will be a rapid increase in these trading unions and a rapid spread of the practice of co-operative purchase. These unions may again be joined together into a larger union and all may be ultimately combined in one or more great wholesale organisations for the presidency.

Co-operative sale was not so largely nor so successfully done by our societies as co-operative purchase. But here again it would seem that the members of our ordinary credit societies may obtain great

advantage by selling their produce jointly through their society. Some successful experiments by credit societies were made last year and in all some half a lakh of rupees worth of produce was sold jointly by co-operative societies with an estimated profit of over Rs. 2, 40).

It would seem that if our villagers can only get into touch with the great exporting merchants and if our trading unions could supply in large consignments of good quality free from adulteration all the articles required by those merchants they would obtain remunerative prices. This is a subject on which the Registrar urges all rural co-operators most earnestly to reflect.

A few societies have also conceived the idea of obtaining a further profit for their members not only by a joint sale of their produce but also by the co-operatives treatment of the produce for market. Thus, the societies in the Kallakurichi taluk have taken shares in a big agricultural society, similar to a trading union, through which it is proposed to gin the cotton, decorticate the ground-nut and crush the sugar cane produced by the members of the affiliated societies, as well as to sell the finished product to the exporting merchants. Steps are being taken in the same direction by some earnest co-operators at Tindivanam. It would appear that there is a great opportunity for increasing the profit of the ryot co-operators by means of this kind and all co-operators will wish these societies the greatest success.

#### CO-OPERATIVE TRADING UNIONS.

BY RAO SAHEB C. KARUNAKARA MENON, B. A.

All over the Presidency we find an industrial renaissance. This is particularly noticeable on the West Coast. The question for consideration is, whether we are to be benefited by it, or whether all the advantages are to go to the more enterprising and resourceful people of North India and the Western Presidency. The struggle has begun in right earnest in Cochin and Calicut. New companies are forming and more and more outside capital is dumped down all over the West Coast. How shall we meet the aggression, and how shall we make hay while the sun shines? As yet our people are unready for the coming industrial fight, we are a disorganised mass. My only hope is in the inspiring influence of the Co-operative Movement.

● Luckily for us, two Europeans have been far-sighted enough to see the necessity for giving us a training in organised and sustained work.

Our Registrar Mr. F. R. Hemingway I. C. S. took the first step of encouraging people to organise co-operative stores in various parts of the presidency. Then a conference of representatives of store societies was held in the office of the Registrar on Monday the 24th of February 1919, with the Registrar in the chair; Dr. Gilbert Slater University Professor of Economics, and twelve delegates from store societies were present, and ten resolutions were passed. I shall here refer to some of them. At this conference it was resolved that the store societies should be requested to convert themselves into trading unions, that these unions should be induced to affiliate to them the primary credit societies in their neighbourhood, that the trading union should henceforth consist of individual shareholders residing within their respective jurisdictions, and society members affiliated to them, and that the trading union of the kind described just now, should be used with advantage for the purpose of selling the surplus produce of the members of the affiliated primary societies. As a coping stone to the edifice it was also resolved that it was advisable to organise a wholesale society for the Presidency to which the stores and the trading unions can be affiliated. It was further resolved that rather than starting a new organisation it would be preferable to try to induce the Triplicane store to undertake wholesale business for the store societies and trading unions affiliated to it.

A circular was then sent round by the Department to all store societies in the Presidency requesting them to consider the advisability of admitting other co-operative societies in the neighbourhood as members with a view to convert the stores into a co-operative trading union ultimately. Such of the store societies as were willing to expand their sphere of usefulness were requested to amend their by-laws suitably. Primary societies which were desirous of becoming members in store societies were requested to amend their by-laws also. Accordingly, to my knowledge, the two store societies in Calicut Section, at Puttur in South Kanara, and at Perintalamanna in Malabar, amended the bylaws and converted their stores into trading unions. Agreeably to another resolution passed at the February conference, the Registrar addressed the Triplicane store on the question of that society undertaking wholesale work on behalf of store societies and trading unions affiliated to it. The mofussil store societies were also advised by the Registrar to affiliate themselves to the Triplicane store. The mofussil

store societies were prepared to act up to the suggestion and some of them applied to the Triplicane store for affiliation. Before admitting mofussil store societies as members the Triplicane store had to prepare the necessary bylaws and get them approved by the general body. After the bylaws are approved the Triplicane store will be prepared to affiliate mofussil store societies. This will be done before the close of the year.

Meanwhile, the Registrar is rendering all possible help to make the store work easy, attractive and advantageous to the members. The two most important problems in store work are (1) where and (2) when to buy. To supply this, a sort of information bureau has been started in the Registrar's office. And as far as trade information is concerned the Registrar and his Assistants are giving us most cheerfully all the assistance they can. They are in constant communication with the Triplicane Urban Co-operative Society who are ready always to place their experience at the service of the mofussil societies. Ultimately it is hoped that it will be possible for the Triplicane Society as a federation of distributive societies, to undertake not merely to give information, but to organise supplies to mofussil societies.

The Registrar's office is now acting as a general exchange for the interchange of information among the store societies of the presidency. Chennimalai, for instance, tells the Assistant Registrar of the section, that it can supply ghee and chillies at such and such price per maund. This information is at once carried to the various Assistant Registrars and within a fortnight the information is in the office of every store in the presidency. This system has been at work for the past three months and has proved a great success. We are only in the first stage of organised distribution. The possibilities of the experiment now being tried are very great, and promise lasting advantage to the general public.

One thing more remains to be done. The absence of a uniform set of weights and measures is a great obstacle to the work of stores. We have maunds of 24 lbs and 28 lbs. In the Calicut bazaar one maund is 34 lbs. The same diversity may be observed in measures. I suggest that the Registrar should enforce that all stores should use the same maund. The 25 lbs or Rs 1000 maund has the advantage of the decimal system. Let there be one measure. I suggest the type of measures supplied by the Revenue department. Quotation of trade rates will then become easy.

We have now three organisations in our movement; (1) primary society—district bank—apex bank; (2) primary society—supervising

union—the Provincial Co-operative Union ; (3) primary society—trading union—the Triplicane store.

Let our people get a thorough grounding in this organised work. They will then know how to combine and trust mutually. Then the jump from the co-operative society to the joint stock company will be easy. In the fulness of time, the co-operative movement will so train us that we shall find no difficulty in competing on equal, if not advantageous terms with our Bombay and Northern India trade rivals.

### CO-OPERATIVE INSURANCE.

BY K. RAJA RAO, PAKAL.

The business of Life Insurance in India is mainly carried on by joint-stock companies. The large profits realised in the business go to swell the pockets of capitalists while the policy-holders whose money it is that earns those profits get little or no share in it. In this article it is proposed to point out the superior benefits Co-operative Life Insurance.

Some idea as to how a joint-stock life Insurance Company is started and worked is necessary to bring home clearly the benefits of co-operative Insurance. A few well-to-do men join together and form a limited Insurance company under the Companies Act. Let us suppose the capital of the company to be one lakh of rupees divided into ten shares of rupees ten thousand each. The whole share value is not called for. On admission each shareholder pays Rs. 1,000 the remainder being called for when the need arises. The sum of Rs. 10,000 thus called up is spent on advertisement, furniture and other items requiring initial out-lay, which is to be written off in the end. Next the services of an actuary are availed of to prepare tables of premia for the company ; then are appointed commission agents, and a medical board to accept the lives of men recommended by the local medical men. The doctors that examine people who propose to take a policy in the company are paid a fee ranging from Rs. 8 to Rs. 24, while agents of the company get a commission of 15 to 40 per cent of the first premium of every policy secured by them. The agents are further entitled to a renewal commission of 2 to 5½ per cent on the subsequent premia, so long as the policies secured by them are in force. These preliminary things done, the company opens an office in a suitable place and later a number of branches are opened in important centres, then begins the real work of securing policies, granting loans, etc.

About 40 percent of the premia realised from policy-holders is spent on the establishment, 10 percent meets the death claims and about another 10 percent is given as commission. After this 60 percent of unprofitable expenditure the remaining 40 percent is invested with the Government or in any other bank at an interest of 4½ percent or so. There is rarely any necessity for touching this saving of 40 percent and the interest thereon. The annual premia suffices to meet all the charges, nay it even leaves a surplus to be added to the reserve. Invariably lives of persons insuring for large amounts are re-insured at very low rates in other big and reliable banks. There is another matter. Under the Companies Act the company has to provide a cash security of two lakhs to the Government. But the payment is spread over 8 years. A sum of Rs. 1½ lakhs invested enables the company to purchase Government paper worth Rs. 2 lakhs at the end of 8 years. In the course of twenty years a company may hope to do a business of one crore of rupees, and realise as premia about two lakhs of rupees. If, at this stage the company wants to wind up its business it can do so without incurring any odium and with a good profit to the share-holders. The company can meet all demands such as matured policies, death-claims, granting surrender value or issuing paid-up policies, pay back share capital to the investors and yet realize a net profit of ten lakhs of rupees to which no one but the share-holders are entitled. This sort of extremely lucrative business, without putting any capital or undergoing any risk is largely carried on as we said, by joint-stock companies, many of which are incorporated abroad, and invest the reserve fund and other moneys in foreign lands.

Now let us consider Co-operative Life Insurance, how it can be organised and how it is superior to Joint-stock Life Insurance from the point of view of the investor and the country.

There is already present an efficient organization in the existing 3,000 and odd co-operative societies in the Presidency. What is wanted is only the adding of insurance to the credit and other functions now exercised by them. This does not necessitate too much initial out lay as in joint-stock companies. A capital of half a lakh of rupees would suffice the Co-operative Life Insurance Society. This amount and the sum of Rs. 25,000 which is to be deposited with Government as security may be easily subscribed by the 3,000 and odd co-operative societies in the presidency. Each society will contribute Rs. 25 a year or Rs. 2

per month towards the organization and security. This initial outlay can be recovered later on from the policy-holders. That means the Insurance Society risks nothing. Thus the co-operators through their societies which are share-holders, become entitled to the profits. It is not a handful of fat capitalists that reap the benefits and grow more fat, but a large number of the common people who honestly work for their bread.

The other items of expenditure such as commission for agents, doctors' fee and establishment charges are small. The co-operative movement is popular, and people have faith in it. And those who are familiar with credit co-operation hardly need inducement to take to co-operative insurance. Through such co-operators their relations and friends can be made to insure their lives. The societies themselves, which are share-holders will play a great part in securing policies. So, there is little expenditure under this head.

As regards medical examination of the people who propose to take policies in the society, the expenditure can be curtailed by arranging for the visit of a doctor when there are half a dozen lives to be insured in a locality. In this connection local knowledge will be of very great value. The villagers know each other very well, the diseases in the families and so on. This will enable the insuring of good lives only. Government also can help in securing medical men cheap for the examining of lives for the society. As in the Government Postal Life Insurance the Government can fix the fee at a low rate of Rs. 4, whatever may be the amount insured for. Add to this free audit. Then Co-operative Life Insurance becomes a marvel of cheapness when compared with the joint-stock company. A joint-stock company can never think of competing with a co-operative society. Now, the joint-stock insurance companies are investing their surplus in liquid banks at a very low rate of interest, say 4 per cent. And many of these banks undertake speculative business, and as such their stability is questionable. Our experience of the failure of so many joint stock banks such as the Bank of Burma Ltd., the Specie Bank of Bombay, the Arbuthnot of Madras, recently, do not favour the investing of money in such banks. Lastly, all such investments go out of the country to enrich foreign lands either by way of starting industries or aiding existing ones. In the case of Co-operative Life Insurance it is otherwise. The investment not only fetches a higher rate of interest, say of 7 per cent on substantial security of land etc., but also it is safely invested in the

country for the good of the country. While fetching more money for the society by way of interest indirectly enables the production of more wealth in the country.

To sum up, a Co-operative Life Insurance Company stands head and shoulders over a joint-stock company in cheapness, stability and security, and in the benefits that are derived by the share-holders, policy-holders and the country. As against 60 per cent of expenditure of a joint-stock company it is enough that Co-operative Insurance Society spends 40 per cent. While a Co-operative Insurance Society invests its surplus in the country at higher rate on sound security a capitalistic concern invests its surplus in a liquid bank doing speculative business paying a low rate of interest. Want of money which is so much felt by the co-operative movement can be easily remedied by the opening of an Insurance section, with all the advantages it may have over private concerns of a capitalistic nature. Such an enterprise will go a great way in solving the vital problems of unemployment and destitution, education of the masses and the like which are now engaging the serious attention of the Government.

The following tentative scheme will be of use to the readers. Supposing there are 100 policy-holders under a 20-year endowment scheme, paying an annual premium of Rs. 50 each, the amount realised is Rs. 1,00,000. The interest on Life Insurance Fund accumulated from year to year, surrenders, lapsed policies, assignment fees etc., during the 20 years will bring in Rs. 2,00,000. The income realised is thus, about Rs. 3,00,000. The expenditure will come to about Rs. 2,00,000. Ninety matured policies will have to be paid Rs. 90,000, establishment charges (20 p. c.) Rs. 20,000, claims (10 p. c.) Rs. 10,000, commission (10 p. c.) Rs. 10,000, capital outlay to be written off Rs. 10,000, depreciation of furniture etc., to be written off Rs. 10,000. The total expenditure is thus Rs. 1,50,000. Let us give Rs. 50,000 as bonus for matured policies. Then the expenditure comes to Rs. 2,00,000. Even then there is left a clear profit of Rs. 1,00,000 for the society.]

#### CO-OPERATIVE—DISTRICT BANKS.

BY R. SRINIVASA AIYANGAR, B. A., B. L., TIRUKOILUR.

The leader appeared in the *Hindu* of the 31st October induced me to write the following with a view to suggest some means by which the unnecessary locking up of money in Co-operative District Banks as

fluid resources and the over-capitalisation of such banks to provide the required share-capital for their borrowings could be avoided.

The standard of fluid resource fixed by the report of the Committee on co-operation is now recognized on all sides as needlessly high and the Banker's Conference of February this year adopted the expert opinion given kindly by Sir Bernard Hunter. Though the Government have not passed any order, for what I know, in this matter our Registrar appears to have adopted that opinion. The district banks have so far derived material benefit from the action of our Registrar and they are grateful to him and I hope the Government would also recognize this shortly.

The necessity of finding share-capital up to certain proportion of the total liabilities, say one eighth, which has been adopted by all banks is in my opinion also a little too high and it needs re-consideration very early.

The liabilities of a district bank can be classified under two heads. Firstly, the borrowings from individuals and non-co-operative corporate bodies *i. e.*, in a word from bodies outside the movement. Secondly borrowings from the Madras Central Bank and from other district banks. So far as the first head is concerned it is necessary that a certain proportion, say one eighth, of the total liabilities should be held as share-capital. This may be required to show to the outside public that their investment is safe. But the second head comes under an entirely different set of considerations. It is money that comes from within the movement. The lender and borrower have common interests and they are co-workers in the same cause. The person or persons who lend originally to the lending banks are secure in that those banks stock the required proportion of share capital. There does not seem to be any reason why another proportion of share-capital should be required for the same money when it goes to another co-operative institution. There need be no suspicions about the solvency of such financing, but borrowing institutions, *viz.*, the district banks, because the bonds of the primary societies are pledged as collateral securities with the lending bodies a security which the individual depositor can never expect to get. In these circumstances, I consider it unnecessary to require any share capital for this second class of liabilities. Till the district banks come into existence the Madras Central Bank was lending directly to the primary societies and it was maintaining the required share-capital of one-eighth of their total liabilities. In cases of central banks that were organized before the Committee on Co-operation published its report, it was not unusual to transfer

wholesale all the liabilities of the Madras Central Urban Bank without insisting on the one-eighth minimum of share capital in the district banks. It was only after the Committee report, that the putting forth of share-capital up to a certain limit was insisted on. The result is the new district banks and the societies financed by them have to suffer. The primary societies are required under the bylaws of the district bank to take up shares in the district bank in proportion to their borrowings. It is only when the district bank has money ready to be lent that it would be justified in asking the primary societies to take up the required number of shares, as otherwise the natural result would be to take away even the small working capital of these primary societies, in anticipation of their getting a loan in the future. But when the district bank applies for a loan from the Central Urban Bank, Madras it is asked to show the minimum share-capital for the indebtedness inclusive of the amount of the loan applied for. This is really hard. It would be something if the district banks are asked to show the minimum share-capital required for the indebtedness exclusive of the loan then applied for, and the Central Urban Bank, Madras waits and gives time to the district bank to make up the additional share-capital by the time the district bank disburses the additional sum obtained, to the primary societies. Taking all these into consideration it appears reasonable to conclude that no share-capital minimum need be fixed for this second class of borrowings. If however, such a requirement is insisted on, the proportion may be considerably reduced say 1-32 of such borrowings from co-operative banks.

It is also anomalous to treat the reserve fund and share-capital of a society on the same footing in calculating its borrowing power. The Committee on co-operation has fixed eight times the total of the share-capital and reserve fund as the maximum borrowing power of a society, a little consideration would show that the reserve fund is the owned free capital of the society, the interest on which augments the profits of the society while its share-capital is a liability on which the society is bound to pay dividend though out of profits. It may therefore, be safely said that when eight times the share-capital is fixed, at least sixteen times the reserve fund may be taken as the basis in calculating the maximum borrowing power. Will co-operators take this into consideration and act?

**ASSISTANT REGISTRARS.**

BY O. M. VENKATANATHA AIYANGAR, UTTIRAMERUR.

I have perused with much interest the articles that appeared in the *Bulletin* and in the Madras dailies. I may say at the very outset that I agree with most of the remarks made in the Editorial article of the June issue of the *Bulletin*. The co-operative movement is a non-official movement. It has been so in Germany from start to finish. In India though co-operation was first planted and has been watered by the Government, it is essential that its further growth should be entrusted more and more to non-officials. I do not mean to say that Government help is not needed; Government help is necessary in India. The question is not one of kind but of degree. How far only should Government go? Of the multifarious functions, such as organization, registration, supervision, inspection audit, the granting of loans and arbitration, now exercised by the Registrar and his Assistants, I would retain for them only registration and final audit. The other functions should naturally pass to the Unions and District Banking Unions which are coming into existence in greater numbers. Organization of societies should be in the hands of honorary organisers under the control of Unions and District Banking Unions. The opinion has the authority of Diwan Bahadur P. Rajagolachariar, the first Registrar of Co-operative Societies who said in his presidential address at the Fifth Chingleput District Co-operative Conference that non-officials should organise societies while the Department should register them. The Hon'ble Mr. Buckley some years ago when he was Board of Revenue member, came to the conclusion as a result of a consultation held with prominent co-operators that supervision and inspection should be in non-official hands while the Department registered societies. It is only legitimate that supervision should be done by Supervising Unions and District Councils of Supervision. Loans to societies are sanctioned by the Assistant Registrar but there is no reason why the Union which is expected to be in close touch with every society in its jurisdiction should not exercise that power. Arbitration also should go into non-official hands and be entrusted to Unions. If the Assistant Registrar's duties are limited to final audit and registration, and also to non-credit work for some time to come, a single Assistant Registrar would be easily able to look after 400 societies. The Assistant Registrar should be helped by inspectors at the rate of one for every 100 societies. The status

of the Inspectors should be raised by a scale of pay being allowed ranging from Rs. 50 to Rs. 150, and they should also be given a peon each. The chief duties of the Inspectors would be to audit the accounts of societies and to see that the rules and bylaws are observed, and also to attend to non-credit work. The Inspector's relation with the societies should be not that of an official but that of a friend giving them advice when needed.

It is not possible to have Honorary Assistant Registrars all over the Presidency. The virtual subordination of the Honorary worker to the Assistant Registrar makes the job quite unacceptable to non-officials. There is no use in appointing Honorary Assistant Registrars without powers of registration and audit.

As regards recruitment, though a few may be selected from the Revenue Department, it is desirable that the majority of them should be drawn from outside.

**COTTAGE INDUSTRIES AND CO-OPERATIVE STORES.\***

BY H. W. WOLFF.

A well wisher to India cannot feel otherwise than encouraged by the increasing interest now betokened in that country both in the development of cottage industries by co-operative organisations and in the creation of co-operative stores for the supply of articles of domestic requirement. It shows, that to a certain extent, co-operative credit which was above all things needful, has done its work, even apart from providing cheap money, in awakening a sense of the general helpfulness of co-operation. As regards cottage-industries, as is well known, the chief difficulty to be overcome is that of marketing. To assist in conquering this, I have, as I have already informed a contemporary of yours in Calcutta, taken the step of approaching the head manager of one of our great London stores—who, I am glad to say, has received my suggestion in a kind spirit. These large stores now have as a standing feature, a "Japanese Department," in which goods of Japanese make, mostly hand-made in those cottage-industries which, as we know, flourish prodigiously in the Empire of the Rising sun, are offered for sale as a speciality. And I may add that they sell well and are appreciated. Why, so I asked the said manager, should there not be also a corresponding "Indian Department" in the same giant establishment? The British public are

\* The Wealth of India.

at present distinctly under the influence of a patriotic sentiment which makes them purchase, zealously by preference, articles made under the shadow of the Union Jack. And encouragement of Indian cottage-industries, so I added, would be a work of laudable patriotism. The manager's reply was this, that, in the first place, Indian Cottage Industries are not organised, as Japanese are. There appears to be no cohesion, no co-ordination among them, there are no offers—at any rate in a collective shape. In the second place, the Japanese goods offered are goods of established utility which are in demand and are accordingly readily bought up. Indian Cottage-made goods offered are not of the same useful description. But the gentleman offered to meet me to this extent. Supposing that an offer were made to him of useful Indian Cottage-made goods, not mere knick-knacks, on sale or return, he would be ready, as an experiment, to make a good show of them to see how such business would answer. If it did answer, it stands to reason, that he would gladly make a standing feature of it. And if he were to do this, quite evidently, his competitors in the large store line would be compelled to follow suit. In this way, a market in this country would come to be established. Now the question is in the first place, whether Indian Cottage Industries can be so handled as to make them produce articles of the kind required, offered through one agency in sufficient bulk, and in the second, whether persons capacitated by their means to stand the racket could be found to shoulder the risk of the venture. Seeing how great would be the benefit to India if the venture were to succeed, one would think that there must be a sufficient number of such both in India and in this country to give their guarantee. It is for India to begin. If a good start is made there, we shall be able to bestir ourselves here.

Next as to stores. Only about a week ago, I received a suggestive letter from the Registrar of Madras, a province which has a good record in the history of Indian co-operation. It was a Governor of Madras, the late Lord Wenlock, who told off one of his officers, Sir F. Nicholson, to make an inquiry into co-operative practices in Europe, which inquiry resulted in a truly masterly monumental Report. The same Lord Wenlock in 1908 undertook the sponsorship in the House of Lords for a Bill prepared by myself which in 1910 scored a magnificent triumph in the Upper House, and the object of which was, at bottom, precisely the same, in respect of Ireland, as that for which, in respect of India, I am now

pleading, namely to promote co-operative store purposes among the rural population of the Emerald Isle, among which the native *bania* (the gom-been man) works as destructive havoc as his Indian brother does among your people. Mr. Hemingway's argument is a familiar one which there is no gainsaying.

- Our British stores on an average—supposing their business is conducted on the orthodox Rochdale lines *viz.*, of selling at current market price and refunding what turns out to be actual excess charges over cost at the end of the half year or the year—save the purchaser ten per cent. of the cost, which ten per cent. at least now go to the *bania*. One rupee a week in this way swells up to Rs. 52 in the year. There is no easier way of making money. Well, after receipt of Mr. Hemingway's letter, indicative that India was ready for the move, I at once communicated with my excellent friend, the chairman of the export committee of the great wholesale co-operative society at Manchester. It is that export committee which would have to deal with this matter. His reply shows that assistance from the wholesale society is distinctly to be looked to. That society already supplies goods at wholesale prices to societies in Canada, Newfoundland, South Africa and Hong Kong.

There is, therefore, no earthly reason why it should not deal in the same way with India. All that is wanted is a businesslike proposition, coming from registered societies. The thing to submit to the wholesale society is a list of goods which the applicants desire to obtain and a statement of the form in which payment is to be made and the agency to be made responsible for such payment. If that is all satisfactory, there will be no obstacle to the business proposed. My friend has promised me that if a proposition like that here outlined is forthcoming, full attention will be given to it. By such means, a gate would be opened to the inflow into the right world and a great part of the Indian population besides, of a mass of money as may be judged, from what similar co-operation has done to the working classes in Great Britain whose establishment has become the premier trading establishment in the United Kingdom.

Now, once more, it is for India to make the start, collect and co-ordinate its forces so as to create central bodies for each province or at any rate, each substantial district, with which the Manchester society could deal. The existence of so many employee societies both of Government and of Commercial or Municipal employees—ought greatly to

facilitate the task more. School boys' societies, which among others, Mr. Ewbank is so assiduously promoting in Bombay might help a little. Town populations will of course stand first. But there is no reason why rural districts should not follow as they have done elsewhere. There are not a few villages alike in Switzerland and in Russia, from which the grasping *bania* has already been effectually ousted by the store, which provides better genuine goods giving customers full value for their money and appreciably reducing the amount of money so spent, heaping up meanwhile a small capital, as in a savings bank, to the buyers. I hope, Sir, that you will be able to bring this matter under the notice of co-operators throughout India. I cannot do this from here. But if the matter could be put into shape, the business being in some way centralised and responsible purchasing bodies created, as a matter of course, I shall if required, be only too happy to assist in any negotiations called for here.

#### THE FIRST VILLIPURAM TALUK CO-OPERATIVE CONFERENCE.

The first Villupuram Taluk Co-operators Conference was held on Sunday the 26th October last in the spacious hall of the Government Training School. A large number of co-operators, representatives of the societies in the surrounding villages and towns in the neighbourhood were present. Prominent co-operators such as Messrs R. Srinivasa Aiyangar B. A., B. L., Tirukoilur, T. K. Venkataramier, T. V. Kuppusami Aiyar and R. Balakrishna Aiyer B. A., L. T., of Tindivanam, Ramasami Reddiar of Rattanai were among the visitors. M. R. Ry. M. K. Venkatachariar B. A., the Assistant Registrar of Cuddalore was also present. Great enthusiasm prevailed. M. R. Ry. S. Chidambara Aiyar the Secretary of the Local Supervising Union and Urban Bank welcomed the guests. In his speech he emphasized the great necessity there was for considerably increasing the number of societies in the taluk. He commended the system of joint purchase of all the requirements of the Primary Societies through the Villipuram Co-operative Stores. He asked whether in the alarming industrial backwardness of the district prompt help should not be given to the newly started Industrial and Agricultural society of Tindivanam and wound up with exhorting the educated among his countrymen to take up the work of co-operation for the alleviation of the woes of their fellowmen. M. R. Ry P. Sitarama Aiyar, B. A., L. T., Head Master of the Government Training School was proposed to the chair. The chairman spoke of the enormous indebtedness of the coun-

try and the appalling ignorance of the masses. He insisted on the necessity of education on an abundant scale and the spread of co-operation. For, said he, herein lay the panacea for the numerous ills to which this country of ours is heir.

Then a number of addresses were made by some of the teachers of Villipuram who are enthusiastic co-operators. Mr. A. Nagarajan B.A., L.T., spoke at length on joint sale and purchase, and recommended the indent system of purchase, Mr. C. S. Rangaswami B.A., L.T., pointed out that the taluk produced many industrial products and it was time they were manufactured in the taluk itself. Mr. K. S. Rajagopalachari spoke of the advantage of enlisting the activity of the large army of village school masters on the side of co-operation. Of the visitors, Mr. T. K. Venkatachariar B.A., L.T., of Tindivanam spoke enthusiastically of the Tindivanam Industrial Society and called for help from the mirasdars of Tindivanam Revenue Division. Mr. R. Srinivasa Aiyangar of Tirukoilur spoke of the difficulty in the spread of the co-operative idea in the village and wanted lectures to be delivered in villages where they would result in solid co-operative work being done. Mr. Ramaswami Reddiar spoke of the way in which cotton growers were sweated by middlemen, himself being a cotton grower and merchant and wanted people to realise from the beginning the possibilities of an industrial society like the one at Tindivanam. The Assistant Registrar of the section Mr. M. K. Venkatachariar, B.A., also spoke explaining the hierarchy of societies and their functions and aims.

Among the resolutions passed at the Conference one strongly urged the adoption of joint sale and purchase by the societies and advised the village societies to become members of the Villipuram Stores. The Assistant Registrar was requested to sanction all facilities such as cash credit and drawing accounts with the District Bank for purposes of joint sale and purchase. The conference called upon all the village societies to take shares in the Tindivanam Industrial Society and further help it by sending their cotton for ginning and groundnut for decortivating.

With the summing up of the chairman the conference came to an end. It lasted for full four hours. The hall was full and there were 150 gentlemen present. The interest was well sustained throughout and the conference was a splendid success.

**THE MADRAS CENTRAL URBAN BANK.**

AUDIT ORDER FOR THE YEAR ENDING, 30TH JUNE 1919.

The accounts of the Madras Central Urban Bank Limited No. 18, for the co-operative year ending June 30th 1919, as audited by M. R. Ry. T. Ragunatha Rao Avargal, Public Accountant and Auditor are passed.

2. There were 74 societies as members at the beginning of the year under review. Only one society—The Salem District Urban Bank Ltd.,—joined during the year. The several societies have paid calls amounting to Rs. 9,960. Thus at the end of the year, the ordinary paid-up share capital from society-members amounted to Rs. 32,860, the preference share capital of Rs. 2,00,000 paid by individual members remaining unaltered.

3. The fixed deposits held by the Bank on the 30th June 1919 was Rs. 35.19 lakhs against 28.16 lakhs on June 30th 1918. The current deposits rose from Rs. 3.13 lakhs at the beginning of the year to 3.43 at its close. There was an increase also in the Prudential and Savings deposits held by the Bank. On the last day of the year, the Bank of Madras overdraft figure stood at Rs. 1.73 lakhs. The loans disbursed to District Banks, primary societies and individual members amounted to Rs. 17.99 lakhs against Rs. 11.56 lakhs in the previous year.

4. In the previous years, the Bank had written off a sum of Rs. 42,000 on account of the depreciation in the value of the 3½ per cent Government Promissory Notes and now it proposes to write off further a sum of Rs. 5,139 from the profits of the year calculated at the market value on June 30th 1919. This is approved.

5. During the year, the Bank earned a net profit of Rs. 58,546-1-0 after deducting the sum of Rs. 5,139 proposed to be written off in para 4 supra. According to its bylaw 24, one-fourth of the amount or Rs. 14,636-8-3 shall be carried to Reserve Fund. It is suggested that this sum may be invested either in the Bank of Madras or in the Government of India Loan 5 per cent issue in the current year. The balance of Rs. 43,909-8-9 together with Rs. 5,094-6-5, the amount carried forward previous year, or Rs. 49,003-15-2 is available for distribution as dividend, bonus etc., under bylaw 24. A sum of about Rs. 34,000 may be required for the above purposes. After satisfying these charges and adding Rs. 14,400 to the Preference shares redemption fund, the bank is

requested to carry the balance if any, to the Reserve fund. It is requested that the exact amount that will be added to the Reserve Fund may be reported to the Registrar. Together with Rs. 14,400 now suggested to be carried to preference shares redemption fund, the total in that fund will be Rs. 24,480.

• 6. The Bank continues to maintain its usual level of efficiency in the management of its business and the Directors are once again congratulated on an excellent year's working.

(Sd.) F. R. HEMINGWAY,  
Registrar.

**THE SOUTH KANARA DISTRICT CO-OPERATIVE CONFERENCE,  
MANGALORE.**

## PROVISIONAL LIST OF SUBJECTS.

*I. Organisation, Education and Propaganda.*

1. Establishment of an Organisation Society for the District.
2. Training of Secretaries, Clerks, Supervisors.
3. Students' Stationery Societies as propagandist bodies.
4. Education in Co-operation.
5. Co-operation in School Curricula.

*II. Ordinary, Primary and Central Societies.*

1. Questions relating to management.
2. Finance. Arrangements for the disposal of surpluses, in a regular chain from the Primary Society up to the Provincial Apex Bank.
3. Forecasting and assessment of Credit.
4. Loans on the security of moveables—mainly members' agricultural produce.
5. Size of Primary Societies.
6. Non-credit activities in credit societies.
7. Meaning of "Prior Debts."

*III. Special Types of Credit Societies and particular types of non-credit societies.*

1. Co-operative Land-mortgage Credit.
2. Village store.
3. Combination of credit and non-credit functions.
4. Labour Contracts.
5. Joint sale societies.
6. A Central Consumers' Wholesale.
7. A Central Producers' Wholesale.

IV. *Aid from Government.*

1. Collection of arrears by revenue process in the case of liquidated societies.
2. Limit of monies for Remittance, Transfer Receipts and Cash Orders to be reduced to Rs. 50.
3. Maximum for Postal Savings Bank Public Accounts to be increased to Rs. 50,000.
4. Remission of M. O. Commission.
5. Civil Courts to allow 12½ per cent. interest in societies' decrees.
6. Necessity for instituting periodical enquiry through Government Inspectors into indebtedness of members.
7. Representation on Local Bodies and Municipalities.
8. Amendment of the rule relating to the disposal of net profits in societies with limited liability.
9. An Assistant Registrar for the District.
10. An Inspector for non-credit co-operative work in the District.
11. Increase in the number of ordinary Inspectors in the District.

M. ANANTA RAU,

Secretary.

**REGISTRAR'S CIRCULARS.****SHORT TERM LOANS.**

The use of short term loans for cultivation, purchase of necessities of life and for the payment of Government kist so as to avoid the sale of agricultural produce at lower rates soon after harvest has been explained in full at each annual gathering. But the use of short term loans by societies has not been extensive owing in some cases to (1) the unwillingness of the panchayatdars to undertake this work (2) to the delay in the system of sanctioning loans by passing the loan applications to the Union, the Assistant Registrar and the District Bank.

To minimise the delay the following suggestions are offered:—

Each society should at the commencement of each year prepare a statement showing the short term loans which each member may require during the course of the year for specified purposes and the months in which the short term loans will be required and the amount required in each month. The total for society will be made up and the panchayat will consider each case and decide in a resolution what loan accommodation should be made to each member. They should also pass a resolution as regards the amount of short term

loan which may be required for the year giving roughly the periods when certain amounts may be wanted. A printed application in the prescribed form has to be prepared and sent to the Union. No details regarding the loan amount wanted by each member need be furnished in the application. At the time of the transmission of the short term loan application to the Union, the panchayatdars should carefully find out if the society's borrowing power is enough to secure the amount of short term loan proposed. If not, a general body meeting should be convened and the necessary resolution passed to enhance the borrowing power of the society. If in any case, the enhanced borrowing power proposed is above one-eighth of the net assets of members in the society, the society can propose the enhancement of the borrowing power with the condition that the additional credit wanted will be reserved and utilised for short term loans only. Such an enhancement of borrowing power over the usual standard may be recommended in the case of well-conducted societies and the District Banking Unions may be willing to allow such an enhanced credit under such special circumstances.

While on the subject of short term loans, it may not be out of place to point out that each society may apply separately as short term loan a sum which may be required for the purchase of agricultural and domestic requirements in bulk and for distribution for cash or credit among its members. Such orders in bulk may be placed with the funds made available under short term loan either with a trading union or a supervising union which will bulk the orders of all the affiliated societies concerned with reference to their indents. Each society will distribute to the members the supply received with reference to their indents. Such distribution may be for cash or credit to members. Where they are distributed for credit the best plan is often to issue a loan to a member in the credit branch in each case. Each society should apply for the amount covered by such credit transactions to be replenished by a fresh short term loan in the ordinary way so that the trade advance short term loan amount may be kept up at original figure throughout the year. Loan applications under short term for purposes other than trade and for trade can be dealt with separately at the annual meeting of the Union, and the Assistant Registrar may be expected to pass his recommendations very soon. The District Banks will be in a position to sanction the loans without delay. As soon as a loan sanction order is received by a society it is necessary that the prescribed bond should be executed in favour of the District Bank and sent

to it. It would be of the greatest advantage to get members to execute bonds in advance for the entire amount wanted by each. Once in 15 days or once in a month, the members might be collected together and asked to record what money will be wanted by them in the next period and the total amount wanted ascertained. The panchayatdars can draw from the District Bank whatever sum is wanted at each such period and distribute it to the members within 3 or 4 days of the requisition. The societies have to remember the fact that they are liable to pay interest only on sums drawn from the District Bank from time to time and from the date when each drawing is made.

A separate set of accounts (cash book, loan ledger for cash and ledger for articles received and issued) has to be maintained.

The inspecting authorities have to pay special attention to the short term loan work and bring to notice sharply any book adjustments made in favour of members in regard to long term loans and to use any cash balance under short term for trading purposes. Trading unions have to see that cash balances are not unnecessarily detained in societies and that similarly they themselves do not retain such balances.

#### LIST OF TRADING UNIONS SO FAR REGISTERED IN THE PRESIDENCY.

| Names of Trading Union.                                                        | District      |
|--------------------------------------------------------------------------------|---------------|
| 1. Amalapuram Co-operative Stores Ltd.                                         | Godavari.     |
| 2. Tiruvannamalai Co-operative Purchase Society Ltd.,                          | North Arcot   |
| 3. Vridhachalam Co-operative Purchase Society Ltd.,                            | South Arcot.  |
| 4. Lalgudi Taluk Co-operative Stores Ltd.,                                     | Trichinopoly. |
| 5. Kallakurichi Co-operative Purchase Society Ltd.,                            | South Arcot.  |
| 6. Tiruvanaikol Co-operative Agricultural Society Ltd.,                        | Chingleput    |
| 7. Madurantakam Co-operative Agricultural Society Ltd.,                        | do            |
| 8. The Nilgris Co-operative wholesale Purchase and Sale Society.               | Coimbatore.   |
| 9. Yellamanchili Co-operative Stores Ltd.,                                     | Vizagapatam.  |
| 10. Ichchapuram Co-operative Stores Ltd.,                                      | Ganjam.       |
| 11. Tirutturaiipundi Co-operative Purchase Society Ltd.,                       | Tanjore.      |
| 12. Nattarampalli Co-operative Stores Ltd.,                                    | North Arcot.  |
| 13. Kilamangalam Co-operative Stores Ltd.,                                     | Salem.        |
| 14. Polur Taluk Co-operative Stores Ltd.,                                      | North Arcot.  |
| 15. Cheyyar Taluk Co-operative Stores Ltd.,                                    | do.           |
| 16. Wandiwash Taluk Co-operative Purchase Society Ltd.,                        | do.           |
| 17. Pattukottai Co-operative Purchase Society Ltd.,                            | Tanjore.      |
| 18. Tirukoilur Co-operative Stores.                                            | South Arcot.  |
| 19. Tiruttangal Co-operative Agricultural Trading and Industrial Society Ltd., | Ramnad.       |
| 20. Tanjore Co-operative Stores.                                               | Tanjore.      |
| 21. Kambiliampatti Co-operative Purchase and Sale Society.                     | Coimbatore.   |
| 22. Cocanad City Co-operative Stores.                                          | Godavari.     |
| 23. Chennimalai Co-operative Purchase and Sale Society.                        | Coimbatore.   |
| 24. Vizaiyada Co-operative Stores.                                             | Kristna.      |
| 25. Tranquebar Co-operative Stores Ltd.,                                       | Tanjore.      |
| 26. Namakkal Trading Union                                                     | Salem         |
| 27. Kamalapuram Trading Union.                                                 | do.           |
| 28. Dharmapuri Stores.                                                         | do.           |
| 29. Salem Stores.                                                              | do.           |
| 30. Vellore Stores                                                             | North Arcot   |
| 31. Hosur Stores                                                               | Salem         |
| 32. Hosur Remount Depot.                                                       | do.           |
| 33. The Godavari Central Delta Agricultural Co-operative Union                 | Godavari.     |
| 34. The Pedapalla Co-operative Stores                                          | Godavari.     |

### THE HOUSING OF THE POOR\*

BY THE HON'BLE MR. JUSTICE T. V. SESHAGIRI AYYAR.

I have systematically tried to turn fiction to the good account of showing the preventable wretchedness and misery in which the masses of the people dwell and of expressing again and again the conviction, founded upon observation, that the reform of their habitation must precede all other reforms, and that without it all other reforms must fail—CHARLES DICKENS.

Most of the homes—they can hardly be called 'homes'—in which the lower classes live in Madras are really eye-sores—badly ventilated and very badly looked after regarding sanitary conditions. The question is: how shall we deal with these houses? Further, the rapacity of the landlord in raising house rents leaves little margin to these people to attend to their proper food supply. What they pay the landlord has to be scraped from the expenses connected with the feeding and clothing of their children. Thus half-starved, half-protected by the authorities as to sanitation, they furnish the dumping ground for the origin, growth and spread of the most infectious diseases which work havoc among all classes and conditions of people. We must do something to minimise, if not to eradicate, the evils that surround us in this way. Various suggestions have been made. I shall examine some of them and endeavour to suggest some solutions.

At the outset, I may point out that the idea of destroying existing dwellings and of erecting model houses for the poor should, as far as possible, be abandoned in Madras. In Madras, about which I can speak with some knowledge, the theory of the housing of the poor people in houses built on the basis of a town planning scheme would be both hopeless and improvident. The earning capacity of the Madras labourer is so small and the revenues for extra earnings so little that it would be practically denying him the opportunity of living in comfortable quarters if this theory is put into practice. It does not necessarily follow that philanthropic gentlemen who are not hampered by considerations of a proper return for the money laid out should not build model houses on approved sanitary lines for the accommodation of the poor. Philanthropy is not the subject of my discourse this evening. No doubt where the question is merely one of accommodation and not of ownership, the building of new houses either by private enterprise or by philanthropic gentlemen

\* Extracts from a paper read at the Y. M. C. A. under the presidency of H. E. Lord Willingdon.

may be encouraged as much as possible. But the model landlord of to-day will be replaced by the rack-renting heir-at-law who would take advantage of the situation to raise the rent and to evict the dweller. That is a thing which happens every day in Madras. I have therefore concentrated my attention upon the topic of finding houses for the 'poor' which they would ultimately become owners of. The question of improving existing houses, of building new houses, and of enabling the labourers to acquire ownership in places where they reside has been considered in England in a number of enactments passed by Parliament from time to time. Beginning with the Act of 1851 which was mainly due to the philanthropy of the Earl of Shaftesbury, there have been enactments which have dealt with the subject very successfully. They relate to the provision of adequate accommodation, the construction of more houses, and they seek to make the owner responsible for sanitation, giving power to local authorities to take up the management and so on. There have been a number of Royal Commissions on this subject. Rao Bahadur S. S. Talmaki who has been doing indefatigable work in connection with co-operative housing in Bombay, stated in his leaflet No. 10 issued in July 1916 that over 5 crores of rupees were advanced to the local authorities in England and Wales for providing houses for the poor, 5 and 2 crores to various philanthropic and co-operative societies;  $3\frac{1}{2}$  crores of rupees were advanced under the Small Holdings and Allotments Acts, 25 lacs of rupees under the Small Dwellings Acquisition Act; 15 lacs of rupees under the Settled Land Act and 17 lacs under the Improvement of Land Acts. This was the expenditure up to 1913. This enormous expenditure was not considered adequate in England and Royal Commissions from time to time were appointed whose conclusions enabled local authorities to borrow more largely for providing better accommodation for the poor. In the *London Gazette* of the 11th September 1914, it was said:—"Loans to local authorities for any purposes of the Housing Acts and the Small Holdings Acts should be advanced at 4 per cent." In the Mysore State which has set an example in many directions to British India, loans have been advanced to public servants to enable them to construct good houses. Under the city of Mysore Improvement Regulation 3 of 1903, the rate of interest charged is only 2 per cent. and the advances are made to the extent of 75 per cent. of the value of the materials collected or work executed. I have referred to the work done in England and in Mysore and I hope I may not be accu-

sed of unduly pressing the Madras Government if I ask that they should advance loans to Central Housing Societies at a rate not higher than 4 per cent. The alternative theory which has been suggested by some of the Co-operative Registrars, and other persons—of borrowing from Central Urban Banks—is altogether out of the question. The Central Urban Banks only lend for short periods, and they lend at a rate of interest which would render it practically impossible for the borrower to acquire ownership in the house within a reasonable time. Altogether the idea of borrowing from Central Banks should be given up. Another idea, namely of appealing to the public for aid should be discouraged as well. Private aid may, to some extent, supplement the loans which the housing society acting on the principle of lending four-fifths of the value of the property, can advance. Apart from that aspect, any appeal on a large scale to public subscription would be of no avail. In this connection I may refer to the very recent Act passed by Parliament with reference to the housing of the poor, which is called the Housing, Town Planning, etc. Act of 1919. There are provisions which *mutatis mutandis* may be made to apply to India. In Section 7, the maximum period of repayment is fixed at 80 years. It may not be necessary here to allow such a long period. I refer to this only for the purpose of showing that even in England a very long time is allowed for repayment. I would specially invite attention to Sections 9 to 14 of the Act which relate to the compulsory acquisition of sites. Government should arm the Municipalities or other agencies that may be started, with powers to acquire land compulsorily from the owner. The provisions contained in the Act of 1919 should be the model on which Indian legislation should proceed. There is one remark that I should like to make in this place, and that is the local authorities in England have far larger powers than Municipalities and Local Boards in this Presidency. It may be that by clothing the latter with powers similar to those given in England the working of the problem may be facilitated. At the same time, I would suggest the formation, in large towns, of Housing Societies which should have similar powers. Under Section 16 of the English Act, the way in which a Public Utility Society or a Housing Trust can be helped is indicated. Section 17 relates to loans to these Public Utility Societies. A bulletin recently issued by the

Local Government Board in England refers to the subject fully. Under the heading "Help that Public Utility Societies can obtain," it is stated:—

"A Public Utility Society can obtain assistance from two sources—either of both—namely, the Government and the Local Authority of its area—whether County Council, Town Council or District Council.

Assistance from the Government is of two kinds:—(1) Loans of money, and (2) Money subsidies.

(1) LOANS.—Public Utility Societies have been able to borrow money from the State hitherto, it is true. But under the new arrangement they will be able to borrow much more. Their former power of borrowing were limited to a sum equal to *two-thirds of the value* of the land and the house they built. Under the new scheme it is proposed to allow them to borrow up to *three-quarters of the cost* of their land and buildings. With labour and material at its present price, three-quarters of the total cost is considerably more than two-thirds of total value, for the "market value" of a house built to-day is by no means as high as the cost.

(2) SUBSIDIES.—In addition to making loans to Public Utility Society the State will provide them also with subsidies. This will be given in half-yearly payments, and each Society's subsidy will be an amount equal to two-fifths of the charges for interest and gradual repayment of principal on the maximum amount which the Society is entitled to borrow from the State—whether it borrows that amount from the State or not.

Thus, supposing a Society decided upon a building scheme to cost, £40,000, and borrowed from the State three-quarters of that amount namely, £30,000. Supposing, for the sake of example, that the rate of interest was  $5\frac{1}{2}$  per cent per annum. Allowing for gradual repayment in 50 yearly instalments, the yearly charges for interest and repayment to be paid on this £30,000 loan would amount to roughly £1,770. The Government subsidy to which the Society would be entitled would be two-fifths of this £1,770 namely £708 every year during the period of repayment, leaving the balance of £1,062 and the charges on the £10,000 capital privately subscribed, together with cost of management and upkeep, to be met out of the rent of the houses built.

This is exactly what we want in Madras. If in Madras and the mofussil, facilities are afforded by the legislature for the formation of similar societies the question would be easy of solution.

### OUR READERS.

[While we are thankful to our correspondents for taking the trouble of communicating to us their views on various topics discussed in the *Bulletin*, considerations of space prevent us from publishing all their communications at length and some even in part. We should request them specially to be brief and write only on one side of the paper.—Ed.]

Mr. M. Seetharamiah of Kaikalur takes us to task for being solicitous of the general tax-payer's pocket. He charges us with illiberality of views and ingratitude towards a benevolent Government in opposing the proposed appointment of a paid Assistant Registrar for each district. He is glad that Assistant Registrars are drawn from different races and communities. We are indebted to him for the information that the Government are thinking of appointing an Uriya Assistant Registrar. He is mistaken in supposing that the *Bulletin* has forgotten the hard lot of the Inspectors. According to him 75 percent of the Assistant Registrar's posts will be filled from among Inspectors and 25 percent of the Inspector's posts from among efficient supervisors. He asks among other questions why should not a supervisor think that by dint of his good work he, (may?) become one day an Assistant Registrar?" We see no earthly reason why he should not think so, except perhaps the opinion of those who make the appointment.

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Mr. D. Seshadri Sastri of Bezvada reads to us a long lecture based on an imperfect understanding of our note on "An Inspector's Memorial" for a peon. With a little more care he could have distinguished between our opinion and what we have mentioned as conceivable objections, which in fact have been urged by some, only to disregard them. If it will give him some comfort we may assure him that our note is not hostile to the Inspectors' Memorial and that it does not mean that the prayer asked for should be granted only if or when Honours graduates in Economics become Inspectors. It is true we are not quite satisfied with

the later recruits to the Inspectorate and would like to see a better class come in.

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In the course of a lengthy communication regarding the Inspector's Memorial and our note thereon, Mr. K. Venkataramiah Secretary, South Pennar Co-operative Union, Nellore, writes :

"Evidently the chief consideration that is urged against the granting of peons seems to be their morbid fear that the movement may appear more official than what it should be and that much official pressure may be brought to bear upon ignorant villagers. No one has the face to deny that in this Presidency at any rate co-operative societies could not be brought into existence at all without interference of the Government.

"From the nature of the work involved, it is not possible for any co-operative Inspector, assisted by a peon or not, to use his official authority to molest the villagers. He cannot force a society upon people who do not want it. He cannot punish or get punished, persons who do not profit by his preachings. In these circumstances, I wonder, in what manner a co-operative Inspector can exercise his official power to harm the villagers. It is the Inspector that works with the villagers and the peon is there only to assist the Inspector, not merely by adding to the dignity of the officer, which, by the bye, has its own effect of influencing the villagers to be better impressed with the preachings or the Inspector, but more substantially by enabling the Inspector to tour more quickly without waiting in each village till some benevolent village official or co-operator is pleased to supply a man to carry his small baggage, chiefly consisting of records and by attending to his tappals or by doing such other necessary services. The Inspector is an official and there is no good attempting to hide his red tape by cutting off his peon. On the other hand, I am afraid, even now members repose confidence in co-operative societies more, because of their connection with Government than otherwise. As a glaring instance of this position, I may state that when I had to secure deposits for the Nellore Urban Bank, of which also I happen to be the secretary, several highly educated gentlemen confronted me with the question if their deposits are safe and on finding that there is Government check, audit and inspection,

they chose to part with their money. When co-operation is at this stage, there is no use in trying to keep off from officialism" He goes on to say, "The duties of the Inspector do not end merely with organising societies and auditing them. He has to see that no society is in arrears to the financing banks at the end of the co-operative year. In my opinion, this ought not to have been made an important duty of the Inspector or at least should not be deemed so, since he has no kind of power, either through the bye laws of the society or by the force of his appointment either to urge, still less compel, the panchayat-dars to collect the dues from the members and even if the panchayat-dars choose to do so neither he nor they do possess any means of making effective collection, except by having recourse to suits.

"I should think, so long as the collection of arrears forms an important duty of the Inspectors, the granting of a peon will be a source of great help to the Inspector in the discharge of his duties. I am informed that after all this is the important test by which the work of the Inspectors is chiefly judged."

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MR. B. PATTABHISITHARAMAYYA OF MASULIPATAM writes :—

I have perused your Editorial note on the question "Are Election Disputes Matter for Arbitration" and taken sometime to ponder over it and discuss it with friends. You quote the rule (Rule XII) and say the word 'claiming' can only refer to money claims. Why? It strikes me that the word—the larger meaning of which is known to all is used in the sense of 'claiming redress' and no more or no less. If you and I differ on this point, we can only part ways. But you ask the question "can the decision in an election dispute be executed by a Civil Court as a decree"? This is done every day in regard to Municipal and Local Board Elections. Elections are ratified, cancelled and suspended in Courts of Law. Can it be that you are not aware of this or do you contend that the analogy is not applicable? Does my contention that the word 'business, must include 'administrative business' justifies your query 'If the panchayet refuses to grant a loan to a member, can the Assistant Registrar pass an award that it should grant the loan?' You are stretching a point to the breaking limit, to the limit of logical absurdity to which every sensible argument can doubtless be stretched.

You say if the party spirit develops the Assistant Registrar should step in and convene a general body meeting—explain and influence and then threaten to dissolve. Who is the Assistant Registrar to convene a general meeting? He, has no *locus standi*, the bye-laws do not provide for such a power and the Board which is complained against would not convene the meeting at which the 'easy arguments of love' are to be employed. If I am not mistaken the bye-laws of the Tenali Bank go further and provide for general meetings being held only at the instance of the Board. Under those conditions it is not only the Assistant Registrar, but the share-holders as well that are powerless. You say in your note in the issue of April last, "the Registrar can himself under the rules call for a general meeting and insist that any particular matter be considered by it". May I know the authority for such a statement? Neither the rules of the Central Bank nor the rules under the Act nor even the new model bye-laws provide for such interference. To have convened a general meeting thus unauthorised would have been tactless. If then no general body meeting can be called, the remedy is a threat of dissolution—not certainly a peaceful remedy.

[Regarding the interpretation of the word 'business', as to whether it means the business for which a society is started or whether it includes administrative business as well, we will agree to differ from Mr. Pattabhisitharamayya. As to decrees of Civil Courts we think there is a difference between declaratory decrees and directly executable decrees but it is a very minor point.]

We find that there is no specific provision in the Rules under the Co-operative Societies Act empowering the Registrar to call a general meeting, as was stated in our note in April issue. We find the provision, however, in the set of model bye-laws which is with us. Under the heading 'General Body' a bye-law says, "A meeting of the general body of the members may be convened whenever necessary,.....or at the instance of the Registrar:.....". If the bye-laws of the Tenali Bank provide for the convening of the general meeting only at the instance of the Board of Directors, it is time to revise them.

We do not propose to continue this controversy. Ed.]

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### BUSINESS NOTICE.

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

### NOTES AND NEWS.

We are glad to learn that a central housing association is formed in Madras with the noble object of improving the housing conditions of the working classes and other poor men in the city of Madras. At the head of the Association is the Hon. Mr. Justice T. V. Seshagiri Aiyar whose useful papers on the housing question our readers have had the benefit of perusing and who has been chosen to preside over the ensuing session of the Madras Provincial Co-operative Conference which will meet in the Wesley College, Royapettah, on the 29th and 30th instants. The Association is to be congratulated on possessing so active, enthusiastic and influential a president. Its work will be propaganda, construction of dwellings to be let out or sold to poor people and the organisation and financing of affiliated societies. It will thus be a combination of a primary society, a central bank and a union. It will help not only the person whose economic position enables him to possess by means of co-operation his own house in course of time, but also the poorer man who may never be able to possess his own house but whose housing conditions are exceedingly bad. Like the Public Utility Societies of England which are receiving the greatest possible encouragement at the hands of the British Government, the Madras Central Housing Association will include in its membership the sympathiser who is willing to subscribe some share capital, the thrifty workman who aspires to own his house and the poor man who is content to be always a tenant. There is a statutory limit to the dividends which the English Public Utility Societies may declare, namely, 6 per cent per annum. The Housing Association has similarly adopted by-laws which limit the dividend and interest payable on deposits and loans to 6 per cent per annum. We have been earnestly pleading in these pages for State aid to housing societies on lines similar to those followed in England. The

Public Utility Societies get two kinds of assistance from the state—loans and subsidies, the former to the extent of three-quarters of the cost of building and site, and the latter to the extent of two-fifths of the amount due on account of the instalment of principle and interest at the present rate of borrowing. It is calculated that the subsidy will cover one third of the cost of building and site. The Housing Association which is under the responsible guidance of Mr. Seshagiri Aiyar and others should be given large long term loans by the state *at a rate of interest which will not exceed 4 per cent.* We emphasize the last portion because the Association will have to maintain an establishment and office, and cannot expect private deposits at a lower rate than 6 per cent, and unless the state gives loans at a specially low rate a comparatively high rent will have to be paid by the tenants. The Association will be registered, we understand, under the Co-operative Societies Act, and with the sympathy of the Registrar and the Government we hope it will have a long and useful career.

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Two interesting subjects discussed at the last Mysore Co-operative Conference over which Mr. G. K. Devadhar of the the Servants of India Society presided, were the attachment of the property of a debtor-member before judgment (award) by the Registrar and the execution of such decrees (awards) through Revenue authorities. There seems to have been no difference of opinion as to the desirability of conferring on the Registrar the power of attaching the property of debtors before decree, that is the award. The Civil Courts now enjoy such powers and there will be absolutely no harm in extending these powers to the Registrar. After all such attachments can only prevent alienation of property after the institution of suits, with a view to defraud the creditors.

The other point that was raised was not so simple and naturally brought out sharp differences of opinion. At present the execution of the awards of the Registrar is made by the Civil Courts and involves much delay and trouble. The judgment-debtor avoids service of notices, raises all sorts of objections or puts up false claimants or otherwise drags on the proceedings. It was, therefore, suggested that the decrees of the Registrar should be sent to the Revenue authorities for recovering the decree amount by the same means as are employed for the recovery of Land Revenue. Mr. Azmat Khan, Registrar of Hyderabad, and Mr. Ranga Rao, Registrar of Mysore, both supported this proposi-

Attachment of Property before Judgment and execution of decrees.

tion. But it was opposed by some not altogether without reason in our opinion. Land revenue is the first charge on the land and the summary procedure adopted for its recovery is justifiable. But in cases of private debts there is no such consideration and the claims and rights of other parties should be examined before any land or property is sold away to meet the liabilities of a particular creditor. We are not however, blind to the necessity of avoiding unnecessary delay and trouble in recovering the loans of co-operative societies and therefore, suggest that the legislature should be moved to so amend the acts as to allow the execution of the Registrar's decrees by Revenue authorities, leaving it open to the debtor or any body having any special rights in the property attached to raise that question in the ordinary Civil Courts as though the execution proceedings were pending before them.

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Another question that evoked some warm discussion at the conference was about the representation of co-operative societies on local bodies, the Mysore Representative Assembly and the Legislative Council. Some members including the Registrar of Hyderabad, wished to form the co-operators into a separate electorate. But it was opposed by Mr. Hemingway of Madras among others on the ground that it would create discord among the members. We entirely agree with our Registrar, knowing what bitterness, disharmony and unfriendliness these elections create. It will be most unwise for a social and economic movement like the co-operative movement to get involved in political party strife. A co-operative society should be a common field for members of all political parties to work together in and to learn comradeship for promoting the common weal. In Ireland where political differences are very acute politics is religiously excluded from co-operative societies. Of course co-operators are a part of the people and will certainly participate in the elections, but not as co-operators. Even from the purely political point of view the existence of special electorates representing special interests or communities is bad enough, and the evil need not be aggravated by introducing discord in a movement which stands above all for harmony.

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An Organisation known as the Council of Social Service has come into existence in the City of Madras at the head of which is Mrs. Whitehead who was for several years the President of the Madras Social Service League. The Council is a kind of federation of the social service institutions

Co-operation and Social Service.

working in Madras and in all probability will get moffusil leagues affiliated to it. It has arranged for the training of social workers and in the curriculum we are glad to note that co-operation is given a prominent place. The starting of co-operative societies, both credit and non-credit, has from the beginning been keenly attended to by the social workers of this Presidency and a regular course in co-operation, both theoretical and practical, is bound to further stimulate the co-operative activity of social workers. In this connection we are glad to understand that there is a proposal to appoint Mrs. Whitehead and some other prominent social workers of Madras as Honorary Assistant Registrars. We hope and trust that it will lead to an increase in the number and efficiency of the co-operative societies started by social workers.

The scheme for the training of social workers mentioned above was inaugurated at an important meeting held on the 9th December in the Y.M.C.A. when His Excellency Lord Willingdon graced the chair. In passing we may mention that his Lordship the Bishop of Madras and the Hon. Mr. S. Srinivasa Aiyangar and the Hon. Mr. Justice T.V. Seshagiri Aiyar took part in the meeting. After blessing the scheme His Excellency said that he had before him an important scheme which was going to be sanctioned and the result of which would be to increase the number and usefulness of co-operative societies. His Excellency added that the scheme would involve a large expenditure of the tax-payer's money, though he passed over it lightly. We hope he was not referring to the contemplated increase of paid Assistant Registrars. We hope he had in mind the financial assistance that has been asked for the housing of the working classes.

At an inter-departmental conference the Registrar of Co-operative Societies drew the attention of the Inspector-General of Registration to the delay which very often occurs in the registration of document of co-operative societies owing to the intimation of registration not having been received by the registering officer and also owing to number on the seal of the society affixed to the document differing from the number originally intimated to the Registering officer. The Inspector-General of Registration has issued proceedings instructing the Registering officers to be satisfied, in the case of the intimation of registration not having reached them, with the certificate of registration issued by the Assistant Registrar, and in the case of the number on the society's seal that they need not concern themselves either with the seal being

affixed or the number thereon. We hope the delays will hereafter be obviated and that sub-registrars will do their utmost to facilitate the work of co-operative societies.

The Central Co-operative Printing Press the prospects and draft by-laws of which have been published in these pages was registered on the 5th December and will be started at the time of the ensuing Provincial Co-operative Conference. A good many of our important societies have not yet resolved to take shares in it and we request them to do so at once and remit the share capital and entrance fee to the Madras Central Urban Bank where an account has been opened in the name of the Printing Press. It will be remembered that much time has already been lost and before plant and types could be purchased, a sufficient amount of capital should be collected. We appeal specially to central banks and unions, to the former to be liberal in taking shares, to the latter to advise their affiliated societies to encourage the concern. We hope that with the hearty co-operation of all societies this central industrial society will soon begin to do its useful business and flourish.

Taking advantage of the local festival at Tiruvannamalai Mr. Seshachala Aiyar, Honorary Assistant Registrar, organised an agricultural exhibition as an adjunct to the District Co-operative Conference. It consisted of two sections, an industrial and an agriculture one. In the Agricultural section, there were exhibited different kinds of implements, some varieties of local grains and carrots. There was also a large number of exhibits of manures, cotton, groundnut, paddy, cholam etc., making in all over 500 exhibits. The organiser also arranged for Magic lantern lectures to demonstrate the use of implements. The exhibition was attended by over a lakh of people and proved a distinct success. The Industrial Section contained samples of cotton and woollen goods from various parts of the country so that members of co-operative stores may know the qualities and prices of available goods. There were also a number of exhibits sent by the Inspector-General of Prisons from Bangalore. We congratulate Mr. Seshachala Aiyar on the success of his enterprise and hope similar exhibits will be arranged by other co-operators.

We are thankful to the Local Government for approving the suggestion of the President of the Krishna District Board that the Local Fund Engineering Contractors may be allowed to deposit their security money in co-operative banks. Under the existing system their Security deposit amounts lie idle in the treasury and are returned only after a delay of two or three years. It will be remembered that only a few months ago the Government sanctioned the investment of deposits made by toll-gate contractors in co-operative banks. We are sure that this permission will be greatly appreciated by all co-operators and by central banks in particular.

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On 30th June '19, the membership and paid-up share capital of the Trichinopoly District Urban Bank stood at 45 and Rs. 50,000 respectively. Deposits from members and non-members were Rs. 2.94 lakhs and Rs. 8.31 lakhs as against Rs. 2.80 lakhs and Rs. 7.53 lakhs of the previous year. The Reserve Fund of societies invested in the Bank was Rs. 0.81 lakhs. Collections from members and central societies had considerably improved over the previous year, but in the case of primary societies there was an increase of about Rs. 2 lakhs in the outstanding balance. The large dues from primary societies were mostly due to half a dozen societies. The Bank realised a net profit of Rs. 24,406. A dividend of 9 per cent was declared on the paid-up value of each share, and the Secretary was paid an honorarium of Rs. 3050 or one-eighth of the net profits. Besides the regular Reserve Fund dues a balance of Rs. 10,753 was carried to the Reserve Fund which with the addition will come to Rs. 61,797. The Bank contributed Rs. 2682 towards the Supervision Fund. This is one of the biggest and efficient District Banks in the presidency that have been doing very useful work. Rao Bahadur Y. Narayana Rao, the energetic secretary is to be congratulated on adding another year of remarkable progress to its record.

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During the fourteenth year of its working the strength of the Madura Urban Co-operative Society and Stores rose from 872 to 1046, and its paid-up share capital from Rs. 14,699 to Rs. 19,139. Its deposits were Rs. 1,93,959 as against Rs. 1,33,733 at the beginning of the year. Rs. 1,06,000 of the deposits were reinvested in the Madura Ramnad Central Bank. The Stores branch purchased stock to the value of Rs. 82,526. The sales during the year were Rs. 77,402 as against Rs. 57,124 of the previous year. On 30th June '19 the stock on hand was estimated at Rs. 16,656. The net profits of the society were Rs. 3,637 made up of Rs. 2045 from the general branch and

Rs. 1,591 from the Stores branch. The Stores branch has resolved to give bonus to the establishment and a rebate of 2½ pies per rupee on purchases.

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The third annual report of the Tanjore District Manure Society, Nidamangalam, is highly interesting and instructive. The society converted ten tons of bones and one out of phosphatic nodules into 8½ tons of bone-meal and one cwt. of flour phosphates. Rs. 451 worth out of the stock was sold for Rs. 527. The price charged was much below the local market rates. The members are likely to get a bonus of from 3 to 6 pies for every rupee of their purchase. The society also traded in agricultural necessities. Rs. 5,051 worth of agricultural necessities such as fish guano, castor-cakes, paddy-seeds and cotton seeds for cattle food were bought and distributed. While some of these articles were not available in the local market at all, the members of the Manure Society were able to get them, and get them at a comparatively cheaper rate. The society also obtained the advice of the Government Entomologist for one of its members whose mango-grafts had fallen a prey to the hopper pest. The society purchased for the member concerned forty pounds of fish oil which was prescribed to be sprayed on the trees, which remedy, our readers will be glad to know, was successful. The net profits of the society amounted to Rs. 281. The success and usefulness of the society are mainly due to its enthusiastic secretary Rai Saheb A. Sethurama Aiyar.

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There was a splendid improvement in the membership and share capital of the Tiruvalur Sri Thiyagaraja Co-operative Distributive Society. During the last year Rs. 21,288 worth of stock was purchased. The sales and profits were Rs. 22,012 and Rs. 1,475 as against Rs. 7,225 and Rs. 426 of the previous year. There was improvement on all sides in the working of the society. It has now converted itself into a Trading union. During the influenza season the Stores undertook to purchase and sell medicines even to non-members, as at that time the stock in the local hospital had run out. It also purchased and sold Burmah rice to the poor when there was rice scarcity.

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Similar progress took place in the Villipuram Co-operative Purchase Society. Its membership and share capital rose from 94 and Rs. 875 to 150 and Rs. 1,481 respectively. The purchases made during the year amounted to Rs. 39,373 as against Rs. 2,914 of the previous year. A net profit of Rs. 727 was realised enabling the distribution of

a dividend of 9 per cent on the paid-up share capital and a bonus of three pies on every rupee of purchase. The society helped agricultural improvement by selling on behalf of the Agricultural Department green manure seeds to individuals and agricultural societies. Even before it thought of becoming a trading union, the society was doing wholesale business in rice. A noteworthy feature of this store was that members had recourse to trade deposits. Mr. Nagarajan B.A., LT., the energetic secretary, deserves our congratulations.

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The Madras and Southern Mahratta Railway Employees Urban Bank made satisfactory progress during the last co-operative year. The number of members rose from 4,356 at the beginning of the year to 5,038 at its end. The paid-up share capital rose from Rs. 79,035 to Rs. 89,845, and deposits from Rs. 76,720 to Rs. 1,06,438. The Bank earned a net profit of Rs. 10,930 during the year. As against 2,744 loans amounting to Rs. 1,92,140 outstanding at the end of the previous year there were 3,244 loans amounting to Rs. 2,41,758 outstanding at the end of the last year.

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The Madras Posts and Telegraphs Co-operative Credit Society has added one more successful year to its record. Its membership and paid-up share capital rose during the last year from 904 to 1106 and Rs. 14,543 to Rs. 18,250 respectively. There was a large increase in its deposits which rose from Rs. 36,310 to Rs. 46,533. The society realized a net profit of Rs. 2,650 as against Rs. 1,923 of the previous year.

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In the progressive Urban Bank of Tirukoilur, the share capital rose from 2,945 to 5,625 and the deposits from Rs. 13,336 to Rs. 23,588. The Bank earned a net profit of Rs. 886 for the year, which gave a surplus of Rs. 250, after meeting the statutory requirements for reserve fund, common good fund and the maximum dividend of 9 per cent. on the share capital. During this year also, there was not a single case of overdue either in principal or interest, on the last day of this year. This has been a peculiar feature of this Society. It is also noteworthy that all the working capital of this Bank is obtained from local deposits.

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On the decision of the Mysore Provincial Co-operative Conference His Highness the Yuvaraja was kind enough to present 10 silver shields for the best co-operative work. The best industrial society was declared to be the Tugatgiri Weavers' Co-operative Society of the Mysore District. The best agricultural society was that of Maddur also of the Mysore District. The recipients were warmly cheered. Under the careful supervision of Inspector Puthsamiah the Horakerevarpur Society prepared their report in a sacred handkerchief, which took 45 days in weaving the figures.

### THE LATE SIR V. C. DESIKACHARIAR.

BY DIWAN BAHADUR R. RAMACHANDRA RAO.

I have been asked to contribute to the *Bulletin* a short note in appreciation of my late lamented friend Sir V. C. Desikachariar. He was a man of very active habits and distinguished himself in the Senate, the Corporation and the Legislative Council. Professionally he was a lawyer and a judge. But the matter that concerns this journal most is co-operation, and it is in connection with his labours in respect of the Madras Central Urban Bank that I came in intimate contact with him, and that I wish to place on record my appreciation of the immense debt co-operation owes to him in this Presidency.

The following figures illustrate the progress of Desikachariar's Bank as the bank was and is popularly known. Sir V. C. Desikachariar started the bank and to the very last continued to take an active interest in its management.

|                           | Deposits in Rs. | Net profit in Rs. |
|---------------------------|-----------------|-------------------|
| April 1906—30th June 1907 | 80,800          | 826               |
| On 30th June 1908         | 1,61,540        | 2,219             |
| „ 1909                    | 4,03,163        | 6,255             |
| „ 1910                    | 6,18,829        | 14,070            |
| „ 1911                    | 8,37,975        | 28,787            |
| „ 1912                    | 17,20,000       | 42,537            |
| „ 1913                    | 20,24,394       | 52,090            |
| „ 1914                    | 22,15,076       | 53,418            |
| „ 1915                    | 23,29,530       | 56,866            |
| „ 1916                    | 25,02,588       | 21,770            |
| „ 1917                    | 27,51,280       | 46,007            |
| „ 1918                    | 26,16,268       | 39,387            |

The steady increase in the deposits shows the growth of public confidence in the bank. The increase in net profits shows that the bank is being economically managed. The decrease in 1916, '17 and '18 is only apparent as it is due to a new system in the calculation of profit and heavy writes off on paper against the market value of Government securities.

The entire success of the bank is due to Sir V. C. Desikachari. In recent years, I understand, that he had considerable difficulties to withstand radical changes in the constitution of the bank. He had stood by the bank in its more trying earlier days and natural it was that he resisted all changes in an institution which he had successfully worked and which had stood the test of experience. But these difficulties of a bank

that was already prospering were nothing compared with those he had to face in its earlier days. Arbuthnot's crash had scared the public and it was no easy matter to attract public money. Desikachariar worked unostentatiously but diligently. He met rebuff after rebuff. He begged and he implored. People threw in money to get rid of his importunities, and were surprised when they found that their monies had not disappeared. Thus quietly, noiselessly a big business was built up and now Desikachari's bank is one of the leading institutions in the city.

To what was the success due? First and foremost, certainly, the cause itself of co-operation with its unlimited liability security precluded the possibility of loss. But few thought and recognised this for themselves. So the initial success was all due to Sir V. C. Desikachari's well-known reputation for integrity and businesslike habits. As secretary he kept the Cash book in his own handwriting. He answered every letter by return post. His regularity in business work formed, so to say, a part of his religious convictions. When he promised to do a thing it was sure to be done. Let a debtor delay a day, sure the penal interest was charged. People came to realise that his systematic regularity was a bulwark to the bank. And the bank prospered.

And it is this bank that has rendered unique the progress of co-operation in the Madras Presidency. Almost from the outset Madras declined to indent on Government help. I was enabled to register societies as the bank progressed. The advantages of co-operative credit, especially in remote villages where there are no banking facilities of any description are wellknown. And if the rural population derived those advantages it was mainly due to the success of the Central Bank. People throughout the length and breadth of the Presidency have reason to thank Sir V. C. Desikachari for having saved them from the clutches of the usurious sowcars.

Even apart from the bank Sir V. C. Desikachari took a deep and enlightened interest in co-operation. Whilst Gokhale and others including the Board of Revenue, took a pessimistic view of the implanting of co-operative credit in India, Sir V. C. Desikachari spoke for it. Whenever the Local Government Servants' Society was in need of funds he liberally opened out his private purse. On the other hand, when any co-operative society was lacking in business methods or punctuality he never attempted to conceal his views. He was always outspoken and perhaps, therefore, unpopular. But he knew what he has about and was

a true worker for the cause of India's uplift. It is a great pity that this country offers very few chances for careers like his.

He passed away suddenly. I had just seen him a few days ago and though weak he did not appear to be worse than usual. The news of his death came as a shock to me. I had the melancholy satisfaction of having a last look at him on the 15th November morning. He who had stood by me and manfully worked with me for several years in the same cause was sleeping his last peacefully. It looks as if he departed with the consciousness of work well done. He needs no monument for his memory. The bank building in front of his house where he lived so long will be an enduring monument to his work. And well may his Master welcome him with "Servant thou hast done thy part well,"

The following letter was addressed by F.R., Hemingway Esq, I.C.S., Registrar of Co-operative Societies, Madras, to the Secretary, the Madras Central Urban Bank :—

Sir, I write to ask that I may be permitted to associate myself with the sorrow felt by your Directors at the lamentable death of your late Vice-President Sir V. C. Desikachariar. The services of Sir V. C. Desikachariar to the cause of co-operation ought not to be, and I think will not be ever forgotten by the co-operators of this Presidency or by those who like myself, have been privileged to work with him in that cause. He was a tower of strength in all times of financial difficulty and his wisdom and courage were of infinite value. And to him above all others is the credit due of laying the foundations of the co-operative financial system of this Presidency. The loss to the movement by his most untimely death is grievous.

This is not the place to speak of my personal friendship with Sir V. C. Desikachariar or my personal grief. But I may appropriately here bear grateful testimony to the constant and cordial help which he always gave me in my constant difficulties in dealing with co-operative finance and his ready and hearty co-operation in any project for the good of the movement. We did not always agree and sometime disagreed strongly; but no disagreement ever induced him to withdraw his friendship or his ready help. The loss of his wise advice and most ripe experience I very deeply deplore.

Copy of the resolution of the Board of Management, The Madras Central Urban Bank Ltd. passed at their meeting held on Sunday, the 16th November, 1919 :—

"That the Board of Management place on record their deep feeling of grief and sorrow at the death of Sir V. C. Desikachariar who was

mainly instrumental in founding and establishing this Bank. His profound knowledge of the principles of co-operation, and his close attention to minute details rendered his advice and guidance in all matters concerned with the welfare of the Bank most valuable, in fact, he was a tower of strength in zealously protecting its interests. The Board of Management express their grateful appreciation of the great services rendered by the deceased to the Co-operative Movement in general and to this Bank in particular ever since its inception."

### THE TRIPLICANE STORES.

*To, the Editor of the Bulletin of Co-operation.*

SIR, I send you herewith a statement shewing the progress in the business of the Triplicane Urban Co-operative Society Ltd, during the years 1904—1918, and request you to be so good as to find a place for it in your *Bulletin*, which is the only medium at present existing for any kind of information intended to be circulated among co-operators. Further, it is my wish that the *Bulletin* should be resorted to by future historian of co-operation in this Presidency as an emporium of facts and figures giving information as well as inspiration.

A correspondent who sends for publication columns of "dry" figures, is bound to state what he considers to be their utility. At present, the attention of co-operators and the general public is being drawn to the affairs of the T.U.C.S., as being the premier co-operative "Store" in the Presidency. But there has always been, and even now, is in and around Triplicane a lot of adverse criticism about its indifferent management, high prices, bad articles, ill-behaved employees, and so forth. To the student of co-operation who comes from afar as a pious pilgrim to visit that Mecca and Medina of co-operation, the views of those who have been too near the shrine, fail to convey a fair impression of the true spirit which animated its first founders. On the other hand, the figures in the statement herewith sent, dry though they may seem to be, will reveal silently perhaps, any small measure of success the institution has had. For the information of your readers I might point out in this connection that in the early days of its struggle for existence, many an angry critic came to complain of the bad quality of the articles or their high prices. Neither arguments nor kind words could pacify him. But the statement of daily sales, indicating a steady progress in the amount sold of the highly priced bad article soon silenced him; for such articles were consumed in an ever increasing quantity by the loyal members of the Store.

In the same manner, the statement may carry conviction to the minds of those who are still sceptical about the present benefits and the future possibility of "Co-operative Distributing Societies."

Now that under the Registrarship of Mr. Hemingway, the distributive form of co-operation, and through it the productive form also receive a fair amount of encouragement, it behoves all workers in this field to compare notes with one another, so as to unite together in the establishment of a Wholesale Co-operative Society for the Madras Presidency. The existence of such a society will always stimulate the rapid formation and growth of Distributive Societies all over the Presidency. If Great Britain with a population of 45 millions has given room to 1,500 distributing co-operative societies, it goes without saying that at no distant date, an equal, if not larger number of societies will spring up in our Presidency.

With an energetic and enthusiastic band of propagandists and a big wholesale society, the day of co-operative production will not be far off. May we not then expect the rise of co-operative rice mills, flower-mills, oil-mills, dairies, weaving factories and the like giving employment to thousands of our poorer brethren.

In conclusion, I request that you will, in addition to publishing this statement, induce other similar societies also to publish their statement of work and progress. Though it may be interesting and instructive to comment on these figures, yet I would leave that work to be done after similar statements for other societies shall have been published in your *Bulletin*.

I remain

Sir,

Yours truly,

A BELIEVER IN CO-OPERATION.

## STATEMENT SHEWING THE PROGRESS IN THE BUSINESS OF THE TRIPPLICANE URBAN CO-OPERATIVE SOCIETY LIMITED 1904-1918.

| Period                         | No. of members | Places of business | Share-capital Rs. | Total Dis-tribution of goods in Rs. | Reserve Fund Rs. | Common good Fund Rs. | Amount paid away as Dividends Rs. | House Rent paid by the Society Rs. | Estab-lish-ment charges Rs. | No. of Emp-loyees. |
|--------------------------------|----------------|--------------------|-------------------|-------------------------------------|------------------|----------------------|-----------------------------------|------------------------------------|-----------------------------|--------------------|
| The opening day 9th April 1904 | 14             | 1                  | 310               | ...                                 | ...              | ...                  | ...                               | ...                                | ...                         | 2                  |
| Year ending 31st March 1905    | 184            | 1                  | 1160              | 19942                               | 259              | 193                  | 360                               | 37                                 | 213                         | 6                  |
| Do. 31st March 1906            | 408            | 3                  | 3153              | 104626                              | 1045             | 800                  | 1114                              | 156                                | 449                         | ...                |
| Do. 30th June 1907             | 637            | 4                  | 4945              | 179527                              | 2554             | 2007                 | 2170                              | 856                                | 2455                        | ...                |
| Do. 30th June 1908             | 797            | 4                  | 6682              | 241469                              | 4373             | 3688                 | 3077                              | 987                                | 3108                        | ...                |
| Do. 30th June 1909             | 1375           | 8                  | 11969             | 341473                              | 6439             | 5407                 | 3318                              | 1705                               | 4826                        | ...                |
| Do. 30th June 1910             | 1430           | 9                  | 13253             | 415959                              | 8659             | 7550                 | 3472                              | 2816                               | 9168                        | 52                 |
| Do. 30th June 1911             | 1649           | 9                  | 16677             | 446711                              | 12692            | 9741                 | 7402                              | 2742                               | 8292                        | 56                 |
| Do. 30th June 1912             | 2024           | 10                 | 23546             | 537211                              | 18188            | 14469                | 10338                             | 3016                               | 10023                       | 66                 |
| Do. 30th June 1913             | 2335           | 13                 | 29271             | 616772                              | 23799            | 17015                | 9896                              | 3191                               | 11148                       | 88                 |
| Do. 30th June 1914             | 2739           | 14                 | 37343             | 640644                              | 24026            | 14904                | 8189                              | 3598                               | 12771                       | 86                 |
| Do. 30th June 1915             | 2795           | 14                 | 37274             | 563004                              | 26694            | 15510                | 7334                              | 4039                               | 13505                       | 90                 |
| Do. 30th June 1916             | 2806           | 14                 | 41161             | 504587                              | 29244            | 16878                | 4436                              | 4585                               | 15260                       | 86                 |
| Do. 30th June 1917             | 2796           | 14                 | 42554             | 474049                              | 39484            | 20656                | 6748                              | 3841                               | 14843                       | ...                |
| Do. 30th June 1918             | 2899           | 14                 | 49,798            | 537,073                             | 44,932           | 23,017               | 9,979                             | 1,026                              | 15,448                      | 87                 |

## CO-OPERATION IN INDUSTRIES.

BY T. R. SRINIVASA AIYANGAR, B. A., L. T., M. R. A. S., OF TANJORE.

Co-operative effort in the field of non-credit functions has not so far been put forth vigorously, and the little of it there has been, owing to its spasmodic nature, has not been much of a success, although, in various parts of the Presidency and on diverse platforms, the gospel of co-operation has been preached and a plea for the opening of—Co-operative Weavers' Societies, Housing Societies, Agricultural Societies, Manure Societies, Dairies, Provision Stores etc., on a large scale has been systematically entered by co-operators.

Co-operation has made but little headway among weavers, and with the exception of the persistent efforts of Mr. Ramachandra Sastri at Conjeevaram and of Mr. Thiagaraja Aiyar, M. A., of Pudukottah and other attempts here and there, has borne little fruit. Co-operative housing, in spite of its being much talked of, on conference platforms and on the floor of the Legislative Council and the display of much paper sympathy on the part of the Imperial and Provincial Governments, is still in the realm of future possibilities, save in the matter of the housing of the so-called "Depressed classes" of farm labourers in the Tanjore District, where a Special Deputy Collector has been appointed to acquire house sites for their benefit, under the provisions of the Land Acquisition Act, by a paternal Government who have been kind enough to construe such acquisition to be for a 'Public purpose', and thus in a way forestall one of the recommendations of the Indian Industrial Commission in the kindred matter of provision of dwelling sites for the benefit of mill hands and factory labourers. If the pace of progress is to be quickened, what is wanted is a large sum of money at a favourable rate of interest, with the period of repayment fairly distributed over a long period of years. The number of agricultural and manure societies now working is but a drop in the ocean in view of the magnitude of the beneficence which such societies should scatter among the land-owning classes and cultivator, and the work turned out by these societies has attracted little or no attention. Nothing short of an organization on the lines of the Irish Agricultural Organisation Society is likely to bring adequate relief to the interests concerned. Co-operative Stores, barring the single instance of the kind in the premier Co-operative Stores of the Presidency in the metropolis, are yet in the transition stage and from the caterpillar to the moth seems to be a long way off. Of co-operative dairies there are none;

although there was at one stage much of a trumpet blowing from the expert officers of Government, and this formed the subject of deliberation at the Agricultural Conference recently held at Coimbatore. No one would have thought at the time that these signs heralded but a still born child. Beyond a talk of opening model cow-sheds by the Corporation of Madras in the interest of a supply of pure cows' milk so essential for public health and bringing down the figure of infantile mortality and some discussion in the public press, nothing has come out of these efforts.

Various causes have contributed to this state of affairs. The apathy of the industrial and artizan classes, the farm labourers and the wage earners, the amelioration of whose lot is bound up with such effort, is mainly due to the poverty and state of chronic indebtedness in which they are sunk, and unless immediate steps are taken to bring facile credit within their reach, they are bound to go to the wall in the keen economic struggle which becomes keener every day, what with the stress of foreign competition and the dumping of machine-made articles and other new forces that have been set free owing to the bursting of the wave of internationalism through the barriers of economic isolation and stagnation and the old world notions of industrialism of our country. While these classes had been lacking in initiative in consequence, their leaders, whom it behoves to solve the problem, have been handicapped owing to lack of knowledge of the technique, organising skill, expert guidance, business knack and other elements of success.

Meanwhile, the world cataclysm of the European War, the restrictions it occasioned on the movement of commodities, the diversions of the resources and energies of the belligerent nations into the one purpose of crushing the enemy, the consequent total paralysing of trade and other peaceful pursuits and activities, the phenomenal rise of prices and other effects of the war have, each in its own way contributed to the scant attention paid by co-operators as well as the Department of Co-operative Societies to the task of organising, starting, equipping and working credit societies, which would not only bring immediate relief to the classes mentioned above but also add to wealth of the nation.

Thanks to the war, the state of unpreparedness in which the Empire and its Allied Nations found themselves at its outbreak, the lessons learnt and the experience gained by them in consequence, have opened their eyes in a way that nothing else could have, with the results that the very men who had been all along following a policy of *laissez faire* and drift have begun seriously to advocate a policy of vigorous industrial regeneration (if not revolution),

and expansion for our country. An era of industrial progress is thus in sight and if the factory system of Western countries with its concomitant evils of trade-unionism and syndicalism, strikes and lock-outs, trusts and combines, *et hoc genus omni*, is at all to be avoided, as ill adapted for eastern conditions and uncongenial to Indian soil, the only salvation lies in co-operation and all that it means and stands for, for tackling the problem of rehabilitation of our dying industries and the introduction of new ones. The Indian Industrial Commission, in their luminous report, have dealt with this aspect of the question and it remains to be seen how far in the revival of old handicrafts and the ushering in of new ones on a "Cottage basis", the weapon of co-operation is to be made use of. In any case, if the present state of languor and slow decay is to give place to healthy development and vigorous growth and our craftsmen are to be rescued from the grip alike of penury and sowcar and set on their own legs again, and if the host of middlemen who ply their trade from the stage of the production of the raw material to the manufacture of the finished product, and thence pursue it to the market and on to the very doors of the purchaser, should be eliminated with rigour, no other solution but the application of co-operative methods will be found possible.

But what do we see around us, now that peace has after all been vouchsafed to us? Even before the Treaty has been ratified with a view to its being brought into operation, nay, hardly has the tightness in the available tonnage relaxed and the restrictions imposed on trade slackened preparatory to their entire removal, and capital released for profitable investments otherwise than in the war loans, speculation is strutting abroad with a view to capture every coign of vantage. Hundreds of joint stock concerns with several crores of nominal capital have already been floated and in the case of some of them temporary advantage is even sought to be taken of the drop in exchange in favour of India, owing to the scarcity of silver and the currency policy of Government, although the latter have, owing to difficulties created by these causes, quite an uneasy time of it. This is all a healthy sign no doubt, but at the same time it provides a co-operator with plenty of food for reflection and thought and unless he forges his weapons and comes out quickly enough in the full panoply of his armour, these company promoters and others of that ilk would have stolen a march before him and the citadel would probably be theirs. If the words "Too late" should not be writ large in front of us, we, co-operators, assembled at the ensuing Conference from the various parts of the Province, should consider the question of "Co-operation

in Industries" in all its bearings and arrive at conclusions which would ensure success. The period of hibernation is gone, that of action is at hand.

I would, therefore, strongly urge the formation of a sub-committee of prominent co-operators with powers to add to their number, even from among friends and sympathisers of the movement, to investigate the question of formation of industrial co-operative societies and societies for the uplift of artisans and industrial workers, draft suitable model by-laws and report on the kinds of crafts and industries amenable to co-operative treatment, the lines on which they are to be worked, the methods of financing them, procuring raw materials and disposal of finished products, the inter-relation of primary societies of this class, to each other and their relation to central financing and purchase and sale societies and other kindred topics. The opening of "Cottage Industries" of various types, factories and workshops, the running of mills of various kinds, joint purchase and supply of labour-saving appliances on a large scale, the handling of raw-materials in their passing through the various stages to the stage of finished products, the facilities required for the carrying on of particular industries, suitable centres for their location, and other kindred subjects will necessarily fall within the purview of the committee's investigation. If something in this direction is achieved before next year, it would not only be paving the way for further effort in that direction, but also justify the ways of co-operation in general and our work in particular. An ounce of example is worth tons of precept.

#### CO-OPERATION IN THE TINNEVELLEY DISTRICT.

BY K. RAMACHANDRAN B. A. HON., UNIVERSITY RESEARCH STUDENT.

There were at the end of June 1917, 58 societies of which 49 were agricultural credit societies, 3 agricultural purchase and sale societies, 5 non-agricultural credit societies and 1 non-agricultural distributive society or "stores."

**Agricultural Credit Societies :—**The agricultural credit societies both on account of their number and their importance deserve our attention foremost. The 49 societies are at present all constituted on a basis of unlimited liability. Till a few months back however, one of them the Vilattikulam society was working as a limited liability society. This

was due to the fact that it was started as early as 1905 when the idea of unlimited liability was not accepted by anyone. At first it got loans from the Government, from the philanthropist Sir D. Hamilton and from the Rajah of Ettayapuram. But when these were exhausted it found that with its limited liability it could not raise the necessary amount of loan it required in the outside market. Hence it reconstituted itself on unlimited liability basis.

**AREA OF OPERATION :—**The MacLagan Committee consider that the area of operations of each society should be generally restricted to one village only, as it would otherwise make it impossible for the members to be mutually acquainted and to exercise effective control over each other. At the present time, however, there is so little of coincidence between a village in the popular sense of the term and the revenue village, that a hard and fast rule would not work with advantage. Hence the Government as well as the Committee recognise that where a group of villages can conveniently form a co-operative unit they may without objection be served by one co-operative society. The 49 societies serve 77 villages.

**SIZE OF SOCIETIES :—**The total number of members in the 49 credit societies is 2,637 giving an average of nearly 54 for each society. There are some societies that have hardly progressed beyond the first batch of members that joined it soon after registration, while in other cases the societies have been crowded with too many members. In a few cases the number exceeded 100 within one year after the society was started. Such a rapid increase has been due in almost all cases to the ignorance of the managing committee about the funds available to them and to an ignorant belief among the people of the locality that the payment of one or two rupees would entitle them to a loan of Rs. 50 or Rs. 100. It would be very beneficial if the following remarks of the Committee were impressed on the panchayat members of the recently started societies. "We would lay stress on the importance of small beginnings. The members of a society should be few to start with and increases should be gradual and the ultimate total moderate. Small societies are more easily supervised, just as small classes are more easily taught in schools. If a society is small it affords better opening for local talent. It brings more men to the front, trains them to undertake responsibilities and by carrying on a business not exceeding the capacity of the committee prevents the domination of one man. Societies should in our opinion be small at the commencement not only when the members are poor and backward but in all cases. When a

sound beginning has once been made gradual increases should be allowed, care being taken that men of the best character are admitted first and that subsequent admission is treated as a benefit conferred by him on the society."

As it is, the managing committee of most of the societies in the district have no idea of supervising or training the members but think themselves to be a post office for receiving loan applications from members, get money through the Department and disburse it among the applicants.

While dealing with the number or members it may be well to state also that nowhere in the district has there been any objection to admission of Panchamas because they are Panchamas. On the other hand in some of the societies that I visited the Panchamas were not simply admitted as members but they were also present at the meetings held and took part in the discussions. According to the latest Administration Report out of 2,799 members found in all the agricultural societies (including those for purchase and sale), 191 were Panchamas.

Organisation of societies.—So far as I have observed, the root cause of the bad condition of many of the societies in the district is defective organisation. The following is the procedure generally adopted. As soon as an application for a co-operative credit society is received, an Inspector, in many cases an utter stranger to the locality, is sent to deal with it. The original signatories, generally only a few of them, meet the Inspector and with a great deal of difficulty some of the villagers are got together. Most of them have been told that the Sirkar have instituted a new system for giving loans to the poor ryots and that the power of granting the loans is to be vested among them. To such an audience the Inspector explains the model bye-laws and the blanks left are filled up to suit the needs of the locality. After a short time the Inspector comes again with a few account books, calls together the signatories and gets from them their initial share-capital. A managing committee generally consisting of the prime mover and his friends is established. The society has been formally started. What remains of the share-capital paid, after deducting the cost of account books is distributed among a few members as loans. Soon after the departure of the Inspector, applications for loans are made and a request is made to the Assistant Registrar by the society that a loan of a few hundred or thousand rupees might be recommended to it. The amount sanctioned by the Assistant Registrar is often less than the amount asked for. The managing committee is not able to satisfy all

the applicants. Motives are imputed to the committee members by the disappointed persons. Faction is engendered and if there is division in the managing committee also the position is made still worse. At the time of the next inspection by the Government Inspector a large number overdue loans are found and the society is pronounced bad. This is the history of many of the societies.

All this is due to defective organisation. It is a mistake to suppose that a society can be registered after one or two visits and meetings. The demand for a society must exist in the place. The organiser must move freely with the people imparting to them ideas about co-operation, learning from them their economic condition and judging whether the locality is suited for the starting of a co-operative society. He must study the habits of the people, the amount of debt in the locality etc. When he has satisfied himself that a society can be started he must create an interest among the people for co-operation. He must find out the best persons in the village fitted to take up the responsible work of being committee members. They must command the respect and confidence of the villagers so that they may be able to lead and educate the other members. A strong, well-respected and enthusiastic managing committee is essential for the success of every society. The principles of co-operation should be strongly inculcated in the members that first join the society. All this requires patient, hard work. Even after the society has started work the organiser should visit the society at short intervals till it has been well-established, giving advice and help to the committee members and seeing that the society does not swerve from the right path.

The following passage from the report of the Committee on Co-operation puts the whole thing very beautifully. "We cannot too strongly urge the necessity for careful teaching both before and after registration. Most of the faults which we have found in societies are due to the lack of such teaching and the importance of the point can scarcely be exaggerated. The work of instruction is trying and uninteresting and there is generally a tendency to escape it. Pamphlet and formal lectures are good in their way but are of very secondary importance compared with the actual personal instructions by the organising or supervising staff in the villages themselves . . . . . In Burma the Registrar has laid down in simple language 10 main principles which every member of a society in that province is expected to learn and know thoroughly, and we were much impressed with the results of this method of training. We think it advisable that certain essential heads should be laid down to

guide organisers in teaching. These heads would vary according to circumstances but should include the following points :—

“(1) That the object of co-operation is as much to encourage savings as to grant loans on reasonable terms, (2) that the success of a society depends on the mutual knowledge of the members and the exclusion of bad character, (3) that the liability of the members is joint and unlimited, (4) that the loans must be properly used for the objects for which they are sanctioned, (5) that re-payments must be punctual and genuine, (6) that the powers of control vested in the general meeting should be known to members, and (7) that the source of funds and the constitution of the central financing agency as well its relations to the society should also be understood by them.

“In many provinces much of the preliminary work of teaching and organising societies is done by honorary organisers and their labours are deserving of great praise. Care, however, should be taken that their efforts are systematic and not sporadic and it is also important that the honorary organiser who forms the society should where possible, retain control as a supervising and teaching agent after registration.”

Resources of societies.—The funds of the societies are derived from four sources, deposits of members, deposits of non-members, share-capital and loans from central banks. The following table gives the amount and proportion of each.

| Years.  | No. of Societies. | Working capital* Rs. | Govt. loans |     | Share Capital |     | Deposits of members. |      | Deposits of non-members |     | Loans from Central Banks |      |
|---------|-------------------|----------------------|-------------|-----|---------------|-----|----------------------|------|-------------------------|-----|--------------------------|------|
|         |                   |                      | Amt.        | o/o | Amount        | o/o | Amount Rs.           | o/o  | Amount Rs.              | o/o | Amonut Rs.               | o/o  |
| 1912-13 | 5                 | 15,530               | 425         | 2.7 | 1,519         | 9.8 | 829                  | 5.3  | 1,142                   | 7.4 | 11,615                   | 74.8 |
| 1913-14 | 27                | 77,339               | 340         | .4  | 1,350         | 6.4 | 2,723                | 3.5  | 1,298                   | 1.7 | 68,028                   | 88   |
| 1914-15 | 48                | 1,16,111             | 435         | .4  | 1,785         | 7.6 | 4,606                | .4   | 2,512                   | 2.2 | 99,773                   | 85.8 |
| 1915-16 | 47                | 1,41,169             | 350         | .2  | 10,182        | 7.2 | 10,874               | 7.8  | 1,074                   | .8  | 1,18,689                 | 84   |
| 1916-17 | 52                | 1,18,755             | 85          | —   | 11,288        | 9.5 | 13,746               | 11.6 | 730                     | .6  | 92,906                   | 78.2 |

SHARE CAPITAL.—The societies in the Tinnevely District in common with the rest of the Presidency started from the very beginning with a share system. The value of each share was fixed at Re. 1 perhaps with the object of bringing home to members that membership was a privilege which they must make small sacrifice to obtain. As it is, however, it is looked upon by the members in most societies as one of the conditions which have to be submitted for getting a loan and which when paid entitles them to the loan they require. The further restriction

\* Excludes the Reserve Fund.

that the borrowing capacity of the members is proportionate to the shares taken up, gives room for the supposition that there might have been another object behind the institution of the share system. It might have been meant as a check upon the known tendency of the agriculturists to borrow recklessly and to the full extent of their credit.

Strictly speaking, however, the share system is contrary to the principles of Raiffeisen. But, as the Committee as well as the Government recognise, “the prime object of every society should be to acquire a permanent capital of its own as speedily as possible. The Raiffeisen societies of Europe have solved it by means of the deposits of their members. In this district there are great difficulties in attracting local deposits as will be shown later. The Committee suggest that by arranging for a wide margin between the rates at which societies borrow and lend, a substantial annual profit can be secured which can be carried to the reserve. Apart from the fact that such a course will raise the rate of interest at which the societies lend to their members, this suggestion will not have the desired effect in as much as the Reserve Fund in the Madras Presidency does not form part of the working capital but is invested separately. The system of compulsory provident deposit was relied upon till 1916 for the supply of this capital. Besides the difficulty of collecting it, it was realised that deposits even those of members were liable to become a source of danger in times of financial stress, and that the more a society employed money of its own, which could not be withdrawn the stronger would be its position at a time of economic strain.” Hence the compulsory provident deposits were abolished and the share-capital was raised to Rs 10 per share. The distribution of the share money over a period of ten years removes the only objection that can be said against the system *viz.*, that it would be a disability against poor members while at the same time it offers an incentive to thrift. At present the share-capital amounts to 9.2% of the working capital but it will increase in the future.

Deposits :—The next item in the working capital is the deposits of members and non-members. This is very poor in the agricultural societies amounting to only 12.2% of the total working capital. A glance at the table given before will show that the major portion, almost the whole of it consists of deposits from members only, the non-members deposits amounting in 1916-17 to only Rs. 730. It should not be supposed from this that the members take very great interest in the societies. The comparatively larger amount of their deposits is due to the fact that till very recently every member was compelled to make a provident

deposit of Re. 1 per share per annum. It is a pity that figures for the amount of compulsory and voluntary deposits are not available separately, as they would show how little the members deposit voluntarily. But from my observation of societies it can be said that in many of them there were no other deposits but the compulsory one. Now that the obligatory character of this deposit has been removed it remains to be seen whether even the small percentage noted above would be kept up.

What are the causes of the absence of voluntary deposits in the societies? Is it due to the absence of the saving propensity in the people? This cannot be for we have seen in considering the chit associations how strongly developed this (sense) is. The reasons therefore, are to be sought elsewhere. It has to be admitted that though there are 49 agricultural credit societies in the district very few of them are broad based upon the people's will. In the majority of cases the society does not enter into the life of the village. It is looked upon as the concern of a small section of the people.

Secondly, even where the society is considered a village institution it is looked upon exclusively as one from which loans could be got at lower rates of interest than elsewhere. Nor can it be said that the members of the managing committee have taken any great trouble to attract such deposits. The idea of self-help has never been put before the members by them. From the very beginning the eyes of the members have been directed to the Central Bank or rather to the Department as the place from which they can get all the money they may require within the limit of the maximum borrowing capacity of the society. Hence the members never once think of depositing money.

The chief reason, however, that hinders the society from attracting more deposits is the fact that in this district every one even a helpless widow who has got a few rupees to spare is a money lender; almost every Vakil and every public servant is a money lender, though through indirect channels every merchant considers his business incomplete without joining to it money lending. Every agriculturist is a money-lender issuing grain loans out of the surplus of his annual produce. The high rates of interest offered by the borrowers or rather screwed out of them owing to their necessity afford a temptation to all these in an irresistible manner. When 12 per cent interest is considered 'Dharna Vatti' and when even mortgage loans carry this interest it could hardly be expected that people would deposit largely in co-operative banks at 6 per cent. and 7 per cent however secure these banks might be.

The facilities given to the members for depositing is also very little. The provident deposits that were paid till now were looked upon as an unavoidable nuisance to be put up with in return for the privilege of taking loans. The monthly system of savings deposit is not at all suitable to rural societies where the large majority have no monthly incomes. In places where some of the aspects of town life are found and where there are persons with monthly incomes as e.g. at Vilattikulam and Ottapidaram these deposits are found and in such places there is room for greater development of this system.

The paucity of deposits need not quite discourage us as even in Europe where societies had to rely on themselves for their capital deposits did not come in for a long time. The movement is still young in the district and has not had time to affect the people very much. But what is really discouraging is the fact that in many societies there are no members at all who look at this function of the societies. In a sense, deposits will flow in only when the rate of interest in the surrounding locality approximates those of the society. But there ought to be enthusiastic members preaching to the people the necessity of depositing in the society and always finding out means for the tapping of local resources.

A procedure adopted by some of the more enterprising societies in the Ramnad district may be copied with advantage by many of the societies in the district. Knowing the thriftless nature of the ryot and his habit of spending freely when he has spare cash in hand the committee distribute among their members locked boxes with an aperture at the top through which coins may be put in. The members are encouraged to put into the box all the spare cash they may have. The keys being in the office of the society, coins dropped into the box once could not be taken out. Every month the boxes are taken to the society and the small sums of money found in each box are credited to the account of the owner. In this way quite a decent sum is collected every year which is used to clear a loan or to form the nucleus of a capital.

But by far the best method of encouraging thrift among members is to start chit associations in the society among the members. The fact that the members of the chit associations are also members of the society and that the chit is managed by the society will minimise risk whilst its indigenous character will make it popular. The worst aspect of the chit viz. bidding high discounts may be avoided by fixing the maximum rate of discount. Such chit funds are working successfully in some of the

urban societies of the presidency and there is no reason why they should not be successful in rural societies also especially in the Tinnevely District, the home of the chit funds.

**Loans from Central Banks :—**This item is the chief one in the resources of societies forming more than 80% of the total working capital. Most of the loans are got from the Madras Central Urban Bank and a small part from the Madura-Ramnad Central Bank.

**Loans :—**But, however, much the other activities might be encouraged the granting and recovery of loans will remain the chief business of every co-operative society. It is an indubitable fact that the large majority of members in even the ideal societies are borrowers rather than depositors. And especially in a district like Tinnevely with a large number of ryots of small means possessing patches of land less than six acres in extent, dependent for their crops on the monsoons and with a heavy load of debt round their necks it would be idle to deny that for a long time to come, and most of the members that join a society will do so for the sake of borrowing.

From what has been said before of mortgage loans it would have been clear that loans in the district are for only small amounts. This is amply borne out by the figures given below. More than 60% of the loans are for sums below Rs. 50 and another 20% are between Rs. 50 and Rs. 100. The percentage of the small loans would have been far greater if in all places the society had reached the poorer folk.

| Year.   | No. of Loans. | Below Rs. 50. |            |          | Rs. 50—100 |            |          | Rs. 1,00—250. |            |          | Above Rs. 250. |            |          |
|---------|---------------|---------------|------------|----------|------------|------------|----------|---------------|------------|----------|----------------|------------|----------|
|         |               | No.           | Amount Rs. | Per-cent | No.        | Amount Rs. | Per-cent | No.           | Amount Rs. | Per-cent | No.            | Amount Rs. | Per-cent |
| 1912-13 | 121           | 66            | 2645       | 54.5     | 37         | 3450       | 30.5     | 16            | 8195       | 13.2     | 2              | 900        | 1.8      |
| 1913-14 | 850           | 526           | 18592      | 61.8     | 201        | 18909      | 23.6     | 80            | 15618      | 9.4      | 43             | 18066      | 5.2      |
| 1914-15 | 855           | 674           | 20564      | 67.1     | 185        | 16845      | 21.7     | 61            | 19130      | 7.2      | 35             | 12965      | 4.0      |
| 1915-16 | 1921          | 893           | 32920      | 67.2     | 279        | 25292      | 21.1     | 103           | 11985      | 7.7      | 46             | 18695      | 4.6      |
| 1916-17 | 702           | 428           | 15136      | 60.9     | 187        | 16489      | 26.6     | 67            | 11677      | 9.5      | 20             | 8020       | 3.0      |

**Method of granting loans :—**The MacLagan Committee truly remark the credit to be of use must be prompt as otherwise there is a danger that members may be compelled to resort to the money lender. Most of the societies are not able to do this as their fluid capital is very little. The societies generally adopt the following procedure.

When the secretary receives a sufficient number of applications for loans a meeting of the members is convened and the loan applications are considered and a list of the applicants with a statement of their assets and liabilities is submitted to the Assistant Registrar. Latterly a

property statement of all the members of the society is also asked for and submitted.

The Assistant Registrar not simply considers whether the society could be entrusted with the sum asked for but also considers the solvency and the repaying capacity of each applicant and decides whose loans could be sanctioned and for what amount. The sum applied for is, therefore, in many cases reduced and the committee is asked to disburse the money.

In many cases this procedure entails long delay. Red-tapism is responsible for it in a great measure. The newly started societies have to submit the same statements again and again on account of their being not in proper form. The members have to wait all the while. There was no cry more loud in most of the societies that I visited than against this delay between the date of submission and the date of sanctioning of a loan. Repeated appeals have been sent by some societies to the Department to sanction the loan speedily as the purpose for which the loan was asked for was either fast approaching or was already past. In a few cases the delay amounted to as many as four months. Under such conditions the co-operative societies in the district could not sanction loans promptly and this is one of the chief reasons why the societies are not popular in many places.

The procedure of getting loans, described above is open to criticism in another respect. The ultimate discretion of sanctioning loans and fixing the amount, rests virtually with Assistant Registrar and not with the committee. This is not co-operation. The committee's sense of responsibility is weakened. As societies exist at present, the managing committees exercise very little discretion in granting loans to members and it is to check them that the procedure is adopted. But the head of a Government far removed from the place where the society exists, is not the best person, for it almost comes to deciding whether particular individuals could be granted loans or not. Moreover, as the Government observe in their resolution of 1914 "the movement must in its essence be a popular one and nothing should be done to weaken the feeling among co-operators that it is based upon self-reliance and independence. Government, therefore, in the best interests of the movement must not allow co-operation in this country to become an official concern managed by state establishment. The proper remedy would be to constitute a proper committee and ask their Inspectors to be present at a few meetings of the newly started societies and advice the committee in sanctioning loans.

(To be continued).

## SECTION REPORTS.

## COCANADA SECTION.

The section comprises of the districts of Ganjam, Vizagapatam and Godaveri districts and was during the last co-operative year in charge of Rai Saheb K. Nageswara Rao Pantulu. The section made exceedingly good progress during the year under review. The following tables will show the progress made by these districts and their relation to the Presidency as a whole.

|             | No. of Societies in 17-18.                | No. of Societies in 18-19.           | Membership in 17-18.                                 | Membership in 18-19. |
|-------------|-------------------------------------------|--------------------------------------|------------------------------------------------------|----------------------|
| Ganjam      | 68                                        | 110                                  | ...                                                  | ...                  |
| Vizagapatam | 42                                        | 102                                  | 4,135                                                | 7,390                |
| Godaveri    | 89                                        | 162                                  | 4,622                                                | 6,665                |
|             | No. of Societies per lakh of inhabitants. | No. of members per 1000 inhabitants. | Working capital per head of the population in annas. |                      |
| Presidency  | 6.6                                       | 4.6                                  | 9                                                    |                      |
| Ganjam      | 5.8                                       | 3.3                                  | 2½                                                   |                      |
| Vizagapatam | 7.0                                       | 3.4                                  | 2½                                                   |                      |
| Godaveri    | 10.9                                      | 5.3                                  | 4.3                                                  |                      |

The primary societies in the section were financed by four central banks, two of which were situated in Ganjam, while the other two one in each of the other districts. The Ganjam and Vizag. District Banking Unions were very popular and did good work. In the Ganjam Union the share capital and deposits doubled themselves, being at the close of the year Rs. 14,185 and Rs. 46,670 respectively; and the reserve fund deposits went up to Rs. 15,499 from Rs. 5,595 while the borrowings from the Central Bank fell. The paid-up share-capital of the Vizag. Union was Rs. 31,858 at the close of the year, and the deposits stood at Rs. 70,110. The Union was able to meet its demands and also pay off major portion of its dues. It earned a profit of Rs. 3,546 and could declare a profit of 8 per cent. The Assistant Registrar remarks about this Banking Union: "The management leaves nothing to be desired; its accounts keeping is perfect and accurate; and the dues to it are collected with promptitude and regularity." The Banking Union at Cocanada has yet to become popular. Its deposits of Rs. 43,870 (the previous year's deposit was Rs. 6,800) were contributed by a handful of men. Its working capital during the last year was Rs. 2,24,869 of which Rs. 1,50,000 were borrowed from the M. C. U. B. The Aska Bank made slight progress.

There were at the close of the year 12 agricultural credit societies in Ganjam, 72 in Vizag. (48 of them were registered during the last year) and 128 (and 65 of which were registered during the year) in Godaveri, and their total membership were 3,404, 3,444 and 5,036 respectively. Of these 2,073 in Ganjam, 2,471 in Vizag and 3,027 in Godaveri were cultivating agriculturists. The total working capital of the societies were Rs. 1,58,474, Rs. 1,37,785, in Ganjam and Vizag. and in Godaveri it was about Rs. 3,54,069. Majority of loans issued in all these districts were for short periods and small sums. 77 per cent. of the loans in Ganjam, 95 per cent. in Vizag. and 79 per cent. in Godaveri were for productive purposes.

Of the non-agricultural credit societies there were 18 in Ganjam with 2,297 members, 25 in Vizag. with 3,946 members and 16 in Godaveri with 1,418 members. The total working capitals were Rs. 1,33,510, Rs. 1,535 47 and Rs. 33,115 respectively. Special mention must be made of the Vizianagaram Bank which had grown to be very popular. Its share capital was Rs. 39,719 and attracted deposits to Rs. 32,080.

Except in Godaveri, the collections were fair in consideration of the famine conditions, high prices and unfavourable seasons in the districts, ranging in Ganjam between 14 and 28 per cent and in Vizag from 7 to 11 per cent. In Godaveri except in agricultural credit societies where the percentage was between 3 and 5, it went up to 60 per cent in non-agricultural credit societies. The heavy balance was contributed by three or four societies, and it was mostly due to the supreme indifference of the management.

Of store societies there were five in Ganjam, but there transactions were little. In Vizag. there were four which did good work, and in Godaveri there were six stores of which two did not work, and the business done by the rest amounted only to a few thousands. Vizag. alone had done much more storework than the other two districts put together. Vizianagaram and Vizagapatam stores alone made purchases to the value of Rs. 80,000. Their net profits were about Rs. 2600. Steps are being taken to convert the stores into Trading unions.

Non-credit work done by ordinary credit societies was considerable both in Godaveri and Vizag. Vizag. made joint purchases to the value of Rs. 18,595 of which Mangavaram society alone contributed Rs. 8150 by purchase of seed grains, while Godaveri purchased Rs. 15,857 worth of goods, half of them being purchases of manure and seeds, the other half being paddy. Their respective savings were Rs. 5942 and Rs. 1611. As

regards joint sale two societies in Ganjam sold goods to the value of Rs. 10,553 making a profit of Rs. 357, in Vizag. two societies sold gingelly seed and jaggery collected from 55 members to Rs. 4855 which gave a profit of Rs. 755 and three societies in Godaveri sold Rs. 7,984 worth of goods and realised a profit of Rs. 1,153. Joint sale of jaggery and sugar-cane was offered by a society in Godaveri to Messrs. Parry and Co., but they refused at the last moment.

A feature of Ganjam and Godaveri co-operation is the weavers' societies. There were four of that kind in Ganjam and two in Godaveri. One of the Godaveri societies did not work as yarn of a particular count to which the members were accustomed was not available. The other worked at a profit of only Rs. 6. The Berhampore Silk Weavers' society, the oldest of Ganjam societies, sustained unfortunately, a loss of Rs. 159 though it had made very good improvement in its management. Silk was bought at the proper season and in large quantities so as to last the whole year; and it maintained a godown for collecting the finished goods and selling them at the proper time. The loss was due to heavy contingent expenditure and the higher level of cost price in the society. The Cotton Weavers' society, Berhampore and the Ichchapuram society worked on commission system the former for a commission of 9 pies on every rupee of wages paid; the latter 3 pies in the Rupee. Messrs Best and Co., supplied yarn to the Berhampore society and received in return the manufactured cloth, while the Director of Industries supplied yarn to the Ichchapuram Society. The vice of disloyalty was greatly in evidence in the Cotton Weavers' Society.

Some good work was done in agricultural co-operation in these districts. The Palavalasa Panchama Co-operative Society borrowed Rs. 1000 and utilised the whole amount in repairing three irrigation tanks of the village, and thus enabled to bring under cultivation 500 acres of the members which was lying uncultivated for the last three years. The wages went to the members themselves. We think this is the first instance in which co-operative principles are applied in this Presidency for the repair of irrigation sources. The Talavalasa Co-operative Society Vizag, bought a sugar-cane-crushing-machine for Rs. 100 and loaned an iron pan for making jaggery through the Agricultural Department. The society realised a profit of Rs. 45 by the levy of a fee of one rupee for every putti of jaggery produced at the mill. The success had made the society think of the purchase of another machine. The Komaragiripatnam Agricultural Society, Godaveri, successfully raised ginny grass intended for fodder for the cattle of its members. It purchased and distributed

seeds and manures, and grew Diancha grass on the fields of its members for use as green manure. The other society in Godaveri the Tallerevu Agricultural Society obtained land on lease and distributed it among its members. Money was advanced to the members for initial expense. The produce on the land was pooled and sold for Rs. 3250, and after deducting the advances and the reserve for about Rs. 300 was available as profit for distribution.

The disputes filed before the Assistant Registrar were 31 in Ganjam, 45 in Vizag and 96 in Godaveri. In Ganjam 15 more suits were filed in the ordinary Civil Court.

On the average 1½ general meetings and 10 committee meetings were held for every society in Ganjam. The Assistant Registrar complains of one-man-societies and the lack of responsibility on the part of every member for the welfare of the society.

The four local unions in Godaveri were doing fairly good work. Two unions were started in Ganjam and one Vizag. In Ganjam and Vizag the District Banks were supervising its member-societies and also managing the supervision fund. The chief drawback of the Godaveri and Ganjam unions were the sparsity of the visits to societies by the members of the Governing Body of the union. In Ganjam nobody seems to take any interest in the management of the union. The Assistant Registrar also suggests the holding of union meetings in the village of societies of a reputedly bad character, and utilise such opportunities for the improvement of those societies.

#### REGISTRAR'S CIRCULARS.

##### LABOUR AND CO-OPERATION.

The Registrar invites the attention of co-operators to the statistics prepared for the first time this year showing the numbers among members of rural societies who are landholders, landless tenants and field labourers. The total number of members in rural societies in round figures is 1,71,000 of whom 1,27,000 live exclusively by agriculture; and these have been classified according to the latest reports as 13,000 non-cultivating landholders, 93,000 cultivating landholders, 17,000 tenants and 400 field labourers.

These figures would seem to indicate that there is a considerable tendency among our rural societies to decline to admit, or at any rate to abstain from inviting to join, the poor people of the village; since, the Registrar understands that in an ordinary village the proportion of the

agricultural inhabitants who do not possess any land of their own to the actual landowners is a great deal higher than the proportion of landless agricultural members to land owning agricultural members in rural societies. The Registrar does not pretend that these figures are absolutely accurate and no doubt they may be to some extent misleading owing to the fact that a good many tenants, especially those cultivating wet lands have as a matter of fact got a little dry land of their own ; but it is difficult not to be gravely apprehensive that the above figures do give a substantially true picture of the situation. Indeed the Registrar has discussed this question with the representatives of several hundreds of societies during the last few months and they have generally agreed that the picture suggested by these figures is substantially a true one.

All co-operators would agree that if this is the case we are running a serious risk of falling a long way below the co-operative ideal. The Registrar would remind co-operators that the essence of co-operation is that it enables the poor and the weak to obtain fair treatment and fair means of livelihood. And if our societies cannot help the poor and the poorest, there must be something wrong about their co-operation. It is of course, true that co-operation cannot work miracles and cannot give a decent livelihood to anybody who is not trustworthy or who is absolutely incapable of earning a livelihood. And indeed the only class of poor men that co-operation can really help is the hardworking honest man. But any hardworking honest man, however poor, ought to be able to earn a decent livelihood by means of co-operation and ought to be a suitable member of a co-operative society.

It is sometimes argued that it is unsafe to lend money to a man who has little or no tangible property. The answer would appear to be that, if the man has earning power and honesty, it does not matter whether he has property or not. If he has earning power, he can put himself in a position to repay by his bodily labour. It is often forgotten that if a man without resorting to either theft or beggary, has succeeded in keeping himself and his family alive for a number of years that fact alone is sufficient to prove that he has an earning power sufficient to enable him to pay back his dues to a co-operative society. The man may, it is true, have become indebted to the sowcar ; but these debts are generally not overwhelming ; nor, as a matter of fact, does their existence disprove the argument. Indeed it rather supports it ; since if a man has been able to keep his head above water in spite of the fact that he had to get all his money from the sowcar instead of from a co-operative society, it might fairly be asked, how much more easily would he not keep his head above water if he was a member of a co-operative society.

It might be taken therefore, that an honest hardworking man is capable of repaying to a co-operative society any loan that he may reasonably require for his domestic or agricultural needs. It is, however, frequently argued that, if he is a poor man, it is not possible to trust him to repay ; or in other words that, though he may have the power to pay he will not have the honesty to do so. This would appear to be a bad argument though it is very frequently used. Indeed if it was really impossible to trust to the honour and honesty of our village members to pay back their dues to their society, and if our societies only relied upon tangible security, there would be little difference between them and the ordinary sowcar's shop ; and the outlook before us would indeed be black and discouraging. The Registrar does not believe that this is the case ; and he would ask co-operators to consider whether it is really impossible to trust a man of the same village who has lived there and has been known to them all his life, whose father and grandfather lived in that village with their fathers and grandmothers, and who has shown himself an honest hardworking fellow. It would seem to the Registrar to be opposed to the well known facts of human nature to suppose that trust cannot be placed in such a man with absolute safety. Indeed it might be urged, and fairly so, that the argument from experience is opposed to such a supposition ; since it is found in practice that in the majority of cases the poor men are very much better payers than the rich members of our co-operative societies. It is indeed a well known fact that the arrear list of any rural co-operative society in an ordinary year contains the names of a majority of well-to-do people who are perfectly able to pay their dues if they had the will to do so, and that default by poor people, except for reasons over which they have no control is, comparatively speaking, rare. Nor is the reason far to seek. The well-to-do man has not the same reason to care whether he retains his credit with his co-operative society or whether he does not. If his co-operative society wont lend him money, he can easily get the money on fairly reasonable terms elsewhere, and he can afford therefore, to snap his fingers at the society. This is not the case with a poor man ; since, he loses his credit with the society, he is driven into the arms of the rapacious sowcar.

It might, of course, be urged, and indeed often is urged, that there remains the danger of a poor man without tangible security dying unexpectedly and therefore, being unable to repay. This is of course an undoubted danger ; but it is still a remote and limited one. Such cases are not likely to be frequent ; but supposing such a man does die still owing

money to the society, he has wives and children and perhaps brothers who might be relied on to endeavour to discharge a portion of the debt. It is possible also that some well-to-do friend or sympathiser may help the family; but if the worse comes to the worst there is not likely to be any very large amount left uncollected in the end; and such small losses are precisely the sort of unforeseen losses to cover which, each society maintains a reserve fund. It would seem therefore, that the risk of loss through the death of members is a risk which any society may reasonably be expected to take.

The Registrar has also noticed in his recent tours that there is a considerable disinclination among village co-operators to accept one poor man of however good a character to act as surety for another poor man. This reluctance appears to be based on a fundamental misconception as to the main utility of a surety. It is the common experience of all co-operators that it is of the rarest possible occurrence that it is necessary to make a surety pay up dues of a member for whom he has given security. But no one would maintain on that account that it was useless in the other case to insist on a surety being given. The fact would really appear to be that the main business of the surety is to keep an eye on the principal debtor, to remind him of his debt to the society and to see that he pays it when he is in a position to do so. All this trouble the surety takes off the shoulders of the panchayat and he does the work particularly well since his own property is in danger if he fails. Hence ordinarily he does not fail. But is a poor man less capable of doing this work in the case of a debt due to another poor man than a rich man would be? Surely the answer is in the negative. If we imagine a rich man worth several thousand rupees and a poor man worth some fifty rupees respectively standing surety for a debt of thirty rupees due by a field labourer, which of the two sureties will be the most anxious that the debtor should not default? Surely and obviously it will be the poor man. The loss of thirty rupees to the rich man would be nothing, while to the poor man the loss would be disastrous; and hence the poor man will be far readier than the rich man to take the utmost pains to see that no default occurs. Furthermore, it is reasonable to suppose that the poor man will naturally be more closely in touch than the rich man with the principal debtor, since both he and the principal debtor belong to the same social status and he will thus be in a better position to keep a watch on his movements. Again there is one serious disadvantage about calling on a poor man to bring a well-to-do surety. It is far too often the case that the well-to-do surety expects the

poor man for whom he is standing as a surety to be at his beck and call during the currency of the debt, to plough for him, work for him, run messages for him and to neglect his own profession just when it is most inconvenient to do so. All these evils would be avoided if the surety is a poor man of the same status as a debtor.

The Registrar earnestly hopes that all co-operators will give due weight to the above considerations and will endeavour by precept and by example to see that in our village societies poor men are not refused as members or as sureties merely because they are poor and that in India as in every other country of the world it shall be the poor man who shall be the chief object of the solicitude of co-operators.

### ISSUE OF LOANS.

The Registrar invites the attention of co-operators to the figures which show respectively for the last six years the total number of loans given in rural societies as compared with the total number of members in those societies. The figures are as follows:—

| Year.   | Number of members | Working Capital. | Total loans. |         | Loans for reducing prior debts. |         | Loans for productive purposes. |         | Loans for non-productive purposes. |         |
|---------|-------------------|------------------|--------------|---------|---------------------------------|---------|--------------------------------|---------|------------------------------------|---------|
|         |                   |                  | Number       | Amount. | Number.                         | Amount. | Number.                        | Amount. | Number.                            | Amount. |
|         |                   | LAKHS.           |              | LAKHS.  |                                 | Lakhs.  |                                | Lakhs.  |                                    | Lakhs.  |
| 1918-19 | 170,782           | 122.96           | 77,878       | 66.10   | 18398                           | 24.25   | 57,616                         | 40.70   | 1,924                              | 1.15    |
| 1917-18 | 186,054           | 97.99            | 58,864       | 49.69   | ...                             | 18.86   | ...                            | 23.77   | ...                                | 1.06    |
| 1916-17 | 118,939           | 88.08            | 49,277       | 45.38   | ...                             | 18.55   | ...                            | 25.99   | ...                                | .83     |
| 1915-16 | 100,761           | 74.95            | 38,773       | 33.81   | ...                             | 12.93   | ...                            | 19.08   | ...                                | .79     |
| 1914-15 | 90,688            | 64.53            | 32,298       | 26.44   | ...                             | 10.74   | ...                            | 15.04   | ...                                | .65     |
| 1913-14 | 77,733            | 55.80            | 29,304       | 26.33   | ...                             | 11.57   | ...                            | 14.08   | ...                                | .69     |

From the above it will be seen that for the series of years, the number of loans is never equal to the number of members and indeed is usually about one-half or one-third that number. But it most surely be obvious to any one acquainted with the condition of rural life that the majority of the members of the rural co-operative societies need to borrow not once but several times during the course of the year. It is of course the case that in most societies there are a few members of such a substantial position that they do not need to borrow at all or only borrow very occasionally. But these must be regarded as the exception rather than the rule. On the other hand the ordinary member generally wants a loan at the cultivation season, by which time most of his cash in hand will have been spent; a few weeks later he will probably run out of his

stock of food and will again want money ; later still the festivals come on at which he and his family must have decent clothing and for this also he wants money ; then the kist arrives and this must be paid at once ; sometimes his crop has not been harvested and he must of necessity borrow and even if his crops have just been harvested that is not the proper time to sell as the prices are unduly low, and he ought to be willing and able to borrow money to pay the kist so that he can sell his produce when the prices have attained a decent level a month or two later. It is not pretended that above is an accurate or exhaustive picture, but most people with whom the Registrar has discussed this question, and he has discussed it with many hundred co-operators, agree that the picture given is at any rate a substantially true one.

It is clear from the figures given above that all these various needs are not met by our co-operative societies. It is equally clear that they must have been met from somewhere or other. Members must cultivate, must feed their families, they must pay their kist, and indeed it is almost equally necessary that they should buy new cloths for the great festivals. If the society does not give them the money for this purpose, who does ? The answer must surely be the village sowcar. And can our societies contemplate with equanimity the fact that their members are regularly obtaining finances from the village sowcars. Surely it is the case that when the ordinary ryot obtains a loan from the village sowcar it is almost invariably part of the arrangement that the money should be paid at harvest time, when prices are at their lowest ; sometimes even that they should be paid in grain on the threshing floor ; sometimes that the sowcar himself should measure all the produce (a source of, it is understood, frequent loss) ; and sometimes that the price at which the produce is estimated should be one fixed beforehand and below even the market rate at the time of harvest. It is difficult to estimate the amount of loss which such a system inflicts upon the co-operator. The Registrar has listened to estimates of the loss made by many hundreds of co-operators. It is generally estimated at about Rs. 20 an acre, sometimes at a smaller figure, and sometimes at a much larger one. Surely all co-operators must desire that members of our co-operative societies should not be exposed to such a loss.

The reasons why our societies do not meet the regular recurring urgent need of their members would appear to be two-fold. The first and most obvious is the fact that hitherto our financing banks have found it difficult to meet the obligations of societies for loans with sufficient promptitude. It is well-known that the formalities for obtaining a loan occupy several weeks, and it is clear that if a need is urgent a man can-

not wait several weeks for his money. It is raining to-day the ryot must plough to-morrow. His family is crying for food, he cannot wait for several weeks to buy it for them. The village headman comes to-day and the kist must be paid at once. It would seem therefore, that if our societies are to meet all the urgent requirements of their members, means must be devised of getting money without delay from the central banks. Very urgent demands for trifling amounts may perhaps be met from the cash balances of the society ; but village societies cannot, and ought not to maintain large cash balances ; and all serious demands must be met from the central bank. The Registrar is aware that most of the central banks are devoting very earnest consideration to this problem. The Madura-Ramnad Central Bank indeed gives cash credit to some of its affiliated societies which can be drawn upon at any time. In the case of the Vellore and Coimbatore banks and in some others recourse is had to a different procedure which so far has given satisfactory results. Societies are invited to prepare beforehand at the beginning of the year a rough estimate of the amounts that will be required by their members from time to time for urgent purposes during the year, and of the times at which those sums will be required. The total of these requirements is then added up and an application is sent through the ordinary channels to the bank for a loan of the total amount so estimated. When the necessary sanctions have been obtained, a bond for the amount is executed. The full amount is not, however, drawn at any one time. The bank knows roughly at about what seasons each instalment of the money will be required and arranges to have the money ready accordingly. The society does not call for any instalment of the money until it actually wants it. But as soon as any of the money is required, it writes up to the bank and obtains the money by return post. This continues throughout the year so that the members get their money when they want it and without delay. Interest, of course, is only paid for the exact amount of the money used and for the exact period for which it is used. The above appears to be a fairly simple and yet efficient method of working which is commended to the consideration of societies and central banks.

The second reason why members do not always get the necessary accommodation from their societies is that some societies have a curious reluctance to give a man more than one loan at a time. Indeed cases are not unknown where a society, having already given a man a long term loan to repay a prior debt, refuses him any other assistance so long as any of that debt remains unpaid. A little consideration

must surely show that such a procedure is disastrous. To take the last specific instance, it is surely obvious that the member must still borrow for cultivation, to purchase food, to pay kist and so on, and, if he cannot get the money from the society, he must go to the sowcar. Thus he painfully erects a new edifice of prior debts which he will no doubt some day ask the society again to pay for him. Thus he remains little better off than he was when he first joined the society. And the same argument applies to all cases where a society refuses to advance money to a member, which it is absolutely necessary for the member to have, merely on the ground that he already owes them money. If the society does not lend, the sowcar will. The sowcar's terms will be much more severe than the terms of the society. The sowcar will take special pains to exact payment of his dues and the result will be that the unfortunate member will be in a much less favourable position for paying the debt that he has already borrowed from the society, than he would have been had the society lent him the second debt also. Of course when a man becomes hopelessly involved, the society can help him no more. But until that point is reached it is necessary that societies should find for all their members all the accommodation that they reasonably require. If they do not do so, they injure the member and injure themselves.

There is one other reason which is responsible to some extent for societies not giving sufficient loans to their members, and that is the disinclination of the secretaries and panchayats to take the necessary amount of trouble. It is, however, of such tremendous importance that members should be kept out of the hands of the sowcar that the Registrar believes that panchayats, when they recognise its importance, will have the self-sacrifice and sense of public duty to make it a rule that never for want of trouble on their part shall a member be unable to obtain a loan which he may reasonably expect to be given.

(Sd.) F. R. HEMINGWAY,

*Registrar.*

#### THE FIRST MADURANTAKAM CO-OPERATIVE CONFERENCE.

The First Taluk Co-operative Conference of the Madurantakam Taluk of the Chingleput District was held at Madurantakam on Monday the 10th instant, in the George Coronation Hall. Mr. A. Ramaswami Sastriar Avergal, Retired Sub-judge and President of the Town Co-operative Bank at Conjeeveram presided. There was a large attendance

of delegates representing the societies in the taluk. Among those that were present Messrs. J. Chelvaranga Raju, Deputy Director of Agriculture, C. N. Subramania Aiyar, Assistant Registrar, A. Ramanujachariar, Assistant Registrar on leave, V. Venkatachariar, President District Banking Union, Conjeeveram, M. Raghavachariar B.A.B.L. High Court Vakil and Rev. R.C. Hutchinson of the Wesleyan Mission and others.

After welcome address by the Chairman of the Reception Committee the President delivered his address (in Tamil) in the course of which he referred to the need there was for co-operators in each taluk to meet together periodically to discuss matters of practical co-operative interest. He exhorted the members of primary societies to do their level best to maintain through co-operative ideals and to develop as far as possible non-credit work for the benefit of the country. He advocated the spiritualising of the movement so as to maintain genuine co-operation where potentialities for good are very great. In concluding his spirited address the President warmly appreciated the good work done by the Madurantakam co-operators and hoped that by the time the taluk conference comes to be held next year the Madurantakam Agricultural Society shall have shown to its credit more solid non-credit work.

Mr. J. Chelvaranga Raju then addressed the conference in Tamil on "Agriculture and Co-operation." He prefaced his remarks by emphasising the close alliance between the Co-operative movement and Agricultural Department. He said that through co-operative methods even small landholders might improve their agricultural prospects by securing improved methods of husbandry in consultation with the officers of the Agricultural Department. He instanced a few cases in which Madurantakam Agricultural Society has introduced single-seed-planting, raising of green manure, supply of fish guano and the like. He said joint production, purchase and sale co-operatively might be effected in conjunction with the Agricultural Department. These officers were always ready and willing to advise landholders on all matters of agricultural interest.

The Conference then went into discussion of the resolutions drafted by the Reception Committee. The first resolution on the agenda, requested the Agricultural Department to constitute the Unions and select the primary societies as its agents for the sale of manure and improved methods of husbandry to the members of rural

credit societies. On the question of long term and short term loans the conference recorded its opinion that long term loans should be confined to cases of absolute necessity and that preference should always be given to short term loans for payment of kist and for purchase of seeds and implements.

The next subject taken up for discussion related to the payment of instalment of loans by members in kind in lieu of cash. It was urged that in special cases where members are unable to repay any of the instalments due to societies in cash within the stipulated time they may be allowed to deposit the surplus of their paddy with the societies to be sold at favourable season, the balance of sale proceeds after deducting the interest and other incidental charges incurred by the society being refunded to the debtor.

The Conference exhorted all the societies comprised in the Madurantakam Union to take up shares in the newly formed Trading Union.

The last subject that engaged the serious attention of the Conference was about the suggestion of the District Banking Union that the rate of interest on loans taken by societies should be increased by 1/4 per cent. This increase was advocated on the condition that it should supplement the Reserve Fund of the District Bank. This matter excited much interest and several prominent co-operators took part. Eventually the resolution advocating the increase in the rate of interest was unanimously accepted by the assembled delegates of the societies in the Taluk.

In the end Mr. Chelvaranga Raju exhibited to the delegates through magic lantern several interesting specimens of bulls and cows and different kinds of ploughs and several specimens of manure productions and sugar cane plantations on improved lines. In the course of the day Mr. Raju also gave the assembled delegates practical demonstrations of improved ploughing.

Thus the day's Conference was marked by healthy and useful combination of the humanising efforts of the two great departments of public utility—the Co-operative Movement and Agricultural Department. Throughout the Conference the delegates displayed considerable interest in the proceedings.

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### NOTES AND NEWS.

The Eighth Provincial Co-operative Conference which met on the 29th and 30th of December last, under the presidency of the Hon'ble Mr. Justice T. V. Seshagiri Aiyar, was a brilliant success from every point of view, as will be seen from its proceedings published elsewhere. From various parts of the Presidency no less than 300 delegates had come, a number larger than at any previous Conference; a good many visitors were present among whom were Mr. Vikramaratne of Ceylon and Professor V. G. Kale of Poona, besides the Registrars of Cochin and Pudukottah; the addresses were useful and elevating; the discussions were free, practical and well-informed; the arrangements of the Reception Committee were satisfactory; and the delegates hearty and good humoured. The Reception Committee and the Provincial Co-operative Union as well as Mr. Justice Seshagiri Aiyar deserve to be congratulated on the great success that the Conference was.

The address of Mr. C. N. Krishnaswami Aiyar, who welcomed the delegates on behalf of the Reception Committee, was both thoughtful and practical and clothed in his usual forceful style. He told his audience that the Conference was working at a loss and that immediate steps should be taken to set right its finances. In view of the organisation of the Andhra Provincial Union, he suggested a modification in the constitution of the Conference so that its business might be confined to matters of general interest, comparison of notes, discussion of the relation of the movement with Government and such other matters of provincial importance, leaving the educative work to local conferences. He also suggested the holding of an All-India non-official conference in carrying out which idea there should be no difficulty if the other provinces will join hands. The need for such an Inter-provincial Conference under non-official

auspices is being increasingly felt and we hope the idea will commend itself to our friends in Bombay and elsewhere. The Co-operative Movement is too much under official influence and it requires the united effort of co-operators all over the country to place it on an independent basis. Mr. Krishnaswami Aiyar has entered an emphatic protest against the strengthening of the official machinery which is taking place in our province. Says he, "The official plea is, of course, well known. They are quite willing to place administration in non-official hands, if they should be forthcoming. But they are not, whereas the strengthening of the official staff is much easier. Some one has, like the old Roman soldier, but to stamp the ground, and you may have a legion of Assistant Registrars and other officers responding to the call. But whether that way lies the true progress of co-operation as a popular movement—it is not their business to find out. Theirs is *to carry on the administration on the best available lines—not to look ahead of them.*" We fully endorse all that Mr. Krishnaswami Aiyar has said, and hope to deal with the subject at greater length on a future occasion. He further dwelt on the need for training the secretaries and panchayets of societies, and advocated the natural settlement of the relation between Central Banks and Supervising Unions.

Mr. Seshagiri Aiyar's address was idealistic and elevating, if it did not deal with the practical difficulties and problems of Co-operators. As was to be expected from the President of the Madras Social Service League he regretted that there were not more tenants, labourers and panchamas in village societies and that there were not more societies specially organised for them in towns and villages. It was not sufficient to eliminate the middleman by co-operative trade. The purity of dietic articles was to be aimed at if at least only to keep the doctor off. He dwelt at considerable length on the need for co-operative housing, which, however, would not succeed unless Government aid was forthcoming. He demanded the same kind and degree of assistance for co-operative housing societies which Public Utility Societies in the United Kingdom were receiving at the hands of the British Government in the shape of long term loans and half-yearly subsidies. He exhorted his audience to combine co-operatively and in other ways to build up great industries in this Presidency and emphasised the need for educating our women folk in right economics, so that the capital which is now locked up in their ornaments may be liberated for industrial purposes. A wave of democracy was surging all over the world which if properly guided would cleanse the world of much decaying rubbish, but which without such guidance would only tear up institutions by the roots and plunge the country in revolution and anarchy. To guide this democracy co-operators were the best fitted whose watchwords were Love, Sympathy and Mutual Help. He impressed the necessity of applying the principles of co-operation to fields other than economic and instancing the ideal of the League of Nations called upon co-operators to increase the happiness of the masses by offering them the hand of fellowship.

The first three resolutions were put from the chair. The first offered grateful thanks to His Majesty the King-Emperor for his gracious Proclamation which has accompanied the Royal assent to the Reform Act. We have always maintained that politics should be kept out of the co-operative field, but to be silent on an occasion like the present, when the whole nation is stirred to its inmost depths, would be mere prudery. The next resolution offered a hearty welcome to the Heir-Apparent to the throne. The third resolution expressed the sorrow of co-operators for the death of Sir V. C. Desikachariar whose services in building up co-operative finance in our Presidency were invaluable. As Mr. Seshagiri Aiyar said the resolution did not convey adequately the keen loss sustained by co-operators, Mr. T. K. Hanumanta Rao moved in a humorous speech that special steps should be taken to interest women in the cause of co-operation. If a married man ran into debt, his wife was at the bottom of it. If a co-operative store was not patronised it was because women raised difficulties. In England there were Women's Guilds which helped immensely the cause of co-operation. Mr. Yegnanarayana Aiyar who seconded the resolution would organise women co-operatively for increasing their ornaments. A resolution which asked for cheap money being made available for building societies of the poorer classes and for the appointment of a special officer was amended by dropping the special officer as it was pointed out that the money required for him could be infinitely better spent on housing itself. The next resolution related to the training of non-official co-operative workers for which the Provincial Co-operative Union has been asked to take the necessary steps, the societies being requested to find the funds. There was an interesting discussion regarding the formation of students' societies. It was agreed that their formation was desirable, but that the Act was against their registration. A resolution of much interest and importance was that moved by Mr. K. Raja Rao, which appointed an influential committee of five persons to report on the feasibility of starting a Co-operative Life Insurance Society. People are not now so sceptic about its success as they once were, and we have every hope that the Committee's efforts will fructify. Some indignation was felt at the Government of India's withdrawal of the concession of stamp duty from current accounts in co-operative banks and a resolution of protest was passed. We are not among those that desire the continuance for ever of concessions of any kind. But before any concession is withdrawn the parties affected must be given an opportunity of putting their case before the authorities, so that they may be in a better position to judge whether the time was come to withdraw the concession. The quiet insertion of a notification in the *Gazette* is hardly fair to co-operators. Another resolution to which attention may be drawn is that which urged the co-operators of this Presidency to take full advantage of the recommendations of the Industrial Commission. There is as large a scope for cottage industries here as in any other province but if they should get established the services of a large number of earnest co-operators is needed which we hope

will be forthcoming when we shall have started on the road to self-government.

Co-operators of this Presidency have every reason to be proud of their conferences, and particularly the Provincial Conference Finance. Conference. Unlike what obtains in other Provinces, it is convened and managed entirely by non-official co-operators. Constitutionally it can claim to be more representative than any other conference political, social or economic. The delegates are regularly elected by societies, generally at the rate of one delegate for a society and the delegation fees and in some cases the travelling expenses of the delegates, are borne by the societies themselves. The expenses of the Conference are met by contributions from societies supplemented by donations from individuals. It is of the highest importance that this Conference should be maintained at its proper level, but we regret to say that during the last two years it has been working at a loss. If every society thought that all other societies were helping the Conference and therefore its own aid might be withheld, the result will be similar to what we read of in the story of the king and the wise men who were asked at a very inconvenient hour each to pour a measure of milk in a vessel and every one of whom thought that as all the others would pour milk his own adding water would not matter, with the result that only water was poured into the vessel and no milk whatever. As the secretaries of the Provincial Co-operative Union have pointed out in their report for 1918—19, while the expenses of the Conference are bound to increase every year on account of the expansion of co-operation and the rise in prices of food-stuffs and other articles, the contributions from societies have been actually diminishing. For the Fifth Conferences 104 societies sent monetary contributions, for the Sixth 93 and for the Seventh only 80. Everybody will no doubt agree that this state of things must not continue, but we hope every society which has worked at a profit will also resolve to contribute one or two rupees towards this Provincial Conference.

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On the occasion of the Provincial Co-operative Conference was held the annual general meeting of the Provincial Co-operative Union at which the audit order of the Registrar was read and recorded. The secretaries said in their report that curiously enough an audit order was received by the Union for the first time in nearly six years. General dissatisfaction was expressed at the membership being small. A suggestion was made that it should be reconstituted so as to become a union of unions and non-union societies. After some discussion a resolution was adopted appointing a committee consisting of Messrs. C. N. Krishnaswami Aiyar, V. Venkata-subbaiya, T. Adinarayana Chettiar, C. P. Sundara Rao and O. Viswanatha Rao to suggest suitable changes in the by-laws of the Union for consideration of the executive committee. The Provincial Co-operative

The Provincial Union.

Union has not so far done much beyond conducting the *Bulletin* and convening the annual Provincial Conference. Its activities are restricted on account of want of men and money; meanwhile the Department is expanding and increasing its hold on the societies, so that the prospect of the co-operative movement becoming self-governing is receding. We wish every success to the Committee.

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We congratulate Mr. K. M. Chinnarangayya Gownder of Kambaliam-pati and Mr. M. Kolandavelu Odayar of Kallakuruchi on the title of Rao Saheb being conferred upon them for their co-operative work. Mr. Gownder is the life and soul of the Vijiamangalam Supervising Union which is one of the most efficient unions in the Presidency. He is also responsible for large expansion of co-operative trade in the Coimbatore District. Mr. Kolandavelu Odayar is rendering invaluable service to the cause of agricultural co-operation. To his enthusiasm and labours is due the great progress that the cultivation of Cambodia cotton has made in the South Arcot District, and if to day we can boast of our co-operative gins, the credit is mainly due to Mr. Kolandavelu Odayar. On the Hon. Dewan Bahadur P. Rajagopalachariar, who was our first Registrar of Co-operative Societies, the distinction of K. C. S. I., has been conferred and on the Hon. Mr. S. Srinivasa Aiyangar, Advocate-General, who presided over the Seventh Provincial Co-operative Conference and who has given generous financial assistance to the Madras Co-operative Leather Goods Factory, the distinction of C. I. E., has been conferred. We convey to them the hearty felicitations of the co-operators of this Province.

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The South Arcot deserves to be congratulated on the lead it is giving in agricultural and industrial co-operation. During the last two co-operative years two important societies have been formed, the Kallakurichi Taluk Agricultural Society and the Tindivanam Division Co-operative Agricultural and Industrial Society, which we hope will play an important part in the economic development of the district. The objects of the two societies are almost similar—to convert into a more finished form the several commercial products which are usually exported raw, to find a profitable and wholesale market for such and other goods, and to arrange for the purchase and sale of seeds, implements and manures. In accordance with its objects the Tindivanam society, the younger of the two, has purchased a site of over ten acres, and installed an engine of 36 horsepower. Two gins and three hand presses for baling cotton have also been purchased and set up. The society has arranged to get four decorticators and a disintegrator. The Kallakurichi society is working a double roller gin. During the last co-operative year it purchased and stocked picked seeds of different kinds of paddy and daincha. The secretary obtained several types of sugar-cane from the Agricultural Department, and the nurslings were supplied to members almost free of cost. With

Industrial Societies in South Arcot

the generous donation of Rs. 500 from its president, Rao Saheb Ramaswami Odayar, the society is arranging to purchase a stud bull and put up a stable for it. This society and the societies affiliated to it have resolved to pool all their Common Good Fund, for maintaining the stud bull and providing for a library of agricultural books and pictures in the premises of the society. This is really self-help, and the best way of appreciating its work is to imitate it. Of the 48 members in the Kallakurichi society, 30 are societies, but in the Tindivanam society there are only two society members. There is room for many such industrial societies in the district and we hope it will not be long before they come into existence.

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Mr. A. Srinivasachariar, President of the Srivilliputtur C. C. S. has sent us copy of a letter addressed by him to the Registrar regarding the exemption from stamp duty enjoyed by co-operative societies. He points out that in transactions between non-members and societies, where non-members are required to give receipts to societies, the affixing of stamps is not insisted upon with uniformity. In some societies non-members are made to give stamped receipts while in others there is no such insistence. Mr. Srinivasachariar refers to the resolution on the subject passed at the Salem District Co-operative Conference and is of opinion that the amendment asked for in that resolution is unnecessary. The Salem resolution asked 'that the rules (provisions of the Act ?) as to exemption of stamp duty may be so amended as to clearly exempt from such duty documents executed in favour of co-operative societies. Mr. Srinivasachariar thinks the Act is quite clear on the matter, and in any event the opinion of the Advocate-General would suffice.

We do not think we can agree with Mr. Srinivasachariar. Section 28 B of the Act says "instruments executed by or on behalf of a registered society or by an officer or member and relating to the business of such society" may be exempted by notification in the *Gazette of India*. Mr. Srinivasachariar thinks that the phrase 'on behalf of' includes documents executed in favour of societies by non-members. We do not think this interpretation is possible. The section refers only to the executing party who in order to be entitled to the concession should be either the society or its agent or member dealing with the society. It does not mention the party in whose favour the execution is made. The practice, therefore, of taking stamped receipts from non-members is the right one, and any deviation from it should be corrected. The Salem resolution asks in effect for an extension of the concession so as to cover all transactions between non-members and co-operative societies. This would mean serious loss to public revenues, especially in view of the great expansion that awaits co-operative trade. Co-operators are also citizens, and should remember their duty by the exchequer. Apart from it we think co-operators should begin to drop the policy of mendicancy. Co-operation stands for self-help of a different kind from beggary.

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We congratulate M. R. Ry. Rao Bahadur A. Vedachela Aiyar Avergal on his being appointed to act as Registrar of Co-operative Societies during the absence of Mr. F. R. Hemingway who on medical advice has taken leave and gone to England to recoup his health. During the last two years Mr. Hemingway worked very hard indeed to push on the movement in every direction and particularly in that of joint purchase and sale. We gather the result from his report for 1918-19, which has just been published and our comments on which we are obliged to hold over, to be an unprecedented record of progress. We are glad that with due regard for the good of co-operation the Government have appointed Mr. Vedachela Aiyar to fill the vacancy. On such occasions it happens only too often that the gradation list is more respected than the cause itself. There is no one better qualified to discharge the duties of the Registrar than is Mr. Vedachela Aiyar. In him are combined knowledge, experience and initiative as in no other person in the Department. We hope that he will give a fair trial to some of his long cherished ideas and that the Government will place as much confidence in him and give as free a hand to him as they did to Mr. Hemingway.

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Co-operation occupied a large place in the proceedings of the third Annual Conference of the Indian Economic Association which met in the Senate House from 31st December to 3rd January in very unfavourable weather. There were discussions on co-operative trade with special reference to the indent system and on the true sphere of central banks in which a good number of co-operators took part. Co-operation figured also in papers which were mainly devoted to social welfare work. We hope to deal in the next number at greater length with the subjects discussed at this Conference.

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A press communique recently issued in the Central Provinces regarding the official control of co-operative societies states :—The question of the superior control of co-operative societies in the several provinces of India has been under consideration for some time, and the orders of the Secretary of State have now been received. He has decided that continued official control of societies is for the present essential for their successful working. He points out that in spite of the great progress which the movement has made societies still require fostering, and that in the introduction of new forms of co-operation experienced guidance will especially be needed. He attaches much importance to the fact that the close association of the societies with Government doubtless inspires outside investors with confidence; and the supply of abundant capital is, he considers, one of the chief requisites for the movement. The Secretary of State has accordingly placed the appointment of Registrar on a permanent footing in all the major provinces, except Assam.

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Mr. Mercer in the course of his address on "Co-operative Consciousness" in the Southern Summer School held at Folkstone, England, stated that at times he was haunted by the fear that the co-operative movement might fail because of its success. It was as true to-day as in the days of Arnold Toynbee, that the spiritual things in the co-operative movement might be subordinated to material things. It was not true to suppose that the co-operative movement was based either upon the efficiency of its trading operations or the acquisition of knowledge by its members. The true basis of the co-operative movement was the will to co-operate. Until men and women possessed the will of unity, and desired to realise their own individuality in the service of the community, the co-operative movement would not be worth the devotion of those who desired to live the good life. In the long run he held that the basis of co-operation must be the renunciation of self.

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"We believe that economic science should be based on life rather than on property, that capital should be the servant, not the master, of labour, that production ought to be carried on for use and not for profit, that what a man is, is infinitely more important than what he has; that sons and daughters of mankind have a right to live simply because they are alive. I, for one, shall never cease to plead, and plead for renewed effort on educational lines, a closer acquaintance with co-operative ideals, and a clearer insight into the real teaching of industrial history, a re-born character determined to make practice harmonise with principle.—W. R. Rae, in his Presidential Address to the Co-operative Congress at Newcastle 1909.

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Two societies in Assam which are of more than ordinary interest are the Daklinga Labour Stores and a Provident and Mutual Benefit society for the members of the Fourth Assam Rifles. The former worked at a net profit of Rs. 1,632 and the latter was able to invest large sums in other societies in its first year of existence. We are particularly glad to welcome the latter because it is bound to keep always the ideal of thrift before its members.

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The Kettering Industrial Society, England, and the four productive societies in the town have adopted a scheme for assisting members' children to continue their education at secondary schools, and the societies set apart £100 each year for this purpose. Ten children have been awarded scholarships.

## EDUCATION IN CO-OPERATION.\*

BY DR. JOHN MATTHAI.

Personal Assistant to the Registrar of Co-operative Societies, Madras.

By "Education in Co-operation," I do not mean the relation of the co-operative movement to the general problem of education, though that is an important question and should occasionally be discussed by us, but education in the principles and methods of co-operation. In this sense Education in Co-operation involves two things (1) propaganda and (2) training. The first means the education of the general public, in the possibilities of co-operation, and the second the education of people who are already co-operators, in the best methods of carrying and developing their work.

### 1 PROPAGANDA.

The best kind of propaganda is the influence and example of a successful and truly co-operative society. Next in importance comes the work of official and non-official co-operators, of co-operative conferences, of co-operative journals, and last but not least, of the public press. The enthusiasm with which the press has supported co-operation in this country from the beginning is one of the most remarkable features of Indian co-operation.

Very valuable work has been done in all these directions of which the best proof is the large, live, growing movement to which we are proud to belong. But more might be done especially in organising and systematising the work. It is with this view that I venture to offer the following suggestions.

(a) We should begin with students. They form the most effective starting point for propaganda. Two things might be done with regard to students.

(1) We must endeavour to get co-operation introduced as a definite subject of instruction in Secondary schools. The difficulty of teaching co-operation is partly the want of suitable text-books, and partly the lack of suitable teachers. I venture to think that the question of a suitable text-book will be solved when the new Manual of Co-operation which the Department is preparing, is published. It will be found to be a simple, comprehensive and interesting little book. I can say this with a clear conscience because I have personally had very little to do in writing it. With regard to teachers, there will continue to be difficulty for some time to come, but the increasing number of teachers who interest themselves in co-operation is bound to remove the difficulty sooner or later. There is certainly material, already in existence for making a few experiments. And this would probably offer an inducement to teachers who are not now in the co-operative movement to come into it.

(2) We should also attempt to start more students' store societies in schools and colleges, for the joint purchase of stationery and books.

\* A paper contributed to the First S. Kanara District Co-operative Conference 1919.

A great many of them would probably not be registered, under the Act, on account of legal difficulties about age. But that is a small matter. The educational value of the societies in any case will be very great, and probably it is better from an educational point of view, that the control of such voluntary activities among school boys is left in the hands of the school authorities, instead of a public department.

(b) My next suggestion is with regard to urban societies and the larger rural societies (such as those situated at union head-quarters).

(1) They should make a practice of organising occasional entertainments to which the public should be not merely invited, but induced to come. What I have in mind is an Indian equivalent of an "At Home" by the Panchayat and members of a society to the residents of the locality, which must be made as attractive and as widely known as possible. Music and theatricals with particular reference to co-operation and refreshments, if this is feasible, should be the chief features. The opportunity might be used to explain the objects of co-operation to visitors but only if the opportunity arises in a convenient and natural way. The chief aim should be simply to give them a good time at the society.

(2) They should also try to organise simple and practical talks on co-operation, as far as possible in the vernacular. The best plan would be, in my opinion, to run a series of talks, on matters of common interest, sanitation, public health, etc., and co-operation will come in simply as part of the course. This is better than making co-operation our one eternal topic. In this respect co-operative societies might find the coming campaign of Health and Welfare a useful opportunity. Talks of the kind proposed would not merely give co-operators an occasional opportunity of telling people about co-operation, but it will give the society a position of general interest and respect in the locality which is of much value from the standpoint of propaganda.

There are two subjects which co-operative societies must strictly exclude. They are religion and politics. Interference in these two matters has done an immense amount of harm to co-operation on the continent of Europe and in parts of the United Kingdom. I do hope none of us who really value the common ideals for which co-operation stands will ever be so short-sighted as to introduce these disturbing elements into it. I do not deny for a moment that religion and politics are two of the most important interests in human life. But they are interests that partly in the nature of things and partly by historical associations, tend to awaken the fighting instinct in man. That is an instinct which has no place in co-operation.

## II. TRAINING.

We must first determine who are the people who require training. The people who require training may be divided into the following groups:

1. Members of rural societies.
2. Supervisors and Inspectors.

### 3. Honorary organisers and Honorary Assistant Registrars.

The outstanding needs of each group may be stated as follows:—

Group 1. Simple ideas of co-operative theory and organisation.

Group 2. Accountancy and business methods.

Group 3. A general course of study in co-operation, its history, methods, and possibilities.

It will be noticed that I do not suggest a special course of training for secretaries of ordinary rural and urban societies as is done or proposed in some other provinces. I recognise there is much force in Mr. Molhalli Shiva Rau's contention at the last Madras Provincial Conference that it is unnecessary and dangerous to let loose "experts" in our ordinary societies. Their work does not really require specialised training. Besides the expert is a monopolist in knowledge as the capitalist is a monopolist in wealth. Both these, co-operation must try to do without, unless of course they are absolutely compelled by circumstances. The evil is not perhaps so great in urban as in rural societies, because in rural societies it is often difficult to find any considerable number of people who have sufficient influence to control the expert. An expert is a danger to democracy unless you can place him under control.

Group I. It is necessary to educate the rank and file, in order to make them

- (1) good members
- (2) good propagandists
- (3) good constructive critics of the management.

For the present however, I would not attempt to organise this education but leave it as one of the informal duties of a union Panchayatdar or Inspector or Supervisor when he visits local societies, to collect the members and talk to them about co-operation. A little hand book dealing practically and systematically with the ordinary problems of village societies will be useful, as a basis for such talks. And I hope here also the forthcoming Madras Manual will be a help.

Group II.—With regard to Supervisors and Inspectors, my idea is that we might with considerable advantage avail ourselves of existing facilities for business training instead of creating institutions *ad hoc*. There are of course great differences between co-operative business; but there is also a very large groundwork common to both, which it is essential that co-operative officials should know. Supervisors and Inspectors who have not had business training might with great advantage be sent to ordinary commercial schools, for a short course in Banking and Book-keeping. This might be arranged, wherever possible, at the same time as their practical training at an Assistant Registrar's office or in the office of a central bank. It is in the course of their practical training that one would expect to learn the distinctive practices and ideas of co-operation.

*Group III.* Special importance must be attached to the education of the great army of honorary workers who are coming forward to assist us in our work. They are generally experienced men, with practical knowledge of business organisation. No technical training in business methods, I assume, is called for in their case. What is required in their case, in my opinion, is an education which will quicken and enlarge their vision, give them a deeper and more reasoned faith in co-operation and open their eyes to the possibilities of development on new lines. Such a course must include a study of the landmarks in the history of the co-operative movement in European countries, the elementary principles of Economics, and the possibilities of industrial and agricultural development in the Madras Presidency.

I suggest for the present the scheme should take the form of a Vacation School at a season when it will be least difficult for people up country to spend a few weeks in Madras. The school may last a month or six weeks, each full course lasting a fortnight so that a school lasting six weeks will provide for three successive batches of pupils. The course followed in the first fortnight will be repeated in the succeeding fortnight.

For the first three years the scheme should be entirely in the nature of an experiment. No formal organisation involving definite representation of societies and regular contribution from societies should be attempted at present. The money required for the school should be collected each year by voluntary subscriptions from individuals or societies interested in the idea. In fact, the extent to which subscriptions are forthcoming will be a test of the necessity and usefulness of the institution. I estimate the cost of the school for a year roughly at between Rs. 75 and Rs. 1,000 exclusive of the travelling and other individual expense of students. The Secretary of the Provincial Co-operative Union may be invited to act as the executive. They should act in consultation with a few leading co-operators, with University Professor of Economics, and with the Registrars of Co-operative Societies.

The school should make discussion classes a prominent feature of its work. The object of the school will be not merely to give instruction but to give workers from different parts of the Presidency an opportunity of meeting and comparing notes, in a more systematic manner than is possible at a week end conference.

The school will be conducted in English. I recognise that a considerable number of our best honorary workers do not know English, and will therefore be excluded from the benefits of the scheme. This is a pity, but I hope in course of time those who have been able to attend will organise similar institutions in the districts in the vernacular and communicate to others, the ideas and inspiration they have themselves received.

I ought to say in conclusion, to prevent misunderstanding, that this paper is an expression of my personal opinions, as an individual co-operator and does not possess any authoritative character whatever.

### CO-OPERATIVE MILK SUPPLY IN TOWNS. A PLEA FOR A NEW MODEL.

BY T. R. SRINIVASA AYYANGAR AVERGAL, B. A., L. T., M. R. A. S.,  
TANJORE.

The question of supply of pure milk and ghee in our cities and towns is every day becoming one of increasing difficulty. Its importance both from the economic and the hygienic point of view warrants the bestowal of more than ordinary attention by all interested, with a view to arrive at a satisfactory solution.

The placing of the Madras Prevention of Adulteration Act on the Provincial Statute Book has, no doubt, paved the way for adequately safeguarding the purity of the stuff placed in the market for public consumption, but it would by no means ensure a steadily increasing supply of these necessities of life. Even in this matter it is too soon to generalise as to its effect, for a good deal depends upon the way in which the Act is administered and the spirit in which the Rules under the Act are framed and enforced. Nor will the application of its provisions, however judicious it may be, tend to bring down the level of prices that now prevail, nor ease the situation to any extent. On the other hand, it is to be apprehended that the tendency will be in the opposite direction. As it is, even though one is prepared to pay a high price, there is no guarantee that he could command a reasonably wholesome supply. How then is the problem to be approached, if the public have to command an adequate supply of these necessities at a reasonable price and free from adulteration, by the admixture of water in the case of milk and of some deleterious stuff in the case of ghee?

The purpose of this paper is to consider how far the employment of the co-operative principle could help the solution of this problem. Given a breed of cows and she-buffaloes of good milking capacity, a sufficient and cheap supply of fodder all the year round, facilities for grazing grounds within easy reach and a working knowledge of the elements of Veterinary Science and Cattle-Hygiene, the problem of Dairy-farming and the supply of milk, ghee and other products of milk is capable of easy solution.

Yet, each one of these factors by itself is bristling with so many difficulties, that, notwithstanding the leaflets and bulletins periodically issued by the Agricultural Department, the published proceedings of agricultural conferences, official and otherwise, the articles on these and kindred subjects appearing from time to time in the pages of agricultural journals and the readiness of the officers of the Department to proffer advice on these matters, the apparent apathy and helplessness of classes interested in the welfare of cattle and the supply of pure milk and ghee will be no matter for surprise. The breed of our milch-cattle has considerably deteriorated and the work of weeding out undesirable strains and maintaining a standard of purity is beyond the capacity of the ordinary agriculturist or the professional cow-herd of our cities who looks upon cattle as his chief source of income. The price of

fodder, be it straw, bran, cotton-seeds, or *punnac* (oil-cake), has of late risen phenomenally, in sympathy with the trend of prices of other articles, and the pre-occupations of the people in procuring their own food supply and in other directions during the period of economic stringency occasioned by the war, have given them little scope to adopt suitable preventive or remedial measures. This question can readjust itself only in course of time, when normal conditions will be restored. As regards adequate facilities for grazing grounds in the neighbourhood of cities, this forms the foremost item in the chapter of complaints of cattle-owners in cities. Unless Government comes to the rescue and provides suitable pasturage by making use, if need be, of the provisions of the Land Acquisition Act or relax the enforcement of forest rules and provide large communal *perambokes* for this purpose no other remedy could be thought of. As for the knowledge of Veterinary Science and Cattle Hygiene, at the command of the professional cow-herds in cities, however rigorously the Sanitary Officers in municipal towns may exercise their authority under the provisions of the Municipal Act and Bye-laws framed thereunder and impose conditions of license for carrying on the "dangerous and offensive trade" of maintaining a large number of cattle, the majority of the city cow-herds are unrelenting and impervious to the influence of these—to them—neo-sanitarians. Granting for argument's sake that the city cowherd develops a sound sanitary conscience which prompts him to welcome these wholesome restrictions, there is no knowing if he would give up his habit of adding to the purity of the milk by blending it with a copious supply of Adam's Ale. Nay in his scrupulous regard for purity he does not care for the brand of the sale, be it of the nearest reservoir, man-made or god-made, municipal or otherwise. This is how he understands the hygienic principle that one cannot be too careful in the matter of purity of water or of milk. His knowledge of Veterinary Science, to say the least of it, is only in keeping with his practice of hygienic principles.

If one is to wait till all these difficulties are overcome and an ideal state of affairs reached, he will have to do so till the Greek Calens. Without, therefore, seeking to apply heroic remedies and duly recognising the imperfections of human society as constituted at present, the problem will have to be faced seriously, if at all any headway is to be made. Experts have contributed papers and specialists have evolved schemes for the opening of dairy farms on co-operative basis. But these alone will not serve our purpose, for, pious hopes, forecasts and good intentions do not by themselves help a cause. As the professional cow-herd sees in this new awakening in the direction of applying co-operative effort in the matter of milk supply, a menace to his very existence, he feels uneasy and thinks, though falsely enough, that his occupation will be gone if he confirms to the advice and accepts the help proffered by co-operators and the Department to organise him for his own well-being. He sees in them the neo-sanitarians only in another garb. Our bye-laws and regulations and

questions of procedure which are inseparably connected with all well-ordered organisations are enough to puzzle him and he will sooner try to escape out of these than derive any benefit therefrom, both because of the worries involved in observing rules and regulations and also on account of the financial loss that threatens him, by banishing his time hallowed practices of adulteration, under-feeding both of the cow, and the calf etc.

It is therefore, desirable that the question should be approached from a different quarter. We are aware that in our cities there are several indigent families with slender and often unreliable income, with little or no chance of supplementing it, in these hard days of struggle for existence. Such families will welcome the idea of supplementing their resources with a little extra effort which would not in any way tax them or otherwise prejudicially affect their ordinary means of livelihood. The tending of cattle is not, fortunately, a fine art, although it is capable of being developed into such a one. It is not a very difficult subject and is within the easy reach and probably the range of experience of most of these classes. Another advantage lies in the fact that it will entail no additional labour on bread-winner of the family, who has to be absent from home during the regular hours of business. On the other hand, even the women-folk of the household could, with a little extra exertion, make up for the absence of the male members. Indeed, a good portion of the work would naturally devolve upon the female members, such for instance as, the preparation of the bye-products of milk (e. g.,) butter, curds, ghee, butter-milk etc. What these families would actually be in need of to better their prospects is the capital to provide themselves with milch-cows and buffaloes, the principal stock-in-trade in the business. If they are supplied to them by an outside body, it may be even by a business-concern, with an eye to profit, not necessarily by a philanthropic body, they will readily avail themselves of it, provided the offer is coupled with easy terms well within their reach. In the supply of these animals the Hire-purchase system may be requisitioned. A co-operative dairy society on this basis may be formed and the necessary capital for purchase of milch-cows and buffaloes may be raised, both in the shape of share capital and deposits from members and non-members. The society may be given a mixed constitution, its membership being thrown open to those that supply the capital in return for the advantage of procuring a supply of pure milk, ghee etc., and also to those who, although poor enough, not to bring any capital for the undertaking, are nevertheless prepared to bestow their time and labour in the matter of tending the animals guaranteeing a supply to the society of all the milk and bye-products of milk that they are able to get out of the animals. The Funds of the society may be utilised for the purchase of animals to be supplied to the members on the Hire-purchase system and also towards the maintenance of a central milk depot with branches, if need be. The available supply of milk every day should, under proper safeguards and supervision, be collected in

the depots and sold first as milk to meet the demand of the members and next as bye-products for which there is a growing demand, if only a pure supply is guaranteed. The milk supplied by members should be taken at a fixed valuation and be adjusted towards the payment of Hire-Purchase money and other dues of the member concerned. The milk supplied to members should be valued at a slightly higher rate, the margin between the cost price and the selling price to go towards the working expenses of the society. A system of Cattle Insurance may also be introduced by the society and a graduated scale of premia to be paid by members may also be drawn up. The question of Re-Insurance may be thought of at a later stage of progress. A portion of the premia collected should be payable as rebate to the member, at the end of the period of purchase, which should never exceed twelve months. Out of the profit charged for milk supplied from the depôt, after meeting the working expenses, a Prize Fund may be started, out of any balance left, by way of a Common Benefit Fund and prizes awarded for the best milch-cows and and calves maintained by members after instituting an annual cattle show. Similarly, prizes may be awarded for the best cattle-shed maintained, regularity and punctuality of supply of milk etc. A Veterinary Assistant may also be maintained by the society, if funds permit, to go on rounds of inspection and tender advice to members. The animals should be made to become the absolute property of the member concerned, after all instalments of purchase money have been paid and the society should have the first option of re-purchasing the animal, after allowing a reasonable margin for the aging of the animal and setting off against in the enhancement in the price of the calf. Till all the instalments are paid the cow and the calf are to be the property of the society and the member who is put in charge of it may, at any time, be called upon to return it to the society for breach of terms or any default in payment sums due. He should also execute a deed in favour of the society for the value of the animal supplied, duly endorsed by one or more sureties as the bye-laws of the society may lay down for the purpose.

The system outlined above has, in the opinion of the writer of this paper, every chance of success, as there are to his knowledge several cases of women, nay, indigent widows maintaining their families purely out of the income derived from cows or buffaloes maintained by them, realising their capital investment and hoarding their little pile to boot. If these suggestions meet with the approval of co-operators assembled at this Conference, other details incidental to the successful working of the scheme may be worked out before its possibility could be demonstrated.

## THE EIGHTH MADRAS PROVINCIAL CO-OPERATIVE CONFERENCE.

FIRST DAY: MONDAY, THE 29TH DECEMBER 1919.

The Eighth Annual Session of the Madras Provincial Co-operative Conference convened by the Madras Provincial Co-operative Union was held at the Wesley College on Monday the 29th and Tuesday the 30th December 1919. At the entrance to the hall, various kinds of leather goods such as belts, shoes, boots, purses etc., manufactured by the Madras Co-operative Leather Goods Factory, were exhibited for sale. There were 290 delegates present at the Conference, a list of whose names will be found in Appendix C. The annual meeting of the Provincial Co-operative Union was held from 12 to 2 P. M., after which the members of the Union were served with lunch.

The Conference began at 3 P. M., with Mr. Justice T. V. Seshagiri Aiyar in the Chair. Among those present were—Dr. Gilbert Slater, Rao Bahadur V. Govindan, and Messrs. T. Adinarayana Chettiar, Salem, S. K. Yegnanarayana Aiyar, M.A., Principal, Salem College, N. Pattabirama Rao, T. A. Ramalingam Chettiar, High Court Vakil, Coimbatore, T. S. Subramanya Aiyar, M.A., L.T., T. K. Hanumanta Rao, Government College, Kumbakonam, Sadulla Badsha Saheb, Madras, P. Ramanathan, Solicitor, Madras, C. V. Venkataramana Aiyangar, Coimbatore, G. F. Paddison, I.C.S., V. C. Rangaswami, O. M. Venkatanatham Aiyangar, Uttiremerur, T. R. Srinivasa Aiyangar, Tanjore, T. Rengachariar, Madras, P. Naghabushanam, R. Srinivasa Aiyangar, Tirukoilur, Chinna Rengaiya Gownder, Vijiamangalam, C. P. Sundara Rao, Kambianallur, M. S. Seshachela Aiyar, Hon. Asst. Registrar, Tiruvanamalai, C. S. Srinivasa Pillai, Hon. Asst. Registrar, Shiyali, P. A. Subramaniyaayyar (of the Department), Rao Bahadur A. Vedachala Ayyar, C. N. Subramanya Ayyar, K. Deivasikhamani Mudaliyar, Dr. John Matthai, D. Arulanandam Pillai, A. Radhakrishna Aiyar, (Registrar of Co-operative Societies, Pudukottah), Gayatrinatha Ayyar, (Cochin), and Vikrama Ratne who came from Ceylon specially to attend the Conference.

### WELCOME ADDRESS.

In welcoming the delegates on behalf of the Reception Committee, Mr. C. N. Krishnaswami Aiyar, read the following address:—

### BROTHER DELEGATES AND GENTLEMEN,

The members of the Reception Committee having, for reasons best known to them, thought fit to command me to act as Chairman this time, I obey and, in deference to their call, venture to begin the afternoon's proceedings with the best grace I can put on. During the past several years, it has been usual, as you know, for the esteemed President of the Union, Rao Bahadur K. B. Ramanatha Aiyar to attend to this work, and, left to myself, I should

have been quite content to let him still give us the lead, and touch on the great problems of co-operation ahead of us in these stirring times. But as the duty has fallen to me, I feel it a proud privilege to offer you, on behalf of the Reception Committee, a hearty welcome to the Eighth, Madras Provincial Co-operative Conference. In doing so, however, the Reception Committee desire me to request you to overlook shortcomings of many kinds incidental to this business, not so much because they have been in a hurry, which is what is usually urged in this behalf, as because, in any case the arrangements are primarily limited to the funds at their disposal, and funds, one regrets, have not been forthcoming as easily and well as one might wish. For, with enough funds at our disposal, we may go any lengths, even go in for fireworks as some fat co-operators are reported to do in Austria and other places at their periodical meetings. In April, we got through the business at some loss, which is not what it should be. We had better therefore, agree, upon some method which will save us from this predicament again, and I put it to you as my first suggestion to consider whether it is not desirable that we should agree, to tax ourselves in a regular and definite way, collect it methodically also, and make the work of the Reception Committee light and easy. Eight years have rolled by and yet we are in a pindaree state of existence, living just for the day that passes over us and hardly taking thought for the morrow. We take tolls from whomsoever we can and discover but little of method in our arrangements. You will agree that, if this Conference is to become a well-organised, permanent, regular and annual institution, on which question there is no difference of opinion, it is absolutely necessary that we should give it a firm *material* basis. The Provincial Co-operative Union must be shown the sources and the extent of the funds needed for running the Conference, the budget, (which in any case need not provide for fireworks, must be ready beforehand, and there must be no hitch felt in adhering to it or seeing it through. Kindly therefore, consider it worth your while to make some workable suggestion in this behalf, and you will have at once given the Conference a good status and deserved well of future Reception Committees.

It would be such a jolly good thing for me, if with these words of welcome I could stop and ask you to proceed to instal the President and request him to open the Conference with his address. But, as it may amount to wilful shirking of duty, and, as a matter of fact, there are many knotty questions loudly calling for our attention, I propose with your permission just to touch on a few of them, specially those which may not come up before you for discussion in the shape of resolution, and upon which all the same you will do well to pronounce in a definite way. Ours is a Conference of actual workers and we meet here annually not so much to listen to set speeches as to take stock, compare notes, explain to ourselves and to the outside world where exactly the shoe pinches and be satisfied how we speed

and whither. And wherever our aims and methods differ from those of the Department, we endeavour to place our reasons before them and the public, and invite criticism so as to mend ourselves whenever we see cause.

In a popular concern like this, it is in the nature of things inevitable that every time that we meet, we should be missing some old familiar faces, and that some brave comrades should be withdrawn from the fight. It is accordingly our melancholy duty now to record the withdrawal of the great figure of Sir. V. C. Desikachariar, whose connection with co-operative work in our midst has been long, honorable, close and exceeding fruitful. The Madras Central Urban Bank stands to bear witness to his services and if in future it serves as a Provincial Bank or in other higher capacities let us always remember it rests on the foundations so truly and well laid by him. Courage of conviction, absolute, fearlessness and singleness of purpose were among the most precious qualities that he brought to bear upon his work, and we shall miss him long in our onward march. But he was a servant to whom Co-operation has every reason to say "well done" and let us hope that the example of that towering personality will continue to inspire us to speed as he has done.

In a smaller sphere, and in his own unobtrusive way, the late Mr. K. G. Venkatasubbaier was doing his little bit for co-operation, and Salem has doubtless become the poorer for his untimely withdrawal. Those who have been privileged to know him closely will long continue to feel the want of a genial, honest and tried friend of co-operation.

There were doubtless other workers, now no more, who, though not quite well known to the outside world, were all the same doing sound, honest work, each in his corner, on all of whom it is our duty to invoke God's Peace, which we hereby do.

Turning now to the world of the living, one finds with half an eye that the world about us has moved in an extraordinary manner during the last few years, and the year that has passed over the stoppage of the Great War, has perhaps shown the most multiform activity that we have known. In this connection, the great event of general interest to us, Indian Co-operators, since we met in April, is the change that has come over the system of administration in India by reason of the Reform Act. Opinion, we know, has been sharply divided over its merits, but so far at least as we are concerned, it may be hoped we are all agreed that the move has been in a direction not inimical to co-operation. Not that hereby we have in any sense begun the world anew—by no means. For the cardinal aim of the Government of India has always been the same, since in 1858 it was definitely proclaimed in words rarely if ever equalled for their beauty or sublimity, *i. e.* "In their prosperity will be Our strength, in their contentment Our security and in their gratitude Our highest Reward!" But the goal though

hereby made quite clear has been sought to be reached all these years by methods varying with the features of the times, the instruments chosen and many other factors besides, all showing however, but one word writ large for our gaze, *i. e. Compromise* ! Small marvel then, that in this Reform business also, we find it writ large and have to accept it and pass on. Let us remember, however, that there is no finality in these things and that each forward move is valuable but as a step leading to the next.

And in the present instance, we observe that Self-help and Responsibility, which we regard as the two eyes of co-operation, have now definitely been proclaimed as the eyes of the administration in other and bigger spheres also. This at any rate is clear gain and we may therefore accept it and pass on.

Accordingly, the subject of the Reform Act deserves mention here, not so much on other grounds, as on this one, namely, *that it materially adds to our responsibility*. You have indeed heard it said all these several years that co-operation is the work of the people and to be realised by the people, and that the Government, though taking the initiative in the peculiar circumstances of the country, are resolved in the fulness of time merely to serve either as a sign-post or the Post Office. Now however, that the administration shapes itself under the New Act, the duty which co-operators owe to themselves becomes doubly clear. Co-operation is hereby truly and formally handed over to us and we have to take charge of it in all seriousness. The burden attaching to it has become almost exclusively ours and we propose to do hereafter to secure our forward movement.

Let us then turn to those few questions to which a reference was made a couple of minutes back, and consider them one by one very briefly in these altered circumstances. Such consideration, it may be said in passing, is by no means easy or simple, because with the progress we have undoubtedly made so far, our Councillors have also multiplied and are multiplying, and the questions themselves are getting increasingly complex, though these features are perhaps in the nature of things inevitable. We have to invite light from all sides and in this respect the interval between April and December has been peculiarly auspicious. Mr. Wolff has had the kindness to give us his "Co-operation in India", and how materially it helps us in referring every knotty point to some first principle, those among us who have given themselves the benefit of a perusal thereof, will gratefully acknowledge. An effort therefore, may well be made to adapt it in the chief vernaculars of the Province and sow it broadcast very early among our co-operators. But this is by the way.

Bearing these increasing difficulties in mind we may proceed to consider the first practical question that meets us here, which, in my opinion, is the need for a reconstitution of this Provincial Co-operative Conference itself. Till now

we had been meeting, discussing and parting, practically without method. But as most of you perhaps are aware in the interval between April and December, the Andhra Provincial Co-operative Union has been formed. It is said that our Andhra friends had all along had something like a grievance in this connection, namely, that this Provincial Co-operative Conference had in practice become *Tamilian* more or less in spirit, and that the questions peculiar to the Andhra people had either been left out in the cold or but imperfectly handled, all which being interpreted seems to me to mean *that our progress has outgrown our crude methods in respect of the Provincial Conference*. If this is the right inference, as perhaps you will all agree it is, the time has come for us to re-consider the position and organise ourselves accordingly. My humble opinion is that we have now reached a stage where, on one side, we need devolution of some kind for local and special purposes, and on the other, concentration for general purposes. And it seems to me that probably the best method of realising devolution of this kind, is to proceed on a linguistic basis, which is as good as any other, and much better than many. For if any one line of activity depends on what may be termed "*loka-sangraha*" as the first condition of success, it is co-operation. And how shall we achieve it best except by talking to people in their own language? This being manifest, therefore, we shall have to arrange for linguistic Provincial Conferences at various centres. The Andhras may have one or even two for their purposes, the Tamils may have similarly two or more, the Malayalis one, and the Canarese friends one again. Much of their work will naturally be particularist, and relate to the dinning of first principles into the ears of those who have not heard them yet, and who never will, if we do not care to decentralise in some such plan. At the same time, questions of general interest, comparison of notes, our relations with the Government, will and ought naturally to go before this United Provincial Conference, as they have done till now.

If this bifurcation is found sane, it will be our duty to adopt some method in regard to the *constitution* of this Conference, the wherewithal to run it and the carrying out of the decision arrived at year after year. Here again my humble suggestion is that the Local Unions and representatives of important non-union societies in the Presidency, may for the present form the chief constituents of this Conference, and as these are mostly likely to be English-knowing, our work may become both lighter and more effective besides saving much time and labour now needed for reproducing in more than one vernacular. The Provincial Co-operative Union will still be the agency to carry out our decisions.

If this course is found proper from one point of view and for one set of purposes, it is equally easy to show on the other side and for All-India purposes, more and more concentration is needed, and called for, and that it is high

time that an *All-India Conference* had been arranged for on the non-official side. Officially indeed, there have been as you know occasional meetings of Registrars, where a few prominent co-operators have been present by sufferance and even allowed some say at times. But this hardly suffices to meet the needs of the case, as you will all undoubtedly agree. The time has surely come, as our valued friend Mr. M. Shiva Rao has recently shown, when delegates elected at Provincial Conferences like ours, should find it possible to meet and compare notes and discuss All-India questions, which are now multiplying both in number and complexity. Delhi (not Simla) will certainly be the place of meeting, and the time may be thought of suitably and other arrangements made accordingly. If you agree this is desirable and necessary, I expect you will have the kindness to record your opinion definitely about it and enable the Union to make early arrangements to realise it.

Another question urgently needing our attention is what may be broadly termed co-operative training. It is now generally agreed that all the faults so far discovered among co-operative workers, have been more or less due to lack of some kind of regulated training of the people concerned. Apart from illiteracy, which of course co-operators have to reckon with for a long time to come and fighting which will need men and money beyond telling, there is the immediate need for training those who have come forward or are coming forward, for co-operative work but who have begun to cause much anxiety to official as well as to non-official co-operators, because the unexpected so often happens which is mostly due to lack of training, regular and systematic. The time is surely past when we could sit still and with folded hands and allowed things thus to drift. Training and more training still, must be our watchword, and we may do worse than give definite instructions to the Provincial Co-operative Union to begin it. An authorised sub-committee may be formed to act on our behalf and it may point out the Union the agency which will have to begin the work, the means to carry it on, the method to be adopted and the courses necessary for training Panches, Secretaries, Supervisors and the like. Bombay and Bengal have taken the lead already, and some commendable beginning made. Let us then go and do likewise. Government will only be too glad to help, because in trying to help ourselves, we are also helping them materially, and as the Government of Bombay have already subsidised the work with a grant of Rupees 4,000, there is no reason why the Government of Madras should hesitate. Let us therefore, begin in earnest and we may be sure all will go merrily well.

In addition to the urgent need for the training of active workers on the lines indicated, there is the no less important educating of the General Body of present and prospective co-operators in co-operative ideals, themes and co-operative methods. But precious little has been done so far in this

direction, nor is the need felt half as keenly as it deserves to be. Yet, those among us that have attempted to apply Co-operation to other than credit, have to confess painfully that a regular series of hills of ignorance and littleness of character, have to be overcome, before any good beginning can be made in this behalf. Take the case of weavers, for instance. Whatever our opinion touching the great question of Mills versus Handlooms in the long run, every co-operator worth the name agrees that the present race of weavers stand immensely to gain by the change which co-operative buying of yarn and, wherever possible, selling of finished product can effect. Yet, wherever a beginning has been attempted, there we find opposition set up, not merely by vested interests, but even by parties who may be expected to be neutral in the usual course of things. Or take the case of Co-operative Dispensaries. When in April you passed the Resolution bearing on it, you doubtless expected a beginning would be made here or there and its blessings made manifest. A humble suggestion was as a fact made to friends here at Madras, where social work has begun in several other lines, to give us the lead needed, but the answer was that vested interest would offer stout resistance. This is surely not as it should be, and it is to be pitied the more because the proposal is regarded by most co-operators sane and badly needed, not merely in this Province, but elsewhere also. Bombay for instance, watches us with interest in this matter, and Bengal has already done something for it and believes very strongly in it. Or take again the case of the proposal to attach a Wholesale to the Triplicane Stores. The discussion here on that question in April when it was first mooted is enough to show us how even our leaders are behind the times in co-operative trading.

There is next the question of strengthening the official machinery. From June onwards, you know there has been a keen controversy carried on in the pages of the Bulletin, which has attracted the attention of co-operators everywhere. The Bombay Quarterly, for instance, in an editorial note is satisfied that "to the making of officials there can be no end," and the Bengal Journal is also not against the course urged by non-official co-operators here. That this is a case of appetite coming with eating, there can be no doubt. The official plea is of course well-known. They are quite willing to place administration in non-official hands, if they should be forthcoming. But they are not, whereas the strengthening of the official staff is much easier. Some one has like the old Roman Soldier, but to stamp the ground, and you may have a legion of Assistant Registrars and other officers responding to the call. But whether that way lies the true progress of co-operation as a popular movement—it is not their business to find out. Theirs is to carry on the administration on the best available lines—not to look ahead of them. And the magic of the officialdom is enough to turn the angle of vision in a trice even of non-officials. Compare the

statement on this question by one of the Honorary Assistant Registrars very recently appointed and hardly out of his novitiate. The argument urged by the most ardent of official co-operators for the addition made by the Government recently—nine additional Assistant Registrars and more than fifty Inspectors—is that the Unions are in many instances failures, that public credit might receive rude shocks if they are allowed to go on as they do, and that, therefore, they should all be brought under leading-strings once again and that the reins had better be held tight indefinitely—all which may be quite true, but the remedy nevertheless may be different, and the method the very opposite of what the Government have been persuaded to adopt. *What we clamour for now is the right to make small mistakes*—that is precisely what we want in small things, as in great. You will be asked, I believe, to judge this question and pronounce, and I trust you will not shirk it or judge in haste.

Lastly the question of co-operative finance is also one that has now become Provincial and it will soon, please God, become Imperial too. Central Banks, as well as the Provincial Banks, are being altered in their constitution and methods, and most Central Banks are fast being shaped into Banking Unions. There is one mystery about this conversion by the way, which plain men are unable to understand and that is that the sun-dried beauracracy has in this respect become the champion of Red-Republicanism. Why, no man can tell, but we need have no quarrel over it at all, because, whatever the immediate purpose underlying it, it is almost certain that they build much better than they know. They have of course Wolff to side them when they object as they do, to Central Banks or Banking Unions exercising any manner of supervising over affiliated societies. We may also agree so far that, left without safeguards, the original sin attaching to the relationship of borrower and lender may often assert itself even in co-operation, and that therefore, local autonomy had better be held *sacred* and most jealously guarded. But it may also be urged on the other side with equal force that, when Banks have become Banking Unions and the management gets mixed, there need not be two parties eternally and with interests always opposed, and that for purposes of information and mutual guidance, the two sections do well to join and work, local autonomy being left untouched in its own sphere, so long as all goes well with societies. Surely we have not come to the last word on constitution-making and the remedy for the danger feared which has doubtless got very good basis, seems to me to frame rules to avert it, and not stubbornly seek to sunder what God has evidently joined together. The question is bound to increase in importance as we move forward because the Government professes to rid itself of the moral obligation it has been incurring all along by recommending loans, the Unions are slowly stepping into that place, the registration of bonds and other legal securities are

sought to be relaxed, (and very properly too from the point of view), and credit societies, if they have any future before them, must help the poor and needy infinitely better than they have done till now or are doing at present. Supervising Unions in themselves, and moving on parallel lines with financing Unions, seem at best but a crude agency for the purpose—at any rate many eminent co-operators not among us alone but elsewhere in Bengal and Bombay seem to think so and they do not surely do so without cause. You have to decide it some way or take it into serious consideration for decision in the near future.

These are, in my humble opinion, some of the most urgent questions of Provincial, I had almost said Imperial importance, and they have all been urged, I trust, from the standpoint of "inside view". We shall presently have a full statement of our case from the onlooker's point of view, and before the sun goes down, learn "to see ourselves as others see us," and get into the proper frame of mind to approach the resolutions which will be laid before us to-morrow. Meanwhile, it gives me immense pleasure once again, to bid you welcome on behalf of the Reception Committee and to request you to make yourselves comfortable within the limits of our hospitality. It also gives me, as it undoubtedly gives you, pleasure to stop here and on your behalf and mine request our illustrious President to speak to us that we may listen, mark, and digest the valuable address, which he has in store for us.

#### LETTERS OF SYMPATHY.

Mr. V. Venkatasubbiah, the Secretary then read letters from the following gentlemen expressing regret at being unable to be present and expressing sympathy and wishing success for the Conference.—Diwan Bahadur K. Krishnaswamy Rao, C. I. E., Rao Bahadur K. Ramaswamy Ayyar, Rao Sahib C. Karunakara Menon, Messrs. N. Krishna Ayyangar (Registrar of Travancore), P. S. Venkuswamy Ayyar of Madura, A. Suryanarayanamurti of Chatrapur, the Secretary of the Malabar District Co-operative Bank and lastly from Mr. F. R. Hemingway (the Registrar) who could not attend owing to ill health.

#### THE PRESIDENTIAL ADDRESS.

The Hon'ble Mr. Seshagiri Ayyar was then garlanded amidst cheers after which he said:—

GENTLEMEN.—Before I begin the proceedings of this evening, you will all be glad to note that we have in our midst Mr. K. B. Ramanatha Ayyar who some months ago had a very narrow escape from a very serious accident and we had nearly lost him altogether. I am sure co-operators from all over the presidency are most happy to see him in our midst to-day. (Cheers).

Before I address you on the subject which has brought us all together, may I, with your permission give expression to what I am sure is uppermost in

the minds of all of you at this moment? In doing this, I am sure I would not be deviating to any extent from the accepted creed of the co-operator that he should not in such gatherings discuss controversial politics. But, in conveying our most grateful thanks to our King-Emperor for having given his assent to the new India Act and by expressing our cordial acceptance of the message of goodwill and sympathy which His Imperial Majesty has asked men of all classes and creeds to cultivate and practise, there can be no question of politics; as it is ordinarily understood and certainly there can be no question of controversy. Co-operators all over the Presidency look forward with great pleasure to the promised visit of the Heir-apparent to the throne. "The Prince charming" as he is styled, will find no more sincere welcome among any class of persons than among the co-operators in this Presidency.

I was very unwilling to accept at first the Presidentship of the Conference and pressed my reluctance on Mr. Venkatasubbiah very much; needless to say that I made no headway with him. My reason for hesitation was that I had never examined the problems of co-operation with that insight into its working and policy which would enable a President to make pronouncement on the subject with advantage to you and credit to himself. You must realise now that you have an amateur in the chair. It is likely that I may not conform to orthodox views on the subject. As Mr. Krishnaswami Iyer said, I am only going to deal with the question from the point of view of an onlooker. One thing I can assure you of. I shall try to keep my eye steady on the principles underlying co-operation, though I may not confine myself to the limits prescribed by the Act. I know that the societies you represent and this Conference are chiefly concerned with matters which primarily affect only persons of limited means; but as I said before, the basic structure of co-operation is of far wider dimensions and of more engrossing educative value. I may try occasionally to peep into its depths. I certainly do not wish to commit you to my views; however, I deem it right that I should premise my address with these remarks. To me, however limited the immediate scope of an operation, the examination of the root doctrine has always had a fascination. You may not find me as enthusiastic over achieved results as my predecessors in the chair have been in previous years. Their commendations were due to a knowledge of the practical working of the movement and its difficulties. I am not hampered by these considerations; I begin my career as a co-operator as a free lance today: it may be before these two days are over I shall sober down. Criticisms will be offered by me with all humility and sincerity. I would request you to bear with me if you find in what I shall say to-day more references to what should be done in the years to come and less to taking stock of what has been done; however with a view to disarm criticism, I shall draw attention in the first instance to the great progress which the movement has made in this Presidency.

Speaking of India as a whole, at the end of the last co-operative year there were 26,465 co-operative societies with 10,50,000 members on their rolls. Their working capital was about 1,450 lakhs of rupees. In Madras during the said period there were 3,676 societies, their members were 2,44,297, their working capital Rs. 30,521,427 and their net profits Rs. 3,58,385.

This shows that Madras is not at the head of the movement in all respects. Six new Central Banks and twenty-nine new Administrative Unions and 970 new societies came into existence during the year ending with June 1919. There was a noticeable increase in loans from Central Banks and other societies to primary societies. The reserve fund rose from 11'88 lakhs to 14'65 lakhs. All this undoubtedly testifies great progress. There were as many as 3,048 agricultural credit societies at the end of the fasli. Among the members of this class of societies, whose total was 1,27,253, nearly fifty-thousand were cultivating landlords, about ten thousand were tenants and about four thousand were field labourers. In my opinion, this is not a wholly satisfactory state of affairs. In these agricultural societies, a large proportion of the field labourer and the tenant should find entrance. It is they that suffer from unscrupulous money-lenders; it is they that feel first the pinch of poverty owing to bad seasons; and it is their welfare that ought to be the prime end to be kept in view. The cultivating and non-cultivating landlords would do well to make strenuous efforts to bring into these societies mere labourers and tenant-farmers. The object of the Act would be frustrated if steps are not taken to work these societies in the direction indicated. Larger loans should be granted to them than hitherto. I need hardly tell you that 'capitalising honesty' is the root principle of co-operation. No doubt cheap money for those who can point to tangible securities is an acknowledged mode of operation; but reliance on good conduct, thrift and on unexceptionable character is equally essential to co-operative credit. I would impress upon co-operators the fact that in countries where co-operation has been financially successful, operations were more largely based upon personal credit and probity than on the possession of worldly goods. There may be some loss in embarking upon this kind of loaning; but every experiment, political, social or co-operative must take risks. The child that never tumbled down can only stand upon wooden legs; success is only for those who are venturesome, not rashly but honestly and with an eye to the main principles. The result will be a feeling of supreme pleasure at having helped merit and honesty to stand on its own legs. It is for this reason that I ask you to admit into your ranks in larger numbers than before the classes I have referred to, and to assist them to lead better lives.

The mirasdars of this Presidency are justly apprehensive of the evil results following on the unrestricted emigration of coolies to foreign parts. I pointed out on another occasion that by giving them wages all through the year, such emigration can to some extent be checked. A surer means of ensuring their

continuance in the country of their birth will be to make them members of these agricultural credit societies, to enable them to lead sober and self-respecting lives, and on the strength of their character to loan them enough money which would wean them from the clutches of the money-lenders. The Madras Social Service League has done something to assist people of this class by starting co-operative societies among them. In some cases, persons belonging to the depressed classes have been enabled to acquire homesteads for themselves and to provide themselves and their children with better food, better lodging and better clothing; above all, our work has had the effect of preventing them from falling into evil habits. One of the most notable instances of this piece of humane work is the Leather Goods Factory at Chucklerpaliam which owes its present position solely to the untiring industry, patience and perseverance of Mr. Venkatasubbiah. He told me the other day that he distributed among the members a very handsome bonus out of the profits. There has been some loss of money in cases under the control of the Madras Social Service League, but the moral effect has been very great. I would, therefore, with all my heart, exhort co-operators all over the Presidency to enroll field labourers more largely in their societies, and to give them larger loans than before to enable them to get themselves clear of the tentacles of the usurious money-lender.

I find from information received from Mr. Hemingway that about 2,972 Panchamas joined these societies during the last year. I wish the number had been ten-fold greater. That no one community obtained a preponderance of representation in this class of societies is clear from the following figures. There were about 20,000 Brahmins against 1,20,000 Non-Brahmins, 10,000 Christians, 10,000 Muhammadans and 10,000 Panchamas.

As regards societies for purchase, sale and production, there has been recently very great improvement. At the beginning of the year there were 17 agricultural and 38 non-agricultural societies of this class. At the end of the year the figures rose to 31 and 89 respectively; that is, the societies have more than doubled themselves. Mr. Hemingway's great enthusiasm, the high prices and scarcity of food-stuffs are mainly responsible for this increase. Great as has been the work already done by them, a greater field awaits them. What they should aim at is, I think, better production based on a scientific exploitation of the soil. To eliminate the middleman is not sufficient. The consumer wants to be protected from purchasing adulterated stuff. The small producer should have expert advice and healthy co-operation. The aim must be to improve and increase production and to give the purchaser good and reliable stuff. I am sure these ideals animate the societies.

I have made these remarks because it is sometimes said that the suppression of the middleman is one of the chief aims of these societies. In no

country do extradietic food articles play such an important part in the daily food of the people as in India . . . pulses, spices and other articles are as much in demand as the staple articles of food. The production of better qualities of such food stuffs and their being offered for sale unmixed with dirt, sand and pebbles which the consumer seldom misses in a mouthful, would bless the vendor and the purchaser. It may even keep the doctor doors off. I am sure that the purchaser will not grudge to pay a better price, if he is sure of the quality.

The society at Nidamangalam, which was formed for the purpose of purchasing agricultural implements and for leasing them to members, must have the heartiest support of all right-minded men. I am surprised that there are not more societies of this kind all over the Presidency. I would suggest that they should carry on business on the Hire-purchase system. The cultivator is often unable to possess himself with the necessary implements. His borrowing operations begin here. Before the next season comes, he loses the instrument on which he depends for his livelihood. If he is enabled to borrow first and then to pay to become its eventual owner, his difficulties will disappear. I am sure that the Agricultural Department and the Department under Mr. Hemingway will do their utmost to help in the formation of these societies.

One form of co-operative activity does not appear to have appealed much to the Madras co-operator. I refer to Co-operative Building Societies. There are not more than a dozen societies of this kind in the whole of this Presidency. During the last co-operative year, only one was newly started and that at Bezwada. A society for Othacheckers in Coimbatore was able to borrow from the Municipality at  $6\frac{1}{2}$  per cent and lend out at  $7\frac{1}{2}$  per cent. The monthly instalment for repayment has been fixed at Rs. 5. These represent perhaps the most favourable conditions under which a housing society has hitherto worked. I am not therefore, surprised that much progress has not been made. I believe the same state of affairs exists elsewhere. The Government and the people are not yet fully alive to the paramount necessity of better housing. I know His Excellency Lord Willingdon takes a very keen interest in this movement. But, however abiding may be the interest of Lord Willingdon, unless the people place before him schemes for carrying out in practice the housing problem, the movement cannot make much headway. I heard from a friend in Bombay that its Governor did me the honour of reading my contribution to the discussion of the question and expressed himself prepared to encourage the aim in view. I know from Calcutta that Lord Ronaldsday is moving the same question. Such a beneficent attitude of the heads of Government in the three major provinces augurs well for the success of the movement. Shall we benefit by it? It all depends upon our energy and enthusiasm whether we turn to good account these

tendencies. It is said that the immediate object of the Co-operative Societies Act is to benefit people of limited means; it is not often easy to define the class of people who are within its purview. Most middle class of people, those below a monthly income of Rs. 100 require relief under the Act. The steady rise in house-rent and the increased cost of food stuffs leave people of this class very little to fall back upon during seasons of illness or to meet the demands of festivals and other occasions which are numerous in a Hindu household. They should be encouraged to form co-operative societies for building houses. Government should acquire sites for them so that congestion in some quarters of the city may be relieved. Facilities for conveyance by opening more suburban railway stations and laying down fresh tram lines should be afforded. There is a strong feeling in Madras of which the Tramway Company may not be aware that while they have increased the fares, they have not adequately met the demand for more cars and quicker travelling. I have been told that in my zeal for bettering the housing conditions of the strictly poor classes, I am neglecting the middle classes. I hope what I have said to-day may be regarded as some atonement for my sins in this direction.

The difficulties of the poorer classes are more serious. I shall come back to this subject again. There is a higher birth rate among them, they have no education; they are unable to understand the principles of sanitation and hygiene; the localities they inhabit are seedbeds of disease. Therefore the problem of housing them comfortably and in such a way that they may not prove a source of infection and discomfort to other people is one which ought to engage the attention of the Government and of the people alike.

In the case of the middle classes, although they live in very unwholesome places, although ventilation and want of accommodation is as largely felt by them as by the poorer classes, their surroundings are not as uncleanly kept and as unwholesome as the houses in which the lowest classes live. In the case of the middle classes, although they may not be a source of danger to others, still their vitality suffers, their power of resistance diminishes from day to day and they become incapable of resisting epidemics which periodically break out.

Therefore, the necessity for forming co-operative building associations for the middle classes calls for urgent consideration. As I said before the difficulty which they labour under is want of cheap money. In this respect, the Government, if I may say so with respect, ought to come to the rescue of the middle classes. I hope during the regime of Mr. Hemingway, the Government will be persuaded to advance moneys to these associations. If once the idea spreads that the Government is sympathetic towards them, I have no doubt that a large number of housing associations will be started throughout the Presidency. In the case of the higher classes a subject not quite germane to my topic, I do not think they have any claim upon the Government. They ought to be able to find money themselves and ought to be able to build houses

on co-operative basis. The example of Mysore has always been quoted, and I myself referred to it in my paper on this subject sometime ago. Beyond asking the Government to acquire sites with view to extend the city and relieve congestion, I do not think a call upon the Government should be made by the higher classes for assistance. Their duty to combine together and to loan to each other for the purpose of erecting sanitary buildings must depend upon their sense of fellow-feeling and of comradeship. I hope it may not be long before societies for the richer classes and for the middle classes spring up in large numbers in cities, towns and villages.

There were 233 societies of all kinds for the backward classes as against 160 in 1918 and 118 of these were exclusively composed of Panchamas, and I hope this synchronises with the work of Mr. Paddison. As many as 73 such societies were formed during the year. This is a very hopeful sign of the times; but I am not satisfied that the progress has been adequate. There were only 1,202 members on the whole in these societies and their share capital was only Rs. 11,327. These societies are not likely to find funds enough for the operations they have in view. It is to societies of this kind that the help of philanthropic gentlemen and of the Government should be ungrudgingly given. An examination of the number of these societies reveals the fact that the Telugu districts have not shown much activity in their formation. I hope this is not due to the view of some that the co-operative movement is considered by them to be a Tamil one. I hope that my Telugu countrymen will see that a large number of such societies are brought into existence in their districts. On the whole the extent of the work done and the desire evinced by co-operators to extend operations in this direction are highly commendable. I congratulate them on a year of stability, progress and improvement all along the line.

Having said so much about the good work already done, I shall now proceed to offer some suggestions.

Quite recently, Lord Curzon in the House of Lords paid a tribute to the Indian intellect by remarking that in the minor departments of public activities they have shown great capacity, industry and perseverance. I am not sure that His Lordship did not intend to suggest that our capacity in the higher branches of public work has yet to be proved. That will depend upon the sagacity, foresight and statesmanship of Indians in the years to come. The remarks of Lord Curzon struck me as peculiarly applicable to the growth and progress of the co-operative movement in this country. We have evinced remarkable aptitude for working out the details of schemes which have been outlined for us. We have added to our societies, we have increased our members, we have raised more capital and we have shown that with very few exceptions, the movement is safe in our hands and will be honestly administered. But we have not been able to apply the principles of co-operation to

higher aims. We have not shown initiative enough to extend the co-operative movement to phases of life beyond what has already been sketched out. Mr. Krishnaswami Ayyar has said that there is a good deal of discontent growing in some with the stereotyped work of the co-operative movement. I hope that in this department of activity also we may be able to demonstrate to the world that we are not merely copying machines but are possessed of intellectual powers which would enable us to extend and enlarge the scope of the movement. The Indian intellect is not incapable of this development. The tribute paid by the London Times and by Mr. Balfour to Sir J.C. Bose's researches in Science shows that under proper conditions the Indian may be expected to travel out of the beaten track and to prove that he is capable of making noteworthy additions to the world's store of scientific knowledge.

The atmosphere of co-operation which have been breathing so long ought to be able to produce men of originality among us who can be expected to apply the lessons to higher end. The end and aim of co-operation is neither purely business nor purely altruism. The aim of co-operation must be to educate the people to work together. It should not be confined merely to safeguarding the interests of the members. It should undertake propagandist work among all classes of people who have not yet benefited by co-operation. While attention to business must receive the first consideration philanthropy and educational ideas should also largely influence the co-operator.

If you examine what is the present controlling thought in the world of politics, of social reform and of religion, you will feel no difficulty in understanding that the changed world is looking more and more to the ethics of co-operation for the betterment of the conditions of the people. What is the principle underlying the League of Nations? It is co-operation. In that movement, you see its true principles at work. The principal nations are banding themselves together for their own protection. They are propagating ideas with a view to improving the condition of the peoples over whom they exercise sovereignty. They are working together for the purpose of protecting the weaker nations from the grasping ambitions of the stronger nations. They are trying to focus attention upon the necessity of establishing peace and goodwill among all the nations of the world; they are framing regulations calculated to impose their will upon the races of mankind for the purpose of checking militarism so that the people may be more prosperous and more contented. We want this grand conception to filter down to every department of life. Nowhere is the principle more needed than in India. It is true that we have not been affected by the Great War to the same extent as European Nations have been; but that very fact should enable us to remodel the conditions of existence in such a way that what has devastated Europe shall not visit India. I recently read somewhere that an association is being started

for the purpose of co-ordinating religious beliefs all over the world. That again is an outcome of the principle of co-operation. No one religion has, or has any right to claim the monopoly of truth and wisdom. Every religion, if properly understood and practised is capable of enabling its adherents to lead honest, truthful and pious lives. A new missionary spirit is wanted and that spirit must be one which would coopt members from every religious creed and send forth missionaries who would preach to the people the oneness of the truth underlying every religion and the need for appreciating and understanding the practices underlying the various religious beliefs. I referred to the League of Nations and to the League of Religions for the purpose of emphasising the view that co-operation would be the bedrock on which the lives of ourselves and of other communities would be built in the years to come. If I am right in the view I take of the forces at work, may I not ask co-operators who are assembled here to understand aright the signs of the times and to endeavour in their own sphere of activities to make the solution of the world problem easier? If every one of the societies formed for working out the co-operative ideals proceeds to conduct itself on these lines, not only will there be success but it can have the satisfaction of having contributed to make the world happier and better than it is to-day.

Co-operation in its best aspect should have the attributes I have referred to. It is necessary to warn co-operators against some of its baneful applications. Co-operation can have the devil for its chief as well as God for its guide. It is necessary to avoid using the ideals of co-operation for wrecking other people's lives for appropriating people's properties and for disturbing the peace and happiness of one's neighbours. It was co-operation of this kind between Germany and Austria that led to the Great War. Co-operation in some of its lower forms has led to deadlock in labour. The other day the Prime Minister of England said that Trade Unions had contributed largely to the elevation of the labouring classes. There co-operation has been doing its best work. But there have not been wanting instances in which co-operation among the labouring classes and co-operation among the capitalists have led to the weakening of the national welfare and to the strangling of national energies. In India, at the present moment unions are being formed for advancing sectional interests. Every true Indian must welcome this movement. At the same time it may not be unnecessary to point out that they should not aim at injuring other communities, other classes of workers or other spheres of activities. I would therefore, appeal to co-operators to endeavour their best to promote a feeling of fellowship, of brotherhood and of love among themselves and to avoid, as far as possible creating a sense of oppression, of vandalism and of distress among others.

I shall now for a few seconds ask your attention to the application in practice of the principles I have referred to. What I particularly ask of co-operators is to extend their sympathy to the communities which are generally known as the 'Depressed classes'. Co-operation for production, for consumption and for selling is necessary for peaceful life; but it should be so worked as to enable co-operators to extend a helping hand to communities which are not as well situated in life as themselves.

The most urgent need at this moment is better housing all round and more especially for the working classes. Public men do not realise sufficiently the urgency of this need. In England and in the continent of Europe a great deal of attention is being paid to it. The reasons for giving such prominence to the Housing Problem may be summed up in a few words.

The development of society is impossible unless there is a correlation between the various communities that form a nation. It is not by the comforts, conveniences and the sanitary surroundings of a few well-to-do people that the progress of a nation can be gauged. Where you have riches bounty and comfort on one side, squalor, disease and dirt on the other, the least wide awake citizen must realise that the one set of conditions must react upon the other. Where do we get our disease from? Its birth-place is in our own neighbourhood. It spreads from there to our well-equipped and well-planned habitations. The servant we employ lives in quarters from which he brings to our house the bacilli which the doctors so learnedly speak about. The children in our homes whom he fondles, the water that he brings, the milk that he carries with him to our house, the vegetables that he purchases for us are brought from surroundings as unhealthy as they can well be. Therefore, if we really care for our own comforts and want immunity from pestilence and disease, it is our duty to see that the poorer classes are better housed. We want more houses and we want better houses. As I said on a previous occasion, it is not philanthropy that need guide us in these matters. Self-interest ought to suffice to compel us to pay more attention to the condition of the lower class. The State and the richer citizens of the state ought to co-operate in this work. You may say it is a fad with me; but I think, as years roll on, you will realise how ill-educated people have been on this question. I have been agitating for better houses for the poor, because I have visited the dwellings in which they live and have acquainted myself with the lives they lead. It is appealing to see the misery and discomfort which these people are subjected to. Madras at this moment has an unenviable reputation for having the heaviest death rate, and I feel not the least hesitation in attributing it to civic shortsightedness. A friend of mine once remarked that all this talk meant increased expenditure of the taxpayer's money by the Government. He said it in a tone which implied that this was unnecessary philanthropy. He apparently had

not the opportunity of examining the condition of the poor. I will make a suggestion to him. Let him make a calculation of the moneys he has spent upon doctors and upon the purchase of unwholesome drugs which he and his children have swallowed during the last 20 years; let him calculate the average for a year: let him next year give one half of it as bonus to his servants to enable them to live in better quarters. I feel no doubt that at the end of the year, he will at last have spared a half of the other half for making more jewels for his children: I am not joking. I was never more serious in my life. What I have said of the individual applies with equal force to the State. If the Government will grant easy loans to Co-operative Building Societies started to help the poor, if they grant subsidies on the scale that Public Utility Societies in England receive, I venture to say that their expenditure on hospitals, and on purchase of medical stores will become perceptibly less as years roll on. The State and the richer citizens ought to agree to set apart an appreciable portion of the money which finds its way into the exchequer for the purpose of providing better houses for the poor.

Building societies of this kind will have as one of their objects a proper return for the money laid out. That would be its business side. Its further aim should be to make every one to whom they extend aid self-reliant and self-respecting. Thirdly, its aim should be to educate the people to provide for themselves, wherever possible, better house and more wholesome quarters. Fourthly, its aim should be to appeal to Government to penalise the rich man who takes undue advantage of the position of the weak to raise the rent periodically and to benefit himself from what are known as 'unearned increments'. In short, the aim and the end of such societies should be to act as a lever for the uplift of the masses. I would appeal to co-operators all over the country, to members of municipalities and of local boards to bear these words of mine in mind. I hope the first object of every municipality in the coming year will be to devise schemes for bettering the housing conditions of the lower classes.

One other topic on which I shall say a few words relates to the possibility which lies before the Indian Nation from the deliberations of the Industrial Commission. The recommendations of that Commission, if they are given effect to in all their bearings, would usher in a greater era of industrial and economic progress than has hitherto been thought possible. Calcutta and Bombay will be in a position to utilise to the utmost the recommendations of the Commission, because there is abundance of credit, abundance of wealth and abundance of business habits among its citizens. We in Madras I am sorry to say, are lacking in most of these qualities. Some of the more ambitious aims of industrial progress in this Presidency have ended in failures. That is because there has not been sufficient wealth and sufficient business

talent. If the aid of the Government and the help which it would be prepared to render financially are to be utilised in Madras, a large spirit of co-operation should dominate us. We should try to husband our resources, to throw our earnings with a common stock, and to put at the head of our movement men not only honest but really capable and earnest. Large industries are possible even in Madras provided a true spirit of co-operation animates us. I do not believe that in Bombay or Calcutta, men became rich on waking up one fine morning. There must have been co-operation, there must have been a determination to give up their temporary pleasures for the purpose of planning out a bright future for themselves and a brighter future for their country. That is what is wanted in Madras. Before practical shape is given to the recommendations of the Commission, I want co-operators to take a lead in this matter of awakening public conscience, of asking rich men in their locality to put their assets together so that they may be prepared to avail themselves of the subsidies which the Government may give to undertakings relating to industry and commerce. For this purpose at any rate, the co-operator should awaken a sense of responsibility in our female population. (Hear, hear) Education has done something to make them appreciate the true value of sanitation and of hygiene in general; but they have not been able to shake off the accumulated habits of ages, of demanding a plentiful supply of jewels to adorn themselves with. In this Presidency at any rate, the lack of capital for starting industries is largely due to the absorption of money in the purchase of trinkets. If women can be real helpmates in the revival of the industrial era, a great deal can be done for Madras.

One branch of work which may be undertaken by co-operators is to approach, and enlist the services of capable and educated women for the purpose of teaching their idle rich sisters the folly of adorning themselves with so many jewels when the country stands in need of capital which would enable it to advance rapidly on the road to industrial development. If necessary, women may form co-operative societies themselves with the capital which they themselves can subscribe by the sale of their jewels provided they would allow the mere man to help them to engineer the enterprise. Co-operators have a good field before them in this task of educating women.

I would also suggest that a spirit of real co-operation should animate our young boys and girls in schools. At present although there is comradeship among the students in schools and colleges, there is not that real affinity between them which would enable them to work their future life in a spirit of co-operation and trust. The value of co-operation should be taught in schools and colleges.

I have taken more time than I intended to do. The chief reason is that I am by nature a dreamer. While I am not blind to the realities of everyday life,

I dream a great deal more than most people do. While things *that are* interest me a great deal, things *that should be*, things *that are behind and in front* of us, things *that lie underneath* what is and *what should be*, have greater attraction for me. I dream of a day when, as a result of co-operation in politics, in religion, in social matters and in economic conditions, the world will be happier, more peaceful and more contented than the one which you and I are privileged to live in.

The ideas of democracy which are rushing on with ill-disciplined momentum should receive the attention of the co-operator. You cannot keep it back; if you do, it will break all barriers, spread over fair regions as well as foul, and in its onward rush submerge not only what should be drained off but also all that is good, pretty, and pleasant to look upon. If the co-operator has the true vision of a seer, he must welcome the tide that flows in, find a proper outlet for it, make it wash all that is dirty and unclean, supply nourishment to those that are withering and decaying and be the means of bringing fresh life and fresh vigour to others which still want care and nourishment. If you give it a proper direction, democracy will be a helpmate in achieving peace and prosperity all over the country. If you are unreasoning enough to prevent its coming in or if you are weak enough to allow it to have its own way because you are afraid of it, you will be swept over by it while the force, it has in its unregulated condition will not be a source of benefit to any but will be surcharged with danger wherever it goes. This lesson is forced upon us by what is happening in Russia and other parts of Europe. By the providence of God, we have been privileged to look on whilst others have been suffering. Let that Providence suffice to benefit us by what had happened elsewhere so that we may be prepared when the time comes for peaceful and well-ordered progress. Co-operation can play no small part in this work.

By meeting half way the onward current, fraternising with it, coaxing it to flow into wholesome channels, showing it a spirit of welcome and love you will rob it of its pent-up feeling of hatred towards you, make it feel that it is necessary to annihilate you for achieving its own betterment but that by working with you, taking your counsel and accepting your comradeship its course can be strightened to the advantage of itself and yourself. If this conception of duties is not realised, instead of co-operation, revolution with its horrors and its grim realities will stalk the land. In preventing revolution you will be acting up to the highest dictates of humanity and co-operation. This is my counsel, my appeal and my exhortation to you all. Love will achieve what nothing else can. It alone can disarm hatred. It alone can conduce to common good and common benefit. It is the one passport to all that men value on earth and yearn for in heaven. Let the motto of the Cooperator be Love, Love of your neighbour, Love of your country, Love of your Sovereign. This will bring to you the Love of Him that watches upon us all unceasingly and with a vigilant eye. (cheers)

DR. GILBERT SLATER.

After the Presidential address was over, Dr. Gilbert Slater addressed the conference: Mr. President and Brother delegates:—Before beginning to speak on the subject on which I have been asked to address you, I have with the kind permission of your President to call your attention to a meeting which is going to follow this meeting, viz., the 3rd Conference of the Indian Economic Association which will be held in the Senate House on Wednesday, Thursday and Friday. (Here he read out the programme and invited them to attend).

Now I shall go to the particular subject on which I intend to speak to you, viz. the relation between co-operative production and co-operative distribution. Though many of you here in this hall may be older than I am in age, I venture I say that there is nobody in this hall who is older in the co-operative movement than I am. Just at this time of the year 28 years ago, I was a director of a co-operative society and I have been associated with the co-operative movement in England and subsequently in India all these 28 years. The society of which I was a director was known as the Port of Plymouth Trade Union Co-operative Society. In this society most of the members were coal lumpers coolies who carried coal in baskets from the ship to the wharf thus bringing co-operation down to the roughest class of manual labourers. Naturally you can understand that when I came here to India, the one form of co-operation that particularly interested me was the urban form of co-operation in which I think English co-operators have so much to teach India.

From my own English point of view, I regard this meeting as a most remarkable and historic meeting in the history of Indian co-operation, and why? Because as you came to this hall out from the road, your eyes were attracted by the product of the Madras Leather Goods Co-operative Society exhibited for sale. There, you have, I think, a most interesting young beginning of what I hope will ultimately be a great and very prosperous movement. In England when we meet in Co-operative Congresses, as we have met to-day, we have as near as possible to the hall of meeting large halls possibly specially erected exhibiting specimens of different sorts of produce produced by the people employed in the productive factories. You may judge for yourself the quantity of co-operative manufacture in England by what is done by one such productive society, namely the English Co-operative Wholesale society, which is a society of societies with society share-holders, which manufactured in the last year before the war goods exceeding 24 crores of rupees at the then rate of exchange. The present development of co-operative production is the result of some 60 or 70 years of continual effort, continual failure and gradual learning by success and failure. The secret of Co-operative production must be learnt by practice. Therefore I think we have in the Co-operative Leather Goods Factory a lesson which is worth learning by every Indian co-operator.

You have to recognise that India is lagging behind many other countries in industrial development. But, at any rate let us hope, she will not lag far behind in the future. I think we see signs of awakening all round us. There is going to be a very rapid industrial advance and development in India in the methods of production and in the science of business. And connected with this, social problems also are bound to develop. We have had great strikes in Bombay and Madras. We have developed a permanent organisation of Trade Unions in Madras and very considerable amount of success is achieved by this organization. The different ways in which industrial progress can be achieved should, therefore, be thought out very carefully. This can be done in three ways. You can develop industries by starting great capitalistic businesses managed by experts. The second way is by means of state organisation; and while there is much room for this, the success of enterprises so carried on will, I think, depend greatly upon what is done simultaneously by private effort. The third method of working is through development of co-operation, along co-operative lines in the co-operative spirit. I do feel that the more we have of co-operative industry, co-operative manufacture as well as co-operative trading, the better.

The work of the Leather Goods Co-operative society is at present under the guidance of Mr. V. Venkatasubbiaya of the Servants of India Society. I think you have to recognise that to India, the services of the Servants of India Society are a valuable asset, their members have to be relied upon for many purposes, and have many other calls on their time and energies. As co-operative production increases it will have to rely upon its own resources and not to rely upon others or any philanthropic society. Co-operative business in order to succeed must be run on business lines.

In England many societies for manufacture have been founded in a similar way to the Madras Co-operative Leather Goods Factory by gentlemen of education who entered into such business with the object of helping their less fortunate countrymen. Other societies have been formed on the initiative of the industrial workers. I want you to note very carefully what has become of these societies. They have experienced three fates. The great majority have perished altogether. A smaller number have been successful commercially, but have ceased to be in any true sense of the word co-operative. They have become merely joint stock companies carrying on business like any other joint stock business, for the sake of making profit for the shareholders. Those that have escaped both these sorts of failure, those that have attained commercial success and remained co-operative, have done so by linking themselves into the great co-operative movement, of which the basis is the Consumers' society, called by officials in England "Co-operative Societies for Distribution," and by officials in India "Co-operative Stores."

I want you to realise how misleading those official terms are. This distinction between "Distribution" and "Production" which is so prominent in official returns is not recognised in economic theory, and is most misleading in practice. Production, in economic theory, means producing utility, giving utility to something which did not have it before or giving increased utility to that which had some utility, or advancing something one stage towards attaining utility. Food does not reach its full utility till it is in the hands of the hungry man, nor clothes till ready to wear by the man who wants them, therefore, the retail or whole sale trader adds utilities to rice or cloth, and is a producer. Hence a "Co-operative Store" is a Productive Society, even if it confines its activities to retail trade.

But the very object of carrying retail trade co-operatively, is to have a sound basis on which to build up a great system of co-operative industry. When the Rochdale Pioneers opened their little shop in Toad Lane, their programme was "To organise the powers of Production, Education and Government." The society in England with which I was closely associated for twelve years, the Royal Arsenal Co-operative Society, is classed in official returns as a Distributive Society. But it carries on various manufactures. It has by far the biggest bakery in the district, and makes the best bread. It has even bought hundreds of acres of land, and built thousands of houses, inhabited by a working-class population running into tens of thousands.

While in England we have found that societies for co-operative manufacture created on the principles adopted by the Madras Leather Goods Factory have either failed, or ceased to be co-operative or have materially altered the principles on which they are organised, we have co-operative manufacture most successfully developed in three different ways.

We have first co-operative manufacture carried on by what are called Distributive Societies—or, as you would say, Co-operative Stores, individually and separately.

We have next co-operative manufactures carried on by separate societies, which are owned and controlled by the "Co-operative Stores."

We have lastly the manufacturing departments of the great English and Scottish Co-operative Wholesale Societies.

All these rest upon the principle of mutual responsibility of consumer and producer. The ultimate authority must rest with the consumer. The man who is to wear the dhoti should have the last word in regard to the manufacture of dhoties. But he must recognise his responsibility to the producer, to give good wages, fair treatment and good conditions of labour. In England you may often have the opportunity of witnessing the ceremony of the opening of a new branch store of a Co-operative Society. You will be sure to hear some orator on that occasion declare "Whatever you buy here of co-operative manufacture will

be free from the sin of adulteration and free from the sin of sweating. It will be good material, good workmanship, made under good conditions by men paid good wages."

Madras claims the pioneer society of India, based on the Rochdale principle, the Triplicane Urban Co-operative Society. It has attained a great success in retail trade. I hope it will regard that only as the first preliminary step, and proceed to develop Co-operative Industry in one form after another, realising its responsibility to producers as well as to consumers.

The President then thanked Dr. Slater for his informing address and adjourned the Conference till 12 noon on the next day as it was then 5 p. m. The reading of the reports of the selected societies was postponed to the next day. The Subjects Committee then met and drafted the Resolutions.

#### (SECOND DAY).

TUESDAY, THE 30TH DECEMBER 1919.

The conference resumed its sittings punctually at 12 noon with the Hon'ble Mr. Justice T. V. Seshagiri Ayyar in the chair. There were present about 300 delegates, many officials and Professor V. G. Kale of Poona.

#### REPORTS OF SOCIETIES.

The first item in the day's programme was the reading of the reports of some selected societies.

Mr. S. K. Yagnanarayana Ayyar presented the Report of the Salem Municipal Employees Co-operative Society, after which Mr. Justice Seshagiri Aiyar gave an account of the High Court Peons Society which is being worked under the guidance of the Madras Social Service League. Before its formation last year a duffadar used to lend money to these peons at the rate of 2 annas interest per month in the rupee and another who lent at one anna in the rupee. It was ascertained that these people were indebted to the extent of Rs. 1,000. The League resolved to free the peons from the clutches of the duffadars, formed them into a co-operative society and got together a sum of Rs. 500 to start with, which has been lent out at 7½ p. c. interest. The Society was working very satisfactorily and its example deserved to be followed widely.

Then the report of the Kilacheri Union was read by its secretary Mr. Seravayya Naidu Garu, that of Kumbakonam Municipal Employees Society by Mr. T. R. Srinivasa Aiyangar of Tanjore, and that of Kambaliampatti Purchase Society by Mr. (now Rao Saheb) K. M. Chinnarangayya Gounder.

#### RESOLUTIONS.

##### I—THE REFORM ACT.

"The co-operators of this Presidency in meeting assembled beg to tender their humble and most grateful thanks to His Majesty the King-Emperor for His Gracious Proclamation that has accompanied the Royal assent to the Reform Act, and trust that the

Co-operative movement in India will be materially strengthened in its own onward march by the Proclamation and the Act."

In putting it from the Chair the President said that many words were not necessary for commending that resolution. A wholesome restraint had been placed upon their taking part in controversial politics but the matter of that resolution was of absorbing interest, the Proclamation being only second in importance to the words which fell from Her Gracious Majesty Queen Victoria in 1857. It would be idle to say they had not been moved to their inmost depths by the words of His Gracious Majesty. He had therefore, much pleasure in asking them to accept this resolution.

The Resolution was carried unanimously.

#### II—THE HEIR APPARENT'S VISIT.

"This Conference has heard with great pleasure the gracious announcement of our Sovereign to depute the Heir Apparent to visit India in the near future to inaugurate the Legislative assemblies to be constituted under the Reform Act and offers its loyal welcome to H. R. H. the Prince of Wales."

This resolution also was put from the Chair. The President reminded the Conference that it was after the present king came to India and had acquainted himself with the conditions of the people that he made a speech in the Mansion House in which he asked administrators in this country to show sympathy to the people of this country. He felt that His Royal Highness's visit would be followed by an equally noteworthy pronouncement the good effect of which on the administration of this country could not be overestimated.

The resolution was carried unanimously.

#### III—LATE SIR V. C. DESIKACHARI.

"This Conference places on record its deep sense of sorrow for the death of Sir V. C. Desikachariar whose services in building up the co-operative finance of this Presidency will be long and gratefully remembered."

This was also moved from the Chair. Mr. Justice Seshagiri aiyar had been intimately associated with Sir V. C. Desikachariar in more than one aspect of his life. In the Congress, in the High court as vakils, and to a certain extent as co-operators, they had been colleagues for a long time. He considered that the Resolution did not convey adequately the keen loss sustained by the co-operative movement and felt by co-operators. He was a prince among co-operators and his loss was irreparable.

The Conference passed the resolution standing and in silence.

#### IV.—CO-OPERATION OF WOMEN.

"With a view to make the co-operative movement a through success this conference invites the co-operation of women and recommends among other measures the starting of credit societies

exclusively for them wherever possible and enlist the sympathy of Ladies' Clubs on this behalf."

Mr. T. K. Hanumantha Rao moved the resolution :—

He said, "I am here to speak to you on the part which our women can play in achieving some measure of success for our movement. Of course, in India women have been playing a very important part co-operatively speaking. They are also producers in more sense than one (Laughter). They produce commodities which are an asset to our nation and if the goods produced by them are not sufficiently good, the fault is with the school master. (Laughter). They are the supporters of life in every sense of the term. This co-operative movement is perhaps not concerned with any of these viz., producing children, rearing of children or education of children. I do not know what it was in the past, but now the whole of the household management is in their hands. Especially when a man goes about borrowing money, I think his wife is at the bottom of it. If a man could be thrifty and make both ends meet when he is unmarried, why should he not be so after his marriage? I am not an English songster, but I know of an English song to the effect that a man was happy while he was a bachelor but the moment he married, his budget became heavier on the wrong side. And therefore, in solving the problem of indebtedness, women can be very helpful. Perhaps they are the cause of indebtedness. But I cannot say the same thing about a woman of the working classes. It is the husband there that gets drunk and the woman earns by the toil of her hands. All the same, whether of the middle class or of the lower class women have a prominent part to play in the economic affairs of mankind. So far as their work with the co-operative movement is concerned, I could say one thing. I know more on the store side than on the credit side. It is no doubt always difficult to run a store. Whenever an inferior article is taken from a store, the woman in the house returns it and so in the selection of good articles they are the better judges and it is a pity that they have nothing to do with the stores which are truly their concerns. In England, where women are playing a large part in the economic progress of the country, they have formed Women's Co-operative Guilds. I am a conservative man of the old school, but yet I can say that there are certain matters in which they could concern themselves with advantage and benefit. In such guilds, I am told there are people who keep the ideals of the movement at heart, and do a good deal of work. For instance, in the Co-operative Wholesale Society they agitated for and obtained an increase in the wages of the women employees. Shall we merely pass a pious resolution once a year to show that this Union is in favour of such a movement in India and that there are many people in favour of it? In the Kumbakonam Teachers' Co-operative Society, I am happy to say, there are two women as members and many more willing

to join. More propagandist work is necessary for this purpose, especially on the store side and women should be encouraged to take part in the movement."

Mr. S. K. Yagnanarayana Ayyar seconded the Resolution in Tamil. He said they need have no doubt about the capacity of their women to manage their affairs. They made correct estimates as to requirements on marriage occasions. They had also splendid organising capacity. In the Tinnevely district women organised chit funds and conducted them successfully. It would be a good thing to give them money and ask them to take share in a co-operative society, with a view to raise money easily for the purchase of jewels for them though this was a view not shared by the President in his Presidential address.

Rao Sahib Seturama Ayyar supported the resolution in Tamil and observed that productive societies in addition to store societies might be created for them, for they were accustomed to keep cows and buffaloes. They were also engaged in the past in growing flowers and weaving cloths etc.

Before putting the Resolution to vote the President said that if a society was started for women and they were made to subscribe their own capital, he felt sure that in course of time they would divert their money from jewels to better purposes, viz, the development of industries and such like.

The resolution was put to the meeting and carried.

#### V.—BUILDING SOCIETIES.

Mr. C. N. Krishnaswami Ayyar then moved:—

"This Conference recommends the appointment of a special officer or officers for organising Building Societies in rural as well as Urban areas, and requests the Government to make cheap money available at the outset for the societies of the poorer classes."

Speaking in Tamil he said that the existing Building Societies which were to be found in Coimbatore, Ootacamund, Madura and Mambalam did not do any practical work worth the name so far. In Coimbatore they only lent money for the purpose of building houses but did not actually build. In Ootacamund due to the magnitude of the scheme it did not work. In Madura the work had stopped with the purchase of a piece of land. In Mambalam nothing substantial was done. This was due to lack of facilities of which want of money at a cheaper rate of interest i.e., 2 or 3 per cent than the one at which loans could be had from co-operative societies, i.e., 8 or 9 per cent was the chief one. The object of the Resolution was to appoint a special officer for organising Building Societies and get money at a low rate from the Government for the purpose. The Government of India had already granted the money in 1914, but due to the War it could not be had. The Government had agreed to give five lakhs of rupees for houses for the poorer classes. But no limit could be marked as to who could be termed the poorer classes.

If it be asked how it would be possible for Government to help a large number of Building Societies at the same time, he would say that the money spent on the better housing of the poor would save unnecessary expenditure for Government on the purchase of medicines and the up-keep of hospitals. He was not for the Government permanently helping them with money for Building Societies, but only till such time as deposits were sufficiently forthcoming to the societies.

Mr. C. R. Ramaswami Aiyangar of Coimbatore seconded the resolution in Tamil. He said that Building Societies were a necessity. A certain class of people called Othachekkars in Coimbatore were given loans from Government through the municipality at a cheap rate to be discharged in 20 years. On similar lines societies should be started in every place. That the Government is in favour of such schemes is evident from the appointment of Mr. Paddison, and he suggested therefore, that this resolution if carried would satisfactorily and easily solve the much talked of housing problem. They would certainly try to get as large deposits for housing societies as were possible, but after that they would have to look to Government aid.

Mr. V. Venkatasubbiah moved the following amendment:—

"This Conference requests the Government to make cheap money available at the outset for the co-operative building societies intended for the poorer classes, and also to make subsidies for meeting management expenses of such societies and requests local boards and municipalities to give encouragement to co-operative housing societies."

He said:—"The object of my amendment is to omit the appointment of a special officer. The appointment of a special officer means, I take it, about a thousand rupees a month or twelve thousand rupees a year, which if given in the shape of cheap money to housing societies would cover the interest on a capital of 8 lakhs of Rupees at the rate of 1½ per cent per annum. The Government now borrows at 5½ per cent and with the money intended for the special officer it could make 8 lakhs available for housing societies at 4 percent interest. That will be a much greater help to co-operative building societies than the appointment of a special officer. I have no prejudice against special officers. Even with the appointment of special officers there is no guarantee that the housing societies will succeed so long as cheap money is not made available to them. There are more than a dozen housing societies at present in this presidency and if they have not been able to show any solid work it is not on account of the absence of a special officer but for want of cheap money. I know as a matter of fact that every Assistant Registrar and every Honorary Organizer is most eager to start housing societies but the difficulty has been to get them to work. In fact, in the city of Madras not long ago a society was registered but it was found impossible to start it. A special officer can after all

only spread the idea of such societies but it is too much to expect him to find cheap money. The only authority that could give cheap money is the Government. Hence rather than asking for the appointment of a special officer, let us ask for cheap money. With a loan of eight lakhs every year at 4 per cent we should be able to build every year thousands of houses for the poor.

"I suggest subsidies in the latter part of my amendment because without them the rent which the poor will have to pay will have to be higher. The great need of the country is more houses and cheap rents. In the city of Madras there are thousands of families who cannot afford to pay a rent of even two or three rupees. High rents have led to frightful overcrowding and its consequent evils. Hence if we are given subsidies for meeting management expenses, which is in accordance with the recommendations of the Committee on Co-operation, the housing societies can easily run and provide the poorer classes with cheap and sanitary dwelling houses."

Mr. Venkatasubbiah explained his speech in Telugu at the request of the Telugu delegates.

Mr. Mahamad Sadulla Badsha Sahib seconded the amendment.

The President said in Tamil "In March last an Act called the Housing Act was passed in England. Under this Act, Public Utility societies have been created. As in co-operative societies many people have joined these Public Utility societies and undertaken to build houses for poorer classes. The Government have promised to advance money to these societies at the rate of 5 per cent. The government have further said that they would bear two-fifths of the expenditure incurred by the societies. The creation of such building societies will result in the dying out of several preventible diseases among the poor classes who fall an easy victim to such diseases owing to their unhealthy and insanitary dwellings. Why not, therefore, give the building societies subsidies, in the same way as is done in England. Why not ask for similar proposals here? The Government cannot refuse to give subsidies. I am sure they would have no objection."

Mr. C. V. Venkataramana Aiyangar of Coimbatore pointed out that the appointment of a special officer would greatly develop the building societies as it would be incumbent on him to show the results of his labours in the annual statistical returns to be submitted to Government. As it was, the existing Assistant Registrars concerned themselves more with credit societies, for purposes of statistics.

M. C. N. Krishnaswami Aiyar stated that it appeared to him better to ask for special officers for special types of societies. In the case of credit societies there was no need for special officers as the public had been sufficiently experienced.

The appointment of a special officer was for making him responsible for the work of building societies and to show the ways and means of developing them.

The amended resolution was first put to the meeting and declared carried.

#### VI.—CO-OPERATIVE TRAINING.

Mr. C. P. Sundara Rao moved the following Resolution :—

"Having regard to the urgent need for training the non-official co-operative executive, this Conference requests all societies, primary and central, to regularly contribute a percentage of their net profit, and requests the Provincial Co-operative Union to prepare suitable syllabuses and engage qualified persons for the purpose; and also requests the Government to make liberal grants in aid for the purpose."

He said four bodies are mainly concerned in the working of every society, first the General Body, then the Executive Committee, then its Secretary and lastly the President. The duties of each of these members and how far and to what extent they are responsible are not known at present to them. Mere study is not sufficient and the training on the lines indicated in the resolution is indispensable and an immediate necessity if societies are to work efficiently.

Theory of what should be done is easily formulated but the practice to be followed can only be acquired by training. For this purpose, the men to train should be found and money should be secured which would be about Rs. 4,000. Even if one rupee is contributed by each of the existing 4,000 societies this sum can be raised.

Mr. T. R. Srinivasa Ayyangar seconded the resolution in Tamil, and cited the example of the Bombay Central Co-operative Institute as one that should be followed by Provincial Co-operative Union of this Presidency.

An amendment was proposed to substitute the word "workers" for "executive" which was accepted by both the mover and the seconder.

Mr. N. Bhimesana Rao supported the resolution in Telugu.

Mr. Sudarsana Ayyangar opposed the resolution saying that no propaganda work was done by the Provincial Co-operative Union and to ask societies for any contribution would be a heavy charge on them as even under their present rules and working, they are not getting satisfactory dividends. Further the appointment of the different officers of societies would be changing and it will be difficult to say to whom the training should be given.

Mr. S. Venugopal Naidu of Pattukkottai supported the resolution. He said that the Common Good Fund of the societies should be utilized for the purpose as this training was a sort of education to the co-operative workers.

President:—I am connected with the Social Service League and we feel that training as is asked for in the resolution is a necessity. At first the Government should be asked for a grant but in addition to it we should show

to the Government that we on our part also are prepared to finance a portion of the expenditure. You will please make a little contribution and they will follow. Else you may be certain that they would not take the initiative.

The Chairman then announced that there was a feeling among some of them that the contribution should not be fixed or made compulsory but that it should be made voluntary so as to allow to societies discretion in the matter and suggested the substitution of words "to contribute as far as possible from their net profit a certain sum of money" for "to regularly contribute a percentage of their net profit."

The Resolution as amended *viz.*,

"Having regard to the urgent need for training the non-official co-operative workers, this Conference requests all societies, primary and central, to contribute as far as possible from their net profit a certain sum of money, and requests the Provincial Co-operative Union to prepare suitable syllabuses and engage qualified persons for the purpose of such training; and also requests the Government to make liberal grants in aid."

was put to the meeting and carried.

#### VII.—GOVERNMENT SUBSIDY FOR SUPERVISION BY UNIONS.

Mr. O. Visvanatha Rao moved the following Resolution:—

"With a view to make supervision by Unions more efficient this Conference recommends the grant provisionally of a subsidy from Government wherever there are no central banks or local unions able to help them."

He said in Telugu that they were all agreed as to the absolute necessity for supervising unions for the successful working of co-operative societies. He then explained the usefulness and scope of such local unions and commended the resolution to their acceptance.

Mr. Ayyakutti Ayyangar seconded the resolution. He said that as the Co-operative Societies grew in number, it was necessary to form local supervising Unions so that societies could be affiliated to them for supervision purposes. It had to be recognised that many Inspectors could not be appointed for such supervision thus making the presence of Unions a necessity. For this purpose a supervisor on at least Rs. 25 plus Rs. 10 was required and for the appointment of such supervisors, a subsidy from Government was to be obtained.

An amendment proposed to add after the words "local unions" the words "and where such banks and unions are unable to find funds" and to delete the last words "able to help them."

The following amended Resolution was then put to the meeting and carried:—

"With a view to make supervision by unions more efficient this Conference recommends the grant provisionally of a subsidy from Government wherever there are no central banks or local unions and also where such banks and unions are unable to find funds."

The Conference adjourned for lunch at 2-45 p. m. after lunch.

#### AFTER LUNCH.

The Conference assembled again after lunch at 3-20 p. m.

#### VIII.—REGISTRATION OF BONDS.

Mr. T. R. Srinivasa Ayyangar moved the following resolution:—

"In the interests of borrowing societies and with a view to facilitate the taking of loans by them, specially in the case of short term loans, this Conference recommends that Central Banks be content in such cases to take unregistered bonds wherever local unions recommend such a course."

He said that the difference between a registered and an unregistered bond was fully explained and put before the Subjects Committee and it was resolved therein that the subject should be placed before the Conference for their acceptance. There were certain difficulties experienced in getting bonds registered. One of them was that the panchayatdars were respectable people and that all of them could not go to the Registrar's office. The second was that in some cases the villages were far away from the Registration offices. While the borrowing societies held that the registration of bonds meant a good deal of unnecessary labour, the central banks held that the registration of bonds was necessary in the case of loans granted by them. As an intermediate course between these two, it was thought desirable that in the case of short term loans, to such of the village societies as were recommended by the local unions, the registration of documents need not be insisted upon by the central bank.

Mr. A. Srinivasa Ayyangar of Srivilliputtur in seconding the resolution said that it appeared to him to be necessary to get the documents registered but that it need not be made compulsory in every case. The registration or otherwise should be left to the discretion of the bank.

Mr. Apathasahaya Aiyar of Alangudi moved an amendment to omit the word "specially" from the Resolution. He said that he saw no difference between long and short term loans. Whatever the nature of the loan was, for every six months in the case of short term loans and for every one year in the case of long term loans, interest plus a portion of the capital borrowed had to be paid by every borrowing society and any bond would be kept alive for a period of three years from the date of such payment. The question of

limitation could not therefore be cited. Again, no central bank would be idle without getting the societies to pay anything towards their loan for a period of three years. Hence he was for deleting the word "specially" from the resolution.

There being no seconder to this amendment it fell through.

The resolution was put to the meeting and carried.

#### IX.—DISTRIBUTIVE CO-OPERATION.

Mr. C. N. Krishnaswamy Ayyar moved the following Resolution:—

"That distributive co-operation may progress more quickly this Conference recommends the adoption of the concessions shown in this behalf by the Government of Bombay in respect of reserve funds, sales to non-members and the like.

He said : Under the Act, it is the practice that after setting apart 25 per cent. of the net profits to the Reserve Fund and after meeting the cost of establishment, to distribute the balance among the share-holders as a bonus. The allocation of 25 per cent, a high rate, of the net profits especially in store societies is considered a very great hardship and no store society could thrive successfully. The object of co-operative store is not to make large profits but to supply to its members unadulterated articles of good quality at a fair price. With a view to spread the store societies, I understand that the Government of Bombay have passed a rule that in the case of store societies, it is sufficient if 10 per cent is set apart to Reserve Fund and the remainder may be divided as bonus to members.

An amendment was moved by Mr. O. Visvanatha Rao to omit the last words "sale to non-members and the like" and this was seconded by Mr. Paramasiva Ayyar.

This was accepted by the mover and the resolution as amended above was carried.

#### X.—CO-OPERATIVE SOCIETIES FOR STUDENTS.

Mr. N. Paramasiva Aiyar moved :—

"This Conference recommends the formation of Students' Co-operative Societies in schools and colleges so as to popularise the movement among the rising generation."

and said :—Students Societies have already been formed in Mangalore, Kumbakonam, Salem and in one or two other places. These could not be registered under the Co-operative Societies Act as some of the members composed in such societies were under 18 years of age. It is said that these societies are working well and I feel that such societies are absolutely necessary in schools and colleges so that the boys might learn better the theory and practice of co-operation by themselves taking part in their management. If the question of age is considered a bar for boys becoming members, then such societies need not be registered but may work as unregistered societies.

This will not be a difficulty at any rate in the case of colleges where a large majority of the boys are above 18 years of age. In the mofussil a very great difficulty is experienced in the purchase of books, note-books and stationery required by them. On an average something like Rs. 2,000 to Rs. 5,000 worth of stationery is being disposed of in every school and the entire profit of about Rs. 500 goes into the pockets of shop-keepers at present.

Then again formerly the Government were giving a certain sum of money for giving scholarships to poor boys to continue their studies. But this was unfortunately stopped and it strikes me that if a school society was formed, it could earn that aforesaid profit of Rs. 500 and make it useful for the study of poor boys.

Mr. Nagaraja Ayyar seconded the resolution. He said that besides earning a large profit, such societies will form the main ground-work for the training of boys to be efficient co-operators in their life.

Mr. Visvanatha Rao in opposing the resolution said : Mr. Paramasiva Ayyar says that unregistered societies should be formed for boys. He forgets the legal difficulty in the way. Our boys are all minors and any contract which they may make would be absolutely void in a court of law.

#### PRESIDENT.

Gentlemen : Before we adopt the resolution, this matter which Mr. Visvanatha Rao refers to should be taken note of. I feel as one connected with the administration of law that there is a great difficulty in passing this resolution. Your object may be to make teachers and boys over 18 years of age form themselves into an association and admit minor boys as associates. Unless you get the society registered I cannot understand how you can get a recognition from the Department or some one else. Therefore, I ventured at the outset to mention to Mr. Krishnasawmy Ayyar that there will be great difficulty in carrying out this proposition. Unless you say that you must have registered societies there is no use of pressing the proposition any further.

Mr. Yagnanarayana Ayyar.

Gentlemen : About six months back, I had a talk with the Registrar about this. He was just then coming after a visit to Mangalore where a pioneer co-operative society for boys was working. I asked him what he thought of that society. He replied that it was a pure effort of the young boys of the incomplete secondary school where all of them are minors. Though their society was an unregistered one, they follow to the very letter every principle of co-operation and the headmaster of the school is in charge of it and the cash is always with him. The Registrar does them the obligation of auditing their accounts though an audit order is not issued in his name.

Mr. K. B. Ramanatha Ayyar.

Gentlemen: There are many associations working in the colleges and but for the fact that we want to familiarize them with the idea of how to combine themselves into an organization for a common purpose, there is no attempt made to have a legal title given them or make them come forward as members of a recognised body. We want to familiarize the boys with such combined organization and purchase. That is all the idea. The teachers will no doubt be responsible persons so far as the outside, public, viz., the contracting parties are concerned.

Mr. K. Parthasarathi Ayyangar.

Gentlemen: The Resolution that I ought to have seconded is the one as it stands here in the agenda numbered VIII (a) and (b) which runs as follows:—

(a) "That distributive co-operation may progress more quickly this Conference recommends the adoption of the concessions shown in this behalf by the Government of Bombay in respect of reserve funds, sales to non-members and the like

and

(b) "This Conference recommends the formation of Students' Co-operative Societies in schools and colleges so as to popularise the movement among the rising generation".

It is not without purpose that parts (a) and (b) were put together in the agenda. The purpose was that the principle we sought to establish by part (a) should be applied to part (b). When we tried to start a society in the Wesley College for the college as well as the high school department, we found we were not able to get sufficient number of major boys—even in the college department itself to start a co-operative society for them. When, therefore, we wanted to take in boys as associates to sell books to them, the Registrar said he would not register the society because there were associates who were non-members and therefore, if we sold books to them, then our society would cease to be co-operative. This was a question which arose not only with regard to students' societies but with regard to other societies also and such an authority as Dr. Slater has pointed out that in order to promote the cause of distributive co-operation non-members should be induced to purchase from co-operative societies. The object was to get the non-members to learn the benefits of purchase from a co-operative society and thereby to enrol themselves as members later. It is all well to say, 'here is a co-operative society; if you want the benefits of it, become a member.' But how are we to bring home to him the benefits of such a co-operative society if the public fight shy of any new organisation that is started. It is just like asking a man to enjoy the pleasures of a swimming bath by getting into water. I therefore think that it is necessary to bring home to them the benefits of good articles in a co-operative society. So in the case of boys' societies non-members who cannot legally

become members should have the benefit of the society. Hence we put the two together so that the principles enunciated in clause (a) may be applied to clause (b). On principle I accept the Resolution.

With regard to the question of registration, the spirit of co-operation will not come home to the students unless you tell them that they are members, that they have taken shares in the society, and are therefore entitled to get bonus off their purchases. Otherwise they will not take to it with enthusiasm. There is a good deal of enthusiasm amongst boys. There is no harm in allowing non-members as associates to purchase. The question of limited or unlimited liability will have to be considered. Under these conditions, I would ask you to consider if it is not necessary to ask Registrar to move and get the Act changed so as to allow boy associates whether majors or minors to become members. I support this Resolution because I consider half a loaf is better than no bread. The boys must in any way be taught to see the benefits of co-operation.

PRESIDENT.

I suggest that by adding a proviso at the end of the Resolution viz, "and that they be authorized to sell to non-members who shall be entitled to participate in the profits", the object of Mr. Parthasarathi Ayyangar will be gained.

This was accepted by the mover who said that the boys should be trained in the art of co-operation theoretically and practically early in their life.

Mr. T. K. Hanumantha Rao then supported the resolution. He explained at length how Kumbakonam College Society was formed and working very successfully and how students there were enthusiastic on their themselves working the society.

The Resolution as amended was put to the meeting and carried.

#### XI. CO-OPERATIVE WHOLESALE SOCIETY.

Mr. T. K. Hanumantha Rao moved the following Resolution:—

"This Conference requests the Registrar to take steps for forming a Co-operative Wholesale and Commission Agency at Madras."

He said: The object of the stores movement is to create capital and to teach thrift to people who are unthrifty. In store societies, it is a fact that the more you spend the more you save and the question of what should be done with the surplus capital of the English Co-operative Wholesale Society is engaging the attention many in England. Further the opening of a wholesale gives employment to so many people. A wholesale society should be formed for dealing with various number of distributive societies and then we could think of production of articles by opening oil, rice mills etc. In Canada and Ceylon, British Co-operative Wholesales own their plantations. It is high time that India should form such societies.

Mr. S. Lakshmana Ayyar in seconding the resolution said: As one connected with an important store in this Presidency, I beg to second this proposition.

I do not think there can be any two opinions as to the opening of a wholesale society which could supply all the other societies. Since the advent of Mr. Hemingway as our Registrar, he has encouraged the formation of more and more distributive societies. At present there is no wholesale society at all. There are only primary societies and stores in urban areas what we now want is articles of first quality. Distributive societies at every place of production should be formed and the articles produced by such societies should be supplied to other societies through the agency of co-operative wholesale society at Madras. Last year's conference recommended that a wholesale department should be attached to the foremost distributive society in the Presidency, the Triplicane Urban Society, which maintains more than 15 branches in the city and supplies articles. Agreeably to the resolution, I understand they also altered their by-laws and a copy of the by-laws was sent to the Madura society with the recommendation that the society should at once write to the secretary of the Triplicane stores to apply for shares. The Madura society wrote back in reply but was again written to by the Triplicane society to the effect that the matter was still under their consideration. One possible difficulty they might possibly advance is that if a large quantity of stock should be purchased by them and if the primary societies did not receive them, there might be a dead lock in the wholesale society then. What I suggest is that the Triplicane society in Madras should register orders previously of the quantities that are required by each society in the mofussil and then they might execute those orders, obtain the stock and supply the articles. They know what the cost would be and they would bear the cost. There would be no loss. In this way the society could gain experience and might execute far larger orders. I also suggest that wholesale societies should also be established in every centre of production as for instance at Tirur where chillies could be cheaply obtained. Instead of depending on private merchants, you can rely upon a wholesale society there in which case first rate articles could be assured and honesty in dealing would result. There should thus be a complete co-operative agency between the producers and the consumers.

Mr. Ramanathan supported the Resolution in Tamil and Adimulam of the Co-operative Leather Goods Factory in Telugu.

Mr. V. S. Ramaswami Sastri.

Gentlemen: I wish to remove a misapprehension which seems to be in the minds of some regarding the Triplicane Urban Co-operative Society. They seem to fear that if articles were sent down by the Triplicane society to the mofussil societies, they might not take them in some case and thus put the head quarter society to loss. This will not I think be the case. The fact is that the Directors have passed certain by-laws and according to our constitution those by-laws have to be put before our General body and this procedure

is being followed at present. We have called an extraordinary general meeting and we hope to get the rules passed at an early date.

Another point mentioned by the last speaker is the creation of wholesale societies at different centres of production in the presidency. Our idea is that a wholesale society should be started in Madras which should start branches in different places so that it could arrange to send them articles direct from here or from the producing places. Otherwise I do not think the scheme can work. Another point I have to mention is that this subject of the formation of a wholesale society formed the discussion at a conference of representatives of societies convened by the Registrar some time ago. I was there as a representative of the Triplicane society and it was decided at that conference that the suggestion to open a wholesale society at Madras was premature and therefore should be dropped for the present as the existing store societies were not many in number. The prevailing opinion of the delegates assembled at that conference was that the Triplicane society should open a wholesale branch so that it might be doing for the time being the functions required by the wholesale society contemplated to be formed. I would therefore, ask you to consider whether, while yet the Triplicane society has not formed a branch of the wholesale society and before that experiment is being tried and placed before us, it is necessary to have a resolution of this kind.

A suggestion was made to omit the word 'Registrar' and substitute instead "existing co-operative stores" which was accepted by the mover.

The resolution with this amendment was put and carried.

XII.—Mr. K. Raja Rao moved the following Resolution.—

"This Conference recommends that a committee consisting of Messrs T. K. Hanumantha Rao, C. N. Krishnaswami Ayyar, M. K. Rajagopalachari, K. Raja Rao and K. Parthasarathi Ayyangar be appointed to investigate the feasibility of organising a Co-operative Life Insurance Society or societies in this Presidency."

He said: In Bombay there is the Oriental Life Insurance Company and that Empire of India Life Insurance Company and in Calcutta there is the National Insurance Co., but in Madras The United India Life Insurance Company is the only one recently started. These Companies are doing speculative business, but I wish to see that a Life Insurance Society is started and run co-operatively on a scientific basis. The question is whether we can safely launch into a scheme of this kind. I would say that there is no use of being afraid of water without getting into it. It seems to me that there is no harm in making a venture of this kind. As for the details of how such an Insurance Company can be started, I would kindly refer you to my article in the Madras Bulletin written a short time ago.

Mr. Srinivasa Ayyangar seconded the Resolution and said that the resolution did not bind them as the resolution was simply to appoint a committee for

the purpose to look into the feasibility or otherwise of the proposal. At the Conference they will have details for coming to a definite decision.

The resolution was carried.

#### XIII.—EXEMPTION FROM STAMP DUTY.

Mr. C. N. Krishnaswamy Ayyar moved

"This Conference regrets very much that the Government of India have modified their notification in respect of exemptions from stamp duty and insist on the use of stamps by members as well as non-members in regard to current accounts and requests the Department to address the Government on the subject and to restore concession granted to us till now".

He said that the Madras Central Urban Bank was not hitherto charging their members any stamp for dealing in their current accounts but they asked for such stamps in the case of non-members. The notification recently issued insists on stamps being used by both the members and the non-members. He felt that it was a hardship on them and did not see any reason for a change in their present system.

Mr. Venkatanatha Ayyangar seconded. He said that current accounts in banks was of much use for their members in their every-day transactions. If for every transaction a stamp had to be affixed, it would amount to a good deal of unnecessary expenditure.

The Resolution was carried.

#### XIV.—DEVELOPMENT OF INDUSTRIAL CO-OPERATIVE SOCIETIES.

Mr. M. S. Seshachalam Ayyar moved the following resolution :—

"This Conference welcomes the recommendations of the Industrial Commission and resolves to take steps to educate the people to the necessity of being prepared on co-operative lines to take advantage of the probable assistance of Government in developing industry and commerce in this Presidency."

He said that the industries of India were being gradually developed and the assistance of the Government as a result of the Industrial commission was a happy indication to it. As such it was their duty to see that the middlemen were eliminated by educating the people to such a level as to take advantage of the assistance of the Government by forming industrial co-operative societies for the purpose.

Mr. L. Ramaswami Ayyar seconded and Mr. Srinivasa Ayyangar supported the resolution which was put to the meeting and carried.

The following four Resolutions were put from the Chair and declared carried.

#### XV.—RESERVE FUND.

"This Conference strongly urges the Registrar to address the Government and get rule 9 (b) altered so as to allow all limited liability

societies freedom to spend the net profits after the statutory obligations are met—i.e., after the necessary allocations are made in respect of Reserve Fund, dividend, honoraria and the like as per by-laws—each in its own interest as its General Body may from time to time decide, so long as the Act or the rules are not violated; provided the Registrar has veto in the last resort."

#### XVI.—OPENING OF DISPENSARIES IN STORE SOCIETIES.

"This Conference resolves that in the case of urban areas it be a recommendation to stores where they exist that they attach dispensaries where medical help will be available to members and medicines sold to them; and that, in the case of rural areas, the best managed Unions (local) do try to attach dispensaries similarly and meet the cost from the common good fund of affiliated societies and special subscriptions in case of need."

#### XVII.—AMENDMENT OF INDIAN TRUSTS ACT.

"This Conference is of opinion that central banks established under the Co-operative Act are from every point of view suitable for the investment of Trust funds and requests the Registrar to move through proper channel the High Court of Judicature at Madras to frame rules under Section 20 Clause (f) of India Act 11 of 1882 to permit such investments as the security offered is based on the *unlimited* liability of rural societies and as the rule proposed will attract and bring into use new capital now lying unproductive."

#### XVIII.—REMITTANCE OF AMOUNTS INCLUDING FRACTIONS OF ANNA.

"This Conference recommends that as in the case of Revenue money orders, co-operative societies may be permitted to remit amounts including fractions of annas."

#### CHAIRMAN'S CONCLUDING REMARKS.

Gentlemen : Now our labours have come to a close. I thank you personally for the great consideration and patience you have shown me and for carrying out the orders that I issued now and then.

I said in my opening remarks that I am only a "free lance" and that it might be that before these two days were over, I should sober down. I have been a little optimistic in asking you to run forward when we can only walk first, then trot and then only gallop.

No doubt there has been a forward movement in regard to co-operation in this presidency. The great interest shown by the several speakers testify to

the fact that the movement is likely to flourish in this presidency more than in any other.

The very intelligent interest taken in the proceedings of this Conference by persons without any English education shows that it is unnecessary to insist upon English education in the middle classes. If such a technical subject as co-operation which is not easy to comprehend can be so remarkably dealt with and discussed by persons who have no pretence to English education, it shows that if our education in the lower classes and middle classes of schools is imparted in the vernacular, great progress can be made. However this is a matter beside the point. But I express my great gratification at having seen such keen interest taken upon a subject which is not certainly an easy one to understand. This shows that you are moving in the right direction. I have certainly become wiser in these two days which is due entirely to the very intelligent speeches that I have listened.

I thank you once again very heartily for asking me to preside over your deliberations.

#### VOTE OF THANKS.

Mr. C. N. Krishnaswamy Ayyar then said in Tamil: I have been asked by the Reception Committee to request the delegates to excuse them for all short comings in their accommodation and dinner and other arrangements.

Regarding Mr. Seshagiri Ayyar, I need not say anything to my Madras friends; I am not going to extol his qualities but I wish to tell our members something of him not as a High Court Judge but of his interest in other spheres of work. In India the question which looms large is the question of the elevation of the depressed classes—the untouchables. To what Mr. Seshagiri Ayyar has done towards this cause as the President of the Social Service League, we should all feel grateful to him. He has by his personal example shown what everyone should do. It is our good fortune that we have been able to get him to preside over our deliberations.

With a hearty vote of thanks to the President of the Conference, the delegates and guests as well as to the authorities of the college and to the Boy Scouts, the Conference came to a close at 6-30 p. m., amidst loud cheers.

#### CO-OPERATION ABROAD.

##### ITALIAN CO-OPERATION.

The foundation of the Co-operative Movement in the district of Bologna, Italy, is rural banking. Not only do these advance money to their members, but they undertake collective purchase. They buy agricultural machinery, threshing sets, sowers, harrows, etc., for the use of hay, silk-worm's eggs. Others build co-operative granaries for the use of their members and advance part of the price of the wheat to those who require immediate payment. Other banks

promote co-operative farming, advancing to the members a portion of the rent and the necessary stock. Groups of agricultural members obtain land on lease and work it together. The bank advancing the money to such groups reserves to it all the right of judging the technical competence of a worker, and has the right to supersede him if he seems incompetent. Another bank advanced money for the housing of fifteen families. We have drawn attention several times before to the systematic way in which Italian co-operators act, trying to bring about a democratic control over industry and agriculture, how they build canals, bridges, railways, reclaim waste lands, own aeroplane factories, shipyards, and through their unions undertake house building, control the glass bottle trade, and because they aim at technical competence are regarded as credit-worthy by the banks, which advance large sums to them to enable them to undertake contracts. An understanding of co-operative principles with possibilities of development is part of the education of Italian rural and urban workers. The enthusiasm which in Ireland runs in other directions is turned in Italy to direct economic action. One of the things most needed in Ireland is co-operative education. Even the members of existing societies, even the committees have very little general knowledge of what co-operation could effect in Ireland. Men are interested in the work of their local societies, but co-operation has not yet for them, as it has in other countries, become a national policy so that organisations play into each others hands, all aim at the creation of a co-operative civilisation:—*The Irish Homestead*.

#### THE LIBERATION OF HUMAN ENERGY.

We have done a great deal of thinking about our movement since those early days, and we have finally evolved for rural Ireland the distinctive Irish type of society, the type which suits our character and which appears to offer the greatest possibilities of development. In Europe generally societies have been specialised for this purpose or that, for credit, purchase, dairying, for sale, for production of some particular article or for consumption. In rural Ireland we have evolved the general Purposes Society. We began, as in other countries, with agricultural societies, dairy societies, poultry societies, or credit societies. The activities of these specialised societies could not be restrained within such narrow limits. One they were successful in the conduct of a society for a special purpose the members and committees wanted to undertake other activities they felt that there was little in their buzzing manufacture or marketing which could not be better done by the society than by the individual, and the result of this confidence was the General Purpose Society. What are the advantages of this type of society? It is infinitely flexible. It can undertake any kind of work its members wish it to undertake. It can start a creamery, make cheese or butter, cure bacon, mill grain, sell poultry or eggs,

hold machinery, provide domestic requirements or agricultural requirements, build a village hall, provide rural libraries, start industries; in fact, it becomes the focus of all economic and social activities. It is under the members' control. It is readily malleable to their will, and how much that means to progress, what a free outlet for energy it provides, anybody can appreciate who reflects twenty-five years ago practically none of the machinery of progress was flexible to the will of the rural community. The store at which he bought his requirements was not under private control. The merchants who bought his butter, eggs, poultry, cattle, pigs, potatoes, etc., all presented to him the rigidity of self-interest. He was unable to affect their activities, and he was surrounded by rings of such men so that he was in an economic stranglehold. Progress was impossible under such conditions. With the advent of the general purposes societies a whole suppressed spring of economic energy has been uncoiled in Ireland, and as men are beginning to understand that in this machinery they have under their control in their own district the means for illimitable and unrestricted progress, we expect that within the next seven years the economic development will be greater by far than it was in the last quarter of a century.

That these agencies liberate energies heretofore imprisoned, that they have made men the free moulders of their own activities, does not seem to be sufficiently appreciated, nor the opportunities the general purposes society offers for public-spirited men for leadership in their community. Twenty-five years ago a man in Ireland must serve his own interests in business, or his country's business in politics. There was no other field where he could unite economic progress with public good. The co-operative movement has created a new field of effort where men can benefit the community and themselves at the same time, where self-interest and public interest are united. The man of imagination and intellect in leadership of the co-operative community can build up the noblest social order. He can make of the unorganised rural community a little nation where human life can be intensively cultivated as it was in the little Greek States or the small mediaeval Republics. We hear people talk of Ireland as a nation or Ireland as two nations. Our ambition is to see twenty thousand nations in Ireland, each with their prime-minister or cabinet of committee men planning policies for the uplifting of the community they serve. That is an ideal which will do more for Ireland than any other without in the slightest degree superseding or interfering with any political ideal:—*The Irish Homestead*.

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Rao Bahadur A. Vedachalam Aiyer.

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## NOTES AND NEWS

As we go to the press we gather from the the Finance Member's memorandum that an additional sum of Rs. 2 lakhs **Don't kill the Goose.** has been provided in the Budget for the strengthening of the staff of the Department during 1920—21 and that within the next two years it is expected that 4,500 new societies will be started. We have now in all less than 4,000 societies as the result of fifteen years' labours and among these there are many indeed which have been too hastily organised and which are not working well. Within two years we shall more than double ourselves! And how? By official mandate. "There shall be 4,500 societies in the next two years" and lo! there will be. How about their management? We need not be anxious because the Department will manage them. The Department will find suitable Presidents, Secretaries, Panchayatdars and members, and the societies will be models of institutions where self-help and self-government are taught! But how about finance? After fifteen years we have been able to find some Rs. 160 lakhs for the movement from all sources. Some of the newly started district banks have not yet been able to stand on their own legs. How shall we get about Rs. 200 lakhs in the next two years? We suppose Government will create new money by issuing notes. It is clear we are riding for a fall and shall kill the goose which is laying golden eggs.

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The appointment of nine paid and no less than thirty-three **Paid and Honorary Assistant Registrars.** Honorary Assistant Registrars has been notified. All the nine paid Assistant Registrars are chosen from among Deputy Collectors, notwithstanding that public opinion has been unanimously against the practice. We are not surprised, though we are pained at it, that our earnest request not to multiply the paid Assistant Registrars has not been heeded. But we are surprised that Mr. Hemingway could not find in the Education or other Departments a single person fit to be included in the numerous class

of his assistants. Perhaps no prophet could be born outside the chosen nation. More paid Assistant Registrars are yet to be appointed and we suppose it will be done in the course of the year. But who has the hardihood to hope that a heathen will be included in the blessed circle?

We are among those that strongly supported the idea of appointing Honorary Assistant Registrars but now it seems we are to have too much of a good thing. Last year four appointments were made as an experimental measure, of whom one resigned within a short time. The experiment has apparently been successful, though the general co-operative public are aware of the work of only Mr. M. S. Seshachela Aiyar of Tiruvannamalai. Of the thirty-three appointments that are now made we find that the Madras section gets no less than fifteen, of which nine go to the Chingleput District and six to the City of Madras. Of these the most notable appointment is that of Mrs. Whitehead who has been doing exceedingly good work in the field of social service. Cuddalore and Vellore sections come next with eight and five appointments respectively. Calicut has three and Coimbatore only two and the other four sections, viz., the three Telugu sections and Madura, do not get any. We do not understand why one section should get fifteen and four sections none at all. Probably those for the latter will be published in another batch. But we surely expected that a post would be offered to Mr. M. Shiva Rao of Puttur and that he would accept it, as he was one of the first to moot the idea of Honorary Assistant Registrars and there is none more deserving than he. We should also have liked to see Mr. M. Ananta Rao's name in the list. Why there should be nobody from the Trichinopoly District and why only one appointment is made from Coimbatore is also unintelligible to us. We understand that the functions of these honorary officers will not be restricted to the settling of disputes under the Act and Rules. They will be entrusted with the fostering of particular kinds of societies. They will work in consultation with the paid Assistant Registrar of the section or district and discharge such functions as will be delegated to them. Most of the gentlemen now appointed are connected with supervising Unions. It is believed that the appointment will be made from year to year so that a person who has lost the confidence of his union may not be allowed to continue as honorary officer. This is a good convention and we should like to see it grow up. But if the appointments should carry any prestige with them they should not be made so cheap or plentiful.

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At the Non-Brahmin Confederation which met at Madras during the Christmas week three resolutions were passed affecting the co-operative movement which we quote below:

Fanaticism.

"In view of the fact that indebtedness and want of foresight in money matters are among the chief evils the cultivators are subject to, and that these can be avoided best by the formation and proper management of a Co-operative Society in each village, the Confederation urges on the Registrar of Co-operative Societies and the Government the necessity of increasing very largely the number of Societies opened every year.

As one of the impediments to the progress of co-operative work to a satisfactory extent is the fact that District Banks are mainly in the hands of Brahmins, who are not in real touch with the people and who care more for the interest of the share-holders than for those of the primary societies and who do not put forth sufficient endeavour for the advancement of co-operation in the districts, the Confederation is of opinion that all the co-operative agencies should be under the management and guidance of the people for whose benefit they are intended and their natural leaders and that the District Bank should take a large part in the formation and guidance of societies and in securing interest in co-operation in the districts. The Confederation also urges the necessity for appointing one or more Honorary Assistant Registrars in each district from among those who are in real touch with the people.

So as to secure to the ryot full benefits of his labour the co-operative unions should undertake the establishment of factories like those for making sugar and milling rice, and also undertake the purchase and distribution of manure and implements for the benefit of the members of the societies under their supervision."

The first of these resolutions is superfluous as the Government have accepted the policy recommended therein and in pursuance of it they have already appointed a large number of Inspectors and paid Honorary Assistant Registrars. We have expressed our grave misgivings regarding the results of thus artificially stimulating the formation of societies, in reviewing the Registrar's Annual Report for 1918-19. We do not therefore propose to repeat them here. The second resolution contains a string of fanatical statements. It mentions as a 'fact' that co-operative work is impeded on account of the District Banks being mainly in the hands of Brahmins who, according to the resolution, are not in touch with the people, do not care to spread the co-operative movement in the districts and place the interests of share-holders above those of societies. The Confederation therefore enunciates the principle that co-operative societies should be 'under the management and guidance of the people for whose benefit they are intended'. The Confederation should have remembered that a co-operative society is by its very definition intended for the benefit of its members and that its management is always chosen by the general body of members. If the members of District Banks have been electing their directors without consulting the feelings of the Federation, the fault is not in the constitution of those banks but in the members themselves. We do not deny the existence of

District Banks which care more for dividends than for the service of the primary societies. But that is not due to the caste or community of their directors. As a matter of fact the worst oppressors of the non-Brahmin agriculturist is the non-Brahmin money-lender or trader. As to the appointment of Honorary Assistant Registrars the Federation ought to feel fully satisfied with the recent appointments unless what it really wanted was not so much the appointment of non-Brahmins as the non-appointment of Brahmins.

We have often pleaded hard for keeping controversial politics of whatever kind from co-operative societies and held up the example of Irish co-operators. We may be permitted to recall here the earnest words of the Irish sage of co-operation, G. W. Russell, the Editor of the *Irish Homestead*. Deploring in a recent issue the attempt of some political extremists to cry down the I. A. O. S. as the organisation of this party or that, he says. "They (such political extremists) might create chasms between Co-operators which would take generations to bridge. A single shell may wreck a cathedral which it was the labour of centuries to perfect, and there are reckless persons so inflamed by political passion that nothing, no movement however beneficial, is safe from them while they are excited." The third resolution of the Federation is non-contentions and we hope it will be heeded not only by the Unions but by the members of primary societies. We hope the Federation will take steps to educate the latter with regard to this resolution.

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We offer our heartiest congratulations to the organisers of the South Kanara District Co-operative Conference which met at Mangalore on the 20th and 21st of December last, under the presidency of Rao Bahadur R. G. Naik of Belgaum, a summary of the proceedings of which is published elsewhere. A novel feature of the Conference was a *harikatha kulakshepam* on the co-operative movement by Mr. Venkata Rao, M. A., L. T., of the Government College, Mangalore, who brought together a large number of parallel passages from well-known works in different languages such as English, Sanskrit, Hindi, Marathi and Kannada, illustrating the several aspects and advantages of co-operation and its allied topics. Several interesting papers were contributed to the Conference. One of them was by the secretary of the Students Stationery Society of the Ganapathi secondary school on 'co-operation and student folk.' It is so well written that one can hardly believe it to be the production of a V Form student. Mr. M. Ananta Rao urged in an able paper the formation of an organisation society for the South Kanara District and it will be observed that his idea was embodied in the very first resolution of the Conference. Organisation work in the district has hitherto been done, excellently however, by individuals like Messrs. M. Shiva Rao and M. Ananta Rao and by the Department. We sincerely welcome the formation of a permanent non-official organisation and wish it every success. There cannot be too much of co-

operative propaganda or too many propagandist bodies in the country. The only limit to their formation is men and money. We fully agree with Mr. Ananta Rao that for different language areas there must be separate organisations. Rao Bahadur S.S. Talmaki advocated in a very short para the holding of co-operative conferences on a linguistic basis. Among other papers were one by Rai Saheb A. Sethurama Aiyar on non-credit work in credit societies and a Kanarese one by Mr. B. Ananda Rao on the representation of co-operative societies on Local Boards and Municipalities. The resolutions passed at the Conference indicate the wide field which the discussions covered and the amount of useful educative work that was done by it.

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In the *Bulletin* of December last we published the first instalment of a paper on 'Co-operation in the Tinnevely District.' It was written by a young gentleman of great promise whom, alas! the Gods were too jealous to keep in our midst. Mr. K. Ramachandran was an Honours graduate of our University and Research Student in Economics under Dr. Gilbert Slater, and made an economic survey of the Tinnevely District with special reference to the co-operative movement, the results of which were embodied in a monograph from which we are publishing the portion which concerns co-operation. We are obliged to Dr. Slater for having obtained for us the permission of the Syndicate. Mr. Ramachandran's monograph is valuable as an independent estimate of official and non-official co-operative effort. It is of melancholy interest to note that Mr. Ramachandran was the son of Mr. N. Krishnaswami Rao, Secretary of the Palamkottah Co-operative Bank and Stores. The sad news now reaches us that Mr. Krishnaswami Rao himself is no more. He never quite recovered from the shock of his son's death. We convey to the bereaved family the deep sympathy of co-operators all over the Presidency.

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To present the members, on the Jubilee of the society with an appropriate centre for educational, recreative, and social development, the Royal Arsenal Society, Woolwich, England, has purchased out of profit revenue the noble mansion of "Shornells" with its park-like pleasure-grounds and gardens. "Here are to be held week-end schools and summer schools; junior and senior classes; and technical classes and university extension lectures—in fact, an embryo College for the members and employees will here be founded. Part of the great house will be fitted up as a hostel; part probably as a convalescent home. Library, refreshment-rooms, billard-rooms, and every kind of provision for innocent recreation will here be provided. On the ample lawns will be Tennis Courts and bowling green. In the lovely grounds and shady woodlands, garden parties and picnics, flower-shows and open air concerts, can be arranged. The Women's Guilds and Men's Guilds will

here find a place for central re-unions. The educational department of the Arsenal Society now enjoys an annual revenue of about £ 4,000—perhaps the largest single item of the kind in our movement. So highly is educational and social work esteemed by the general Committee that this purchase of a splendid central home for new developments has been arranged so as not to burden or cripple the annual educational funds."

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An organisation named *Indian Indigo Co-operative Society* has been established in Calcutta by those concerned in the *Co-operation and Indigo Industry*. indigo industry of Behar and Bengal. The object of the Association is to promote by co-operative methods the distribution of indigo, further research work and generally to protect and advance the interests of the members as manufacturers and sellers of indigo. This Association has been recognised by the Bengal Chamber of Commerce and its business will be transacted by the staff of the chamber.

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Mr. B. Papiah Naidu President, Tiruppaniyur, R. C. S., suggests that for the better working of supervising unions they should each be divided into as many groups of two to five societies as there are members on the governing body of the union, and that a member should be elected to the governing body from each group. He says that at present the governing body members do not take a lively interest either in the union or the affiliated societies. They are too much under the influence of the President or the Secretary. They are generally chosen from societies which are at a convenient distance from the office of the union so that there is no equal distribution of seats. We think there is point in what Mr. Papiah Naidu says and hope that the division of the Union area into groups for the purpose of electing governing body members will commend itself to the Unions.

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Mr. N. L. Venkatanarasiah, Inspector of Co-operative Societies, Coonoor, has favoured us with a metrical contribution, the two last verses of which we give below. While we do not acclaim them as the product of a genius we refuse to be the Phillistines that would nip young aspiration in the bud. We are sincerely glad that in the prosaic ranks of Inspectors there is at least one who can think of something better than routine figures.

" All for each and each for all,  
How strong and nice the silken tie !  
Oh, make us all however small,  
To live and practice ideals high.

Come one ! come all !! with stead fast zeal  
To march with pride for weal or woe,  
The life of love in joy to seal  
With service sweet, steady and slow.

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The Women's Co-operative Guild, England, says the *woman's Outlook*, has to-day 800 branches and 33,000 members. It speaks to-day for the married working women of the country, and is a force that counts. The discussions in its annual Congress range over the whole field of co-operative and civic life, and of National and International affairs in their relation to the lives of married women. But the training in responsibility, in self-reliance, and in the power of expression, which makes of guilds women the valuable public servants that they are, is the patient voluntary work of the guild branches, year in year out, up and down the country. It is a rank and file movement, self-governing and democratic, and alive in every part.

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The Salem Municipal Employees' C. S. was registered on 1-6-18 with 8 members. Its membership rose to 57 at the end of the month and to 103 at the end of the last co-operative year. Share-capital went up to Rs. 1,063 at the end of the year from Rs. 131 at the beginning. The society has attracted a considerable amount of deposits. It was Rs. 6,000 last year. The society has a drawing account on the District Bank for Rs. 2,000. The number of loans issued during the year was 453 as against 26 at the beginning of the year. The value of the loans was Rs. 15,466, and Rs. 10,025 of the amount had been re-paid. The net profits for last year was Rs. 149, and Rs. 12 outfit, which formed the common good fund, was spent in the purchase of cloth for the Panchama boys of Municipal Elementary School.

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The deposits in the Coimbatore District Urban Bank rose from Rs. 4,98,383 to Rs. 6,62,818, and loans to primary societies increased to Rs. 5,23,512 from Rs. 4,53,198. The Bank maintained the record established in the previous year in respect of demand, collection and balance. It is creditable of the bank that it was able to collect the whole of interest that fell due during the year, and also the whole of the principal with the exception of Rs. 400 due from a bad society in Nilgris. During the year a net profit of Rs. 12,908 was earned, as against Rs. 13,083 of the previous year. The difference was due to the shrinkage in the transaction with rural societies. A dividend of 9 per cent. was declared. The bank is to be converted into Banking Union according to the Federation Scheme.

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During its fourteenth year (1918—19) the Triplicane Urban Co-operative Society purchased goods to the value of Rs. 5,02,867 as against Rs. 4,33,513 of the previous year and the sales were Rs. 5,36,864 as against Rs. 4,73,775 of the previous year. The gross profit earned on the transaction was Rs. 43,743 as against Rs. 37,831 of the year preceding. The net profit was Rs. 23,259 of which the stores branch contributed Rs. 22,012. With last year's contribution the Reserve Fund would be Rs. 51,755. The Reserve Fund is partly

invested in the M. C. U. B., and partly in house property which was insured for Rs. 20,000. According to the existing rules, the Assistant Registrar remarks, investment of Reserve Fund in house property is illegal.

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There was an extraordinary increase during the last year in the deposits in the Nellore District Banking Union. From Rs. 11,985 at the beginning of the year it rose to Rs. 76,931 at the close of the year. The Nellore Municipality deposited Rs. 3,583, the toll-gate contractors' money, in the Banking Union. The District Board also is expected to do likewise. The net profits of last year was Rs. 1,281. There were 68 society-members and 33 individuals as against 38 and 31 of the previous. It is evident from amount of its deposits and the demands on it, and the good progress made within two years of its starting that the Banking Union is growing in popularity.

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Sir Thomas Allen, Mr. Killen, M. P., and other directors of the English and Scottish wholesales, who are visiting India, have just inspected the tea estates they acquired last October in Wynaad from the British and Continental Tea Plantation Trust and the new Manantoddy Tea Company. They propose acquiring further properties in Wynaad as well as in Assam. The tea produced on their estates is required for being exported to the United Kingdom. A large hospital is being constructed in order to provide adequate medical relief for the labour employed by the Societies on Wynaad estates, and other arrangements are contemplated in the interest of the labourers. The directors, it is said, are not at all in favour of the Planter's Labour Act, especially of imprisonment as a punishment for infringement of labour contracts.

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The pupils of the Board High School, Tirukoilur have recently started a book and stationery depot on co-operative lines and named it as Pupils Trade Union. It is working under the guidance of the Head Master M.R.Ry. N. Venkatarama Aiyar assisted by M.R.Ry. S. Srirangachariar a senior assistant of the school. The value of each share is Re. 1 and there are already over 60 share-holders. It is also under contemplation to attach a savings bank to the Union.

## THE REGISTRAR'S REPORT FOR 1918-19.

### SUMMARY OF PROGRESS.

During the year 1918-19 the Co-operative Movement made unprecedented progress in Madras Presidency. The number of societies of all classes increased from 2,718 to 3,676, an increase of 35.2 per cent. The number of Central Banks rose from 20 to 26 that of Supervising Unions from 73 to 102, Non-agricultural Societies from 332 to 465 and Agricultural Societies from 2,292 to 3,082. There was a remarkable increase in the societies for backward classes. These composed exclusively of Panchamas rose from 43 to 118, Fishermen Societies from 26 to 45, and Badaga Societies from 27 to 44. A special officer was also appointed to organise societies in the Agency tract. The total number of members in all Societies at the end of the year was 2.44 lakhs being 5.9 per cent of the population according to the last census, representing an increase of 28 per cent. over the previous year. The total working capital share-capital and reserve fund rose from 234.92 lakhs, 26.13 lakhs and 11.88 lakhs in 1917-18 to 305.79 lakhs, 34.69 lakhs and 14.65 lakhs respectively in 1918-19. Local deposits in non-agricultural societies increased from 20.22 lakhs to 26.79 lakhs and in agricultural societies from 9.00 lakhs to 10.76 lakhs.

### CO-OPERATIVE TRADE.

But it is in the (direction of co-operative trade that the greatest advance was made. At the end of June 1917 there were only 27 purchase and sale societies but Mr. Hemingway raised them to 49 and 112 in the two succeeding years. Of these 112, sixty were stores in Urban areas, 31 purchase and sale societies of agriculturalists and 21 were trading unions. Special mention must be made of the South Kanara Garden Planters Society which has been organized and is guided by Mr. Siva Rao of Puttur. It is a society covering in area rather larger than a Talug, and embracing as its members the growers of areca and other garden produce. Its main business is the joint sale of these products through the societies' agent in Mangalore. It did a trade of Rs. 3,84,800 getting into direct touch with the brokers of the Bombay Merchants who reside at Mangalore and it is estimated that they secured prices exceeding by Rs. 19,600 the price they would have obtained through the ordinary channel. A good deal of non-credit work was done by credit societies. Some 200 of them, it is estimated, carried on trade of over 3 lakhs and saved for their members a sum of nearly 60,000 rupees in the transactions. Some credit societies also attempted the joint sale of their members' agricultural produce. The sales amounted to over Rs. 50,000.

In fact, it may be said that the chief characteristic of Mr. Hemingway's Registrarship is the stimulus he has given to co-operative trade. Not long ago the failure of some stores had made the public quite shy of the store movement, and it is no small credit to Mr. Hemingway to have been able to start so many stores.

### PROVINCIAL AND DISTRICT BANKS.

Though the Provincial Bank discharged its duties as a bank with as much efficiency as in other years, it is a matter for regret that only one society became a member of the bank during the year under report, raising the number of society-members from 74 to 75. Out of 4 lakhs of share capital floated for societies the total paid-up at the end of the year was Rs. 32,860. District banks were started during the year at Ellore, Bezwada, Cuddapah, Kurnool, Anantapur and Chittoor. A proposal is under consideration to form a Central Bank at Srivilliputtur for Ramnad district which is now served by the Madura Bank.

Attempts at starting one at Beilary did not fructify. Trichnopoly is mentioned as the only district bank which has refused to admit societies as shareholders. The capital owned by all the financing banks as share-capital and reserve fund amounted to 14.36 lakhs, which formed about 17 per cent. of the deposits which these banks obtained from outside the movement. These rose from 66.40 lakhs to 84 lakhs.

#### AGRICULTURAL SOCIETIES.

There were 3,048 agricultural credit societies of which all but 8 were of unlimited liability. These had 127,253 members who lived by agriculture, and 4,111 field labourers, the rest being cultivating and non-cultivating land-holders. The Registrar rightly points out that the proportion of the former should have been very much greater in societies which are intended for the benefit of poor but honest men. On account of the unlimited liability there is a general unwillingness to admit as members men with little or no tangible property. The Registrar is persuading the landholding members to admit the landless class, but if they do not yield he is prepared to organise separate societies for them. Of these 3048 societies, 1661 worked at a profit, and 1,320 worked at a loss, the rest presumably being dormant. The net profit at which they worked was only Rs. 14,901. In 1915 the practice was adopted of excluding from the profit account interest that had accrued but has not been collected. The departure was made in order to bring home to the societies the necessity of collecting arrears with vigour and energy. Though the net profits of all societies taken together fell from 1.42 lakhs in 1914-15 to .43 lakhs in 1915-16, it was hoped that the arrears would soon be collected and the former figure restored in subsequent years. That hope, however, has not been realised for though the number of societies has doubled itself within the last three years the net profit has actually decreased to less than half of what it was in 1915-16. Last year with some 700 Societies less in this class the net profit amounted to more than .46 lakhs. The Registrar explains that this condition of things is largely to be accounted for by the 'State of the Season' and the other unfavourable conditions of last year. The contingent expenditure too, he thinks is possibly extravagant in some societies. We are unable to agree with Mr. Hemingway in throwing the blame so much upon seasonal conditions. The arrears have been accumulating at a steady rate year after year. No doubt the dues may be recovered almost entirely by coercive processes. But ordinary methods have failed because either the members or the panchayets are not persons of the right type. In every district there are societies which have worked at a profit. Seasonal conditions would not have effected two neighbouring societies in different ways. Societies in Urban areas and in districts which suffered particularly from scarcity of good grains have not worked particularly at a loss. The defect therefore is in management rather than in anything else.

#### DEMAND, COLLECTION AND BALANCE.

The efficiency of societies is best judged by the percentage of balance which remains uncollected out of amounts due from members to primary societies, and from primary societies to financing banks. During the last five years from 18.6 to 14.8 per cent of the principal, from 54.6 to 50.4 per cent of the arrears of interest and 33.3 to 23.4 per cent of interest accrued during each year, and due from members to primary societies have remained uncollected. No doubt there has been some gradual improvement in the collection of principal and of current interest, in these five years but the minimum balance that has remained uncollected year after year, and particularly out of arrears of interest, is an indication that the efficiency of society is not up to the

mark. During the same period the societies have kept unpaid balances of from 23.5 to 12.17 per cent. of the principal due from them to financing societies, and in the last two years more than 13.7 per cent. of arrear interest has remained unpaid. This slackness is due to the presence of a large number of bad societies all over the presidency. It was hoped that local unions which have now begun started in sufficient numbers to serve 90 per cent. of the agricultural societies would set right these weak societies. But in almost every district the societies of some unions show a higher percentage of uncollected dues than non-union societies.

#### LOCAL UNIONS.

Good and bad societies are found both among union and non-union societies. We would, therefore, wait for better results before joining Mr. Hemingway in congratulating the unions on the level of success achieved by them during last year. We regret to observe that the societies included in the Erode Christian Union have gone from bad to worse during the year under report in spite of the union. The societies of Usilampati are worse than any in the Presidency and it is reported of them that for several years many of them have not paid anything either by way of principal or interest. They are societies of Kallars started seven or eight years ago by Row Bahadur A. Vedachela Aiyar, the present officiating Registrar, when he was Divisional officer of that area. As successive Assistant Registrars have failed to bring them to a tolerable level of efficiency, we should suggest that Mr. Vedachela Aiyar himself should accept the responsibility of improving them. With his enhanced prestige and those unequalled influence on the members of those societies, we feel sure he will be able to set them right even in the course of a single visit to them. The societies of Manamadurai, Sankaranayanar Koil, Kaikalur and Rayachuti Unions are also in a very bad state. The non-union societies of Guntur, and Nellore have considerably deteriorated during the year under report.

#### HASTY EXPANSION AND DEFECTIVE ORGANISATION.

The root cause of all this inefficiency appears to us to be faulty organisation. There is a vague belief in the country that as co-operative societies are desirable institutions every village ought to have at least one of them. Impatience is expressed at the rate of increase not being sufficient to achieve this end in a few years. Even the government in reviewing the present report has given vent to the same feeling of impatience. Education sanitation, co-operation—are supposed to be good things of which there can be never too much. But there is an essential difference between co-operative societies and other institutions. Compulsion has a place in education and sanitation, but it has none in co-operation. The essence of a co-operative society is that it should be self-governing. It does not matter who manages a school, whether it is the Government, the municipality, a committee or an individual. But a co-operative society must be managed by its own members. Knowledge may be supplied to the ignorant but capacity and enthusiasm cannot be imposed on an indifferent lot. There being a superstitious demand by the public and the Government for more societies and more, and the efficiency of an inspector or an Assistant Registrar being judged by the number of societies brought into existence by him, there is always a tendency to sacrifice quality for number.

An application for a society has only to be made, and lo! it is started. Out of about 1,000 applications that were received during the last year not more than 45 were rejected, and all the others were complied with by registration of societies. In early days well-read and responsible men were entrusted

with the duty of organising societies, but now an average S. S. L. C. Candidate who has served for a month or two as the fifth or sixth clerk in the Assistant Registrar's office is thought competent enough to organise a co-operative society. Such are our Raiffeisens! The description of the organisation of new societies contained in the paper on "Co-operation in Tinnevely" by the late Mr. K. Ramachandran, University Research student, published in the *Bulletin* for December last on pages 220-221, is in our opinion fairly true of the latter day practice.

We cannot feel happy at the thought that this artificial stimulation of the Co-operative Movement is to be carried on with much greater vigour during the next few years. Nine more Deputy Collectors and a large number of Inspectors have been appointed with a mandate to multiply societies, and several more officers are yet to come. Thousands of societies will be brought into existence and the district banks will be asked to finance them. We do not know where they will find their Plutuses. The complaint is already made that the virtue of thrift has not been fostered by the existing societies, and it is certain that its chances will be less at the hands of the imitation societies of the near future. The efficiency of existing societies is low enough. That is to be lowered still further by the policy of artificial stimulation. May the superstitious regard for numbers give place to an appreciation of quality is our earnest prayer.

#### PERMISSION TO USE THE WORD "CO-OPERATIVE" BY UNREGISTERED SOCIETIES.

BY BAINDUR ANANDA RAO, PLEADER, MANGALORE.

In the South Kanara District Co-operative Conference held in December 1919, a resolution has been passed to the effect that Students' Stationery Societies should be helped by Government with free supervision, audit and advice; and that they should be permitted to use the word "Co-operative" in their names. It is also said on good authority that Mr. Hemingway, the Registrar of Co-operative Societies, has promised to move the Government to grant the above request.

It may be urged that some of these Students' Societies are truly "co-operative" in character, and that they are not capable of being registered under the Co-operative Societies Act for the only reason of their members being legally minors. But it should be remembered that for that very reason they are prohibited by legislation from calling themselves "Co-operative" Societies. None can help it and every one has to accept the inevitable. What cannot be cured must be endured. None can make the minors legally majors by lowering the age of majority so long as the Contract Act is unchanged. It is not therefore possible to register their societies or to call them Co-operative.

The age of majority is not merely fixed by the human legislators at 18, but it is also ordained by God. It is only at about 18 that the human mind attains the power of mature and steady thought; and the human legislators have only followed the Divine law in fixing that very age to be the age of majority.

There is nothing in a name. It cannot be believed that Students' stationery societies will work more efficiently if they are dubbed "Co-operative" or that good management will depend on the mere use of that charming word. I for one, do not think that it would in the least tend to improve their internal working in any way by the addition of the word "Co-operative" in their names. So far as my knowledge extends, if deposits have flowed in any Society with

any degree of readiness, it has been due not merely to the consciousness of the existence of the Department behind but to the confidence inspired by the interest exhibited by a few good men and true in the working of the Society; if punctuality has been observed in repayment, it has been due not merely to the knowledge that there is an Inspector who will come and audit the accounts, but also to the influence which the executive officers of the society locally command; if overdue loans are not allowed to remain long in arrears, it has also been due not merely to the recognition of a couple of official eyes behind the organisations, but also to the watchfulness of several couples of eyes far more powerful and rendered keen by mutual interest, circumspect by personal experience and almost Omniscient by self-respect. Even the supervision of these students' societies should therefore on principles, be in the hands of the students themselves. Any sort of keeping them in leading strings may prove harmful by making them accustomed to perpetual spoon-feeding, and their organising and administrative capacity will be atrophied from disuse. I do not therefore commend the idea that Government should be asked to help the students' Societies with supervision and audit. Supervision should be in the hands of the societies themselves. All the students' societies in the District should organise a Supervising union of their own and should carry on the work of supervision by means of a staff maintained by the Union.

● However, Government control and super-audit may have a moral force on the students; and there is no harm therefore in requesting the Government to be a sort of guardian angel and a guiding spirit. It may be right on the part of the Government also to encourage such societies by helping them with free supervision super-audit and advice through its Inspecting Officers. An occasional visit by the Registrar and the Assistant Registrar may give encouragement and impetus to the boys and may also instil hope and enthusiasm in them.

So far, none can see any objection. But when it comes to the question of allowing the unregistered societies to use the word "co-operative" in their names, we have to think about it seriously. The legislators were not ignorant but were fully conscious of the serious consequences that may follow by allowing such societies to use the word. They did foresee the bitter consequences, and hence imposed the prohibition on the unregistered societies.

I can quite appreciate the well-considered reasons that made the legislators to prohibit societies from calling themselves "Co-operative" so long as they are not registered under the Act, though some of them may be truly co-operative in character and working. It may be urged by some that it is not the fault of the students that their societies are incapable of being brought under the Co-operative Societies' Act. Who is to blame for it? Not, surely, the Government. The Government are perfectly right, and cannot go beyond the legislation.

I do not mind if the legislation itself is changed so that such societies may be registered under the Co-operative Societies Act, and then to call them "co-operative" societies. But so long as the legislation does not allow their being registered, any sort of relaxation of the rule of prohibition would end in disastrous results, as it will by all means create confusion and mislead the public, and will ultimately be regarded as nothing but a great hoax. The only temporary advantage to the unregistered students' societies of allowing them to call themselves "co-operative" may be, perhaps, the attraction of more "deposits" from the ignorant folk by, so to say, a hoax, i.e., by creating a false belief among the people that they are genuine registered co-operative societies. People who might deposit in them would have thought twice before deposit-

ing the lowest coin in them if they only knew that the society in which they have by mis-apprehension deposited their hard-earned money was unregistered though styled under the grand appellation of a "co-operative" society. And the very moment they find out the deception, if I may call it so, they will begin to growl and will pass many a sleepless night through anxiety until they receive their amount back.

In my humble opinion such a make-believe hoax, however unintentional it may be, may go on with its work of deception for a time, but will ultimately prove to be disastrous to the Co-operative movement itself. Sometime back an unregistered Bank in the Punjab, started and styled as "co-operative" Bank before the new Act of 1912 came into force, lived a short existence and ran into liquidation suddenly. This created so much panic and consternation among the people that they raised a hue and cry against all registered co-operative institutions; and there was a sudden run against all registered Co-operative Banks which would surely have caused a collapse, but for the timely explanation published in the papers that the said Bank though called "co-operative" was not registered under the Act. This pacified the depositors, a possible calamity was averted and the rising fire fortunately ended in a puff of smoke.

The word "co-operative" has now, so to say, a sort of sanctified meaning and the registered co-operative societies have a sort of sanctified atmosphere and aura round them. People have begun to feel this and thus have perfect confidence in them and deposit their savings in these societies. If registered societies as well as unregistered ones also are called "co-operative" without discrimination, as in the case of the Punjab Bank above referred to, people will not be able to distinguish them from each other, and any mismanagement liquidation etc., of the unregistered societies would reflect on the registered ones also and would cause a sudden rush, as said above, at the portals of the registered societies—including Central Banks—and it would be impossible to meet the demand. It is very easy to conceive how disastrous all this would be on the co-operative movement itself.

On the above grounds, among others, I venture to suggest that the Government will not be well-advised if they relax the rule of prohibition. They may help the unregistered Students' Societies to any extent with free supervision, super-audit and advice; but permitting them to use of the word "co-operative" in their names is sure to produce disastrous results.

### CO-OPERATION IN TINNEVELLY DISTRICT.

BY THE LATE MR. K. RAMACHANDRAN, B. A. (HON.)

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#### II

*Period of the Loans* :—Until a year ago, when the bye-laws of most of the societies were revised in the light of the experience gained during the previous years all the loans were granted nominally for a period of one year. But in reality it was understood that if at the end of the year one-fifth of the loan and the interest were paid, the loan would be extended for another year at the end of which another one-fifth would fall due. If, however, the one-fifth was not paid, the whole loan became overdue at the end of the year and had to be repaid with penal interest. This gave a period of five years for the repayment of all loans and our ryots with characteristic unwisdom prolonged them to the maximum time limit. The procedure was bad in another respect *viz.*, that there was a difference between the actual understanding and the terms of the

bond. It was therefore, thought that the actual period allowed for the loan should be noted in the bond itself and the managing committee was required to consider carefully the purpose of the loan and the repaying capacity of the borrower in fixing the period of the loan, the maximum allowed being 10 years. Instructions were issued to call the Committee to consider carefully the purpose of the loan and the repaying capacity of the borrower in fixing the period of the loan, the maximum allowed being 10 years. Instructions were issued to all the committees to distinguish between short-term and long-term loans, the former including loans for cultivation expenses repairs of cattle-shed, purchase of seed etc., and the latter such as were for the discharge of prior debts, purchase of land, house-building etc.,

The distinction is a real one and based on good principles. The former includes all items of floating capital and could be returned out of the income of the year. The latter was in the nature of fixed capital and could be returned gradually. But in order that this distinction may usefully be carried out the persons who take the loans should be able to utilise the incomes for the discharge of the loan. But in most cases the incomes go to satisfy the claims of the money-lender.

The statement of the period of the loans given at the end, will show that more than 90 % of the loans have been granted for a term of within one year. This is due to the fact that in many cases the societies themselves are granted only short term loans, in many cases extending to only one year. Almost all the societies clamour for loans of a longer term. But the difficult problem is the supply of capital to these societies to be locked up for long periods.

*Forms of Security* :—One of the questions discussed very much is whether mortgage loans are allowable in co-operative societies. Co-operation is said to be based on the mutual responsibility of members and the profitable employment of the money borrowed. In all the agricultural credit societies the whole property of the members is ultimately liable for the needs of the society. Hence co-operation is sometimes defined as the capitalisation of honesty. From this it may be inferred that mortgage loans do not form any part of co-operative credit.

It is indeed necessary that personal security should be insisted upon very much if co-operation is to fulfil its ultimate purpose. The societies also prefer to do so in order to avoid the tedious enquiries as to encumbrance title etc. But personal security ought not to be blindly encouraged. As the Registrar says in his Administration Report for 1914—15 'there are some societies where the foundation of credit has been laid in mortgage security by organising it and assessing its credit on the basis of the value of landed property belonging to its members and where Central Banks have been induced to lend money on the abiding security of so much land valued at so much belonging to the members. It is a habit of agriculturists especially the poorer among them to borrow to the fullest extent possible, by mortgaging his land. Therefore it should be the endeavour of societies to restrict this by making its members mortgage their property to the society. In many societies obligations are not respected by the members and the panchayatdars are lax in granting loans. Mortgages in such societies will save many loans from being written off. Under the new rules loans could be granted for a period of ten years and in the case of such long term loans even the Committee on Co-operation recognises that mortgages are justified as there is some risk in relying only on the personal element. But while recognising that there is nothing especially unco-operative in the hypothecation of immoveable property, the committee lay down a rule that hypothecation of

immovable property may be accepted as a collateral security, if personal security is insisted upon in all cases. But to quote again from the Registrar's report "the practice of co-operative societies is everywhere borrowed from the surrounding money-market and in this presidency with its prevailing ryotwari system an excellent basis for small mortgage there is within the co-operative societies as well as without them the greatest possible reluctance to give both kinds of security together."

**Object of loans.** One of the chief safeguards against risk in the employment of capital by co-operative societies is the fact that the loans got from it would be used for productive purposes and a question has been raised whether it is right that money should be lent for unproductive purposes. From the theoretical standpoint all loans given for unproductive purposes impair the safety of the loans and introduce an element of risk. But it must not be forgotten that a co-operative society as an association of men and woman has other wants than those that are productive. Hence there would always be a certain amount of demand for loans for unproductive purposes. The indebtedness of members introduces a third source of demand for loans. We have seen how large a part of the mortgages were for the purpose of discharging prior debts. As was observed in the third Conference of Registrars (1908) "the true distinction in India is not between productive and unproductive loans but between necessary and unnecessary loans." The panchayat should however always see whether the loan is absolutely necessary. With this caution it may be said that it is not simply not objectionable but one of the bounden duties of the co-operative society to supply its members with loans for all necessary purposes whether productive or unproductive. For otherwise it encourages members to resort to the money lender which is opposed to the object of co-operation. As Mr. Wolff observes "The granting of loans for such purposes as marriages requires no apology. Wherever the panchayat considers the circumstances appropriate it is not only legitimate but commendable. It effects a saving which is as good as being productive, for, a penny saved is a penny got."

Equally meaningless is the practice of limiting the maximum amount that could be borrowed for certain purposes. In almost all the societies in the district, loans for marriages are limited to Rs. 100. The expenditure in such cases is often very high and efforts ought to be taken to curtail it. But the laying down of a maximum amount is not the best method of achieving the object. The expenditure in many cases is beyond a certain stage impossible to curtail. Social customs are rigorous and have to be satisfied and the refusal by the co-operative society of a loan beyond the sum of Rs. 100, would drive the man into the arms of the money-lender. Moreover it should not be thought that all marriage expenses are wasted. The dowry given to the girl, the money paid to the bridegroom, also come under such expenditure and these are very often put to productive use. In any case the panchayat should be given the discretion to sanction loans to the extent it thinks absolutely necessary, subject of course to the maximum borrowing power of the individual.

It will be seen from the figures given at the end that a large part of the loans are given for cultivation expenses. Loans for the discharge of prior debts amount only to 30 per cent.

It cannot be said that loans are always utilised for the purpose for which they are granted. The long delay in getting the loan is one of the chief causes of misapplication. The want of adequate supervision by the committee is another. In some of the societies visited by me the committee did not ask the

members to produce the expired bonds, when the members were given loans for the discharge of prior debts.

**Rate of Interest on loans to Members.** Throughout the district the rate of interest charged by the societies on the loans it grants is 9½ per cent. This is the rate that prevails in the Thamaraparni valley for good security. Hence the rate is not much below the ordinary market one. The fact that the societies themselves borrow at 7½ per cent. makes it impossible to have a lower rate even if it were thought desirable.

Defaulting members are charged 12 per cent. on the sums defaulted, but this being the ordinary rate in many places, it does not act as a deterrent. A system of fines may have greater effect.

**Demand, Collection and Balance.** The Government of India observe truly in their resolution of 1914 that the ability and willingness on the part of the members of credit societies to repay loans is a prime factor in the establishment of public confidence in the co-operative movement. And yet an examination of the figures given below will show that there is no defect more prominent in the management of the co-operative societies in the district, than the exceeding laxity and unpunctuality in the repayment of loans.

| Years.  | Principal.                       |                        |               | Interest.                        |                        |               |
|---------|----------------------------------|------------------------|---------------|----------------------------------|------------------------|---------------|
|         | Amount recoverable with arrears. | Unrecover- ed balance. | Percen- tage. | Amount recoverable with arrears. | Unrecover- ed balance. | Percen- tage. |
|         | Rs.                              | Rs.                    |               | Rs.                              | Rs.                    |               |
| 1912-13 | 10,949                           | 2,788                  | 25.4          | 1,132                            | 302                    | 26.6          |
| 1913-14 | 19,953                           | 4,543                  | 22.7          | 1,938                            | 340                    | 17            |
| 1914-15 | 50,112                           | 22,745                 | 41.3          | 8,891                            | 2,521                  | 28.3          |
| 1915-16 | 86,257                           | 21,936                 | 25.4          | 16,831                           | 5,441                  | 32.3          |
| 1916-17 | 90,361                           | 29,545                 | 32.6          | 20,862                           | 8,763                  | 32.6          |

These figures show how little of improvement there has been in the societies in the collection of dues. The percentage of overdue interest has been continuously growing, in spite of the new rule that all uncollected interest would be left out in calculating the profits of the year. But the seasonal rains during the past two years have not been timely and hence the crops were not good.

The chief cause of such a state of affairs is the habit of the people. It has been their custom all along to allow debt to run on for years and without making any provision for its repayment and they are not able to mend their ways suddenly. As a rule payments are not made till they are goaded to do so by the Secretary or the President of the society. Nor is this to be wondered at. In the Raiffeisen societies of Europe also it was so in the beginning. "With all the care taken to fix the easiest instalments and dates of repayment it was found that the unpunctuality of the ryots was a standing difficulty." Vast trouble had to be taken to make them understand the necessity of punctuality. With 284 members there were 81 complaints in three years and in one group 63

per cent. of the expired loans were unpaid. Hence the bad condition of the societies in the district need not be discouraging. But what is discouraging is that the managing committee members themselves are offenders in this respect. Men to preach the principles of co-operation, to instil into the minds of the members the necessity of thrift, prudence and punctuality, are lacking.

There are very few societies or rather no societies at all that depend on local deposits for the loans they grant. Hence there is no occasion at all for any of them to feel embarrassed for repaying deposits on account of the unpunctuality of the members. Neither is there any direct connection between the financing bank and the societies for the former to exert pressure on the societies. The connection is through the medium of the department and the medium plays so large a part that it effectually conceals the financing bank behind it. Even the few societies that devote some attention to the collection of dues do so, not from any intelligent appreciation of the moral and financial benefits of such a procedure but out of an anxiety not to fall under the displeasure of the department.

In some places the committee freely gives expression to the view that it is the duty of the Inspectors to collect the due and that all that the committee could do is to help them. It is not a rare thing to find Inspectors when they visit societies, sending for the defaulters and collecting from them their dues.

Another cause of the large dues is the inadequacy of the period granted for the repayment of loans. I have seen bonds executed by agriculturists promising to repay sums like Rs. 200 and Rs. 300 at the end of the next harvest i.e., in six months. On the face of it such a promise was never made with a view to being kept. The committee that granted such a loan cannot be expected to bring any very great pressure to bear on the man.

Lastly as has been mentioned already, failure of rains also account for some of the loans not being repaid in time.

To turn now from the defaults of the members to the defaults of the societies to the financing banks. It will be recognised that the one necessarily follows the other. Generally the defaults in the repayment of loans to the Central Bank is due to the defaults of the members. Sometimes however there is a graver reason. The societies themselves adopt an attitude towards the Central Banks that it is not unlike that of the ordinary ryot towards his creditor. They think that provided the interest is paid regularly they can go on having the use of the money for any length of time. And regardless of the bond executed by them, the members of the committee redistribute as loans the amount collected from their members. It might be asked why they should not take a fresh loan after returning the first. But the delay and trouble they have experienced before, deter them from such a course and in their short-sightedness they have recourse to the expedient of retaining the money returned by their members.

**Defects.** It would be useful if we now consider some of the chief defects in our agricultural credit societies. Most of them are connected with loans.

Foremost among the defects is the appropriation of a disproportionate share of the funds of the society as loans among the members of the managing committee. In a few societies the loans for the highest sums were appropriated by the members of the committee or by their relatives. It must be acknowledged that the persons who come forward to manage co-operative societies are generally poor and as such they should be allowed to avail themselves of the benefits of the society. But at the same time to oblige each other

by voting large sums among themselves is to the detriment of the other members. The evil becomes aggravated when the committee consists of relatives. In such cases a large part of the funds of the society becomes looked up in the hands of one or two families.

Another form of the same evil is also sometimes met with. The loans are taken not directly in the name of the member himself but in the name of some relative of his. This stratagem is also resorted to when a member wishes to borrow beyond his maximum borrowing capacity.

To prevent these mischiefs a salutary rule is found in the bye-laws of the more recently started societies viz., that loans to the members of the panchayat require the consent of the general body. The only objection to this is that in villages the convening of a general body meeting is sometimes so difficult that this rule might work as a hardship to the committee members.

It would be good if the general body once a year fixes the borrowing capacity of each member, his previous record in the repayment of loans being also taken into consideration in fixing the amount. Such a course would act as a check on the managing committee against indiscriminate granting of loans. The general body meeting would become useful and lively instead of the mere formal affair that now is. Repayments would be more regular as the members would not like their defaults to be publicly discussed.

Another grave defect noted in some of the societies is the system of "re-lending" as Mr. Swamikannu Pillai aptly terms it. The practice consists in showing an outstanding loan in the accounts as repaid and sanctioning on or about the same date a fresh loan of the same amount, actual repayment either not taking place at all or being made as a formality. Such a procedure can never be too strongly condemned. Apart from the fact that the transaction is fictitious, it means that the managing committee abets the default of members and encourages him in not making any provision for the due discharge of the loan taken by him. Such practices wherever found ought to be strongly condemned.

Another important defect in many of the societies is the fact that the accounts are not properly kept. In some cases it is due to ignorance; in other cases it is because of the fact that the secretary or president who does the work is not willing to do so without any remuneration. The demand for remuneration is a thing that is met with in many societies. Remuneration for work as secretary or president is not a feature of the Raiffeisen societies. But in many of the societies the brunt of the whole work falls upon one man. The secretary has not merely to keep the accounts but has to collect the money from the borrowers. In fact it is this work that makes the place of the secretary a difficult one. The demand for remuneration is also due to one other cause viz., the absence of the feeling that the society is an independent philanthropic body and that the collection work is part of the self-imposed duties. The feeling in most of the societies is, that it is a Government concern and that the secretary must be paid for the work that he does, and the aid he gives to the inspector must be paid for. A proper understanding of the position of the society would go some way in checking this hunt after remuneration. But having regard to the fact in many cases the secretary is a poor man and that the business of collection would have to be done for a long time to come it would be better if he is allowed some small payment. A little is being paid for account-keeping but that seems to be too small to attract any person. The payment to the secretary is not good but it will have to be resorted to if the societies are to do any work.

Closely connected with this, is the fact that almost all the societies are one man societies. In most of the societies that I visited except perhaps in one case the whole business of the society was conducted by only one man, the secretary or president. The other managing committee members simply followed his advice. In most cases they were not conversant with the affairs of the societies and in many cases were ignorant of the rules. In the absence of the secretary the business was kept in abeyance to await his arrival. This evil is very hard to rectify. In villages there is very great difficulty in getting even literate men to be members of committee. It is not easy in these cases to make them take any great interest in the working of the society. In all places one man comes forward and the others generally trust him.

Another great evil found in many of the societies may be noticed last. Faction is found in a great many of them. In many cases it is the faction in the village that has been imported into the affairs of the society. Sometimes however the factions are due to the affairs of the society itself. We have already seen how the inadequacy of the loan sanctioned by the department causes factions. Most of the quarrels arise out of the granting or refusal of loans.

**Reserve Fund.** The profits accrued in all agricultural societies are not divided among the members but are invested separately as Reserve Fund which is indivisible and could not be drawn up except with the permission of the registrar. The 49 societies possessed among them a reserve fund of Rs. 4,683 against a working capital of Rs. 1,180,012 or less than 40. Of this Rs. 2,021 or almost half was contributed by the Vilattikulam Society. There has long been a controversy regarding the utilisation of the reserve fund: whether it could be used as working capital by the primary societies or whether it should be separately invested. The weighty opinion of the MacLagan Committee has been quoted for adopting the former course. But as the Registrar points out in his report "they (the advocates of using the reserve fund as working capital) have to be reminded of the condition annexed by the Committee to the right to use the reserve in the ordinary business of the society, *viz.*, that a fluid reserve should first be secured, a fluid reserve which should consist of cash or investments in such sound and readily saleable or pledgeable securities as are approved by the Registrar, it being understood that the fluid would not be utilised except in time of financial difficulty." It will now be seen that the reserve fund of our societies correspond to the fluid resources mentioned by the committee. The amount is very little and hardly Rs. 43 for each society if we except Vilattikulam. When it has grown to a large extent and the societies have been well-founded it may perhaps be useful to consider whether societies that have a reserve fund of over a certain percentage of their liabilities may not be allowed to utilise a part of the net profit of each year as working capital. At present there is no doubt at all as to the utility of the reserve fund being invested in a place beyond the reach of the society. Many of the societies are so inefficiently managed that any other utilisation of the reserve fund would cause decided harm. In the event of the liquidation of the society, as some of those existing at present are bound to be, the reserve fund as a first charge for the losses of the societies would come in very usefully.

**Liquidation.** One society, Nambipuram, was liquidated as it showed no progress at all. There are some more societies in the same condition and these could be liquidated without any harm being done. In most cases, the societies ought never to have been started at all and were the result of over-zeal on the part of the organisers. I have seen societies that had transacted no business

for more than 18 months and others which no one in the locality wants to continue. Such societies can very well be dissolved.

**Agricultural Purchase Societies.** There are at present three agricultural purchase societies in the district. In Tinnevely there existed an agricultural association which was doing some useful work in the way of agricultural propaganda and experiment under the guidance of its enthusiastic president Mr. M. R. Ramakrishna Iyer. After his death the society was languishing. In 1913 it registered itself under the new act as a co-operative concern. During the first year after registration it did some work but since that time it has almost gone to sleep.

The other two societies were started shortly after the visit of the secretaries of the General Agricultural Committee Messrs. Audinarayaniah and Pattabhiram Rao to the district at Avalnattam and Lingampatti, places where a credit society already existed.

Sir Frederick Nicholson observed long ago, "If banks are to succeed they must be organised as to take up produce brokerage at least in the special produce tracts. Ryots can seldom manage to dispose of their own cotton or jaggery direct to merchants; they must have a middleman and this daughter of the horse-leech is ever grasping at more and more of the profits." The black cotton soil therefore is specially fitted for the starting of such societies. The Koilpatti farm is near by to give the people expert advice and to make experiments in agriculture for them. Secondly in the improved strain of the Karunganni the ryots possess an article that was in very great demand. The spinning mills in the district had undertaken to pay a premium on unadulterated Karunganni Kapas of the improved strain. Comparative freedom from competition and expert advice were very great advantages for the newly started societies.

Both the societies were started in 1913. They have done some work in the joint purchase and ginning of cotton. But the work has been spasmodic. One of the societies has also purchased a plough and is giving it for hire to its members.

It cannot however be said that the societies are any great success. The reasons are not far to seek. All these societies are constituted on a basis of limited liability as people cannot be asked to risk their whole property in a trading concern. The result is that these societies are not able to get any loan from the Central Bank and without it the work cannot be carried on. Neither are they able to attract any great amount of share capital.

Secondly joint purchase and sale require a greater degree of co-operation among the members than mere credit and when even the former have not been well developed, the latter form of co-operation cannot be expected to succeed very easily. Moreover these societies presuppose a great amount of fact and skill in the managing committee and in our villages men possessed of these characteristics do not come forward to use them for the public good. Hence the societies are not vigorously working.

(To be continued.)

## CO-OPERATION IN INDIA

By H. W. WOLFF.

(THACKER & Co.) 1919.

A new book on Co-operation by the late President of the International Co-operative Alliance must be an event for co-operators in general and when it is on co-operation in India it must be of double interest to co-operators in India.

Mr. H. W. Wolff has been in close touch with the co-operative movement in India from the very beginning and has kept himself informed of the smallest details in the progress of co-operative wisdom thanks to the confidence that the responsible officers of the Indian and Home Government justly reposed in the expert wisdom of the *doyan* of the movement.

A good part of the book is of historic interest and as a literary presentment it may not rank high. But co-operators are for the pith of sense and are above the trifling attraction of literary form and style dear to belletristic amateurs. Every part of the book shows that there is true and vivid experience behind the statements made and in departments of activity like co-operation we should prefer a small modicum of the outcome of contact with reality to reams of learned disquisition of a vacuous nature.

We make no apology to our readers for our calling attention to those parts of the book which it is good for those interested in the movement should mark and learn and digest.

That about 90 p. c. of the population of India are agriculturists, that they lie under an incubus of debt, that they are victimised by the Mahajans or Sowcars as we call them here, that they are mostly illiterate are matters of elementary knowledge. A combination of economic inefficiency and the ignorance indicated by illiteracy is a combination against which even the most benignly disposed to India might strive in vain. Yet in co-operation there is just the remedy that might strive successfully against the twin forces of indebtedness and ignorance. Ignorance is suspicious of good proffered. Pessimistic experience stands in the way. In p. 293, says Mr. Wolff "Illiteracy and Ignorance stand almost hopelessly in the way, constituting a hindrance omnipresent, paralysing, and in itself productive, like acidity in the soil, of all the rich crop of poison weeds actually to be found luxuriating in the shape of economic and social abuses—the selfish-greed of the administrators, the importance of the administered, called upon to check such action, and—to name but a few further items in an abounding crop—the mistaken impression prevailing as to the state of the law, which gives the Mahajan so easy a handle to use against his victims, which makes fishermen as Mr. Southwell complains, *reluctant to accept the proffered hand of co-operative help etc.*"

Co-operative work is in itself educative and it stimulates educations of the usual kind. That Co-operative Societies dedicate part of their common good fund for the education of the members, children is a well known fact. Such facts as this of grandfathers striving to overcome the stigma of illiteracy and *mark-making* by learning from their grand children how to sign their names show what a stimulus co-operation is educationally, even in desperate cases. Hence the attraction the movement has for educationists, for men who believe in education as something more than a *his aller* method of earning money. The educationist is eager for the moral uplift of the people, finds in the movement and the motives it brings into play, the most hopeful purchase for the uplift of the manhood downtrodden economically and otherwise for ages. The politician eager for constructive work finds in co-operation something real and tangible work that need not appear in limelight for being appreciated by those benefited. The quiet man, who prefers work crying to be done to letting the world know how his activities are being frustrated by the cursedness of this or that machinery of society, finds just here his opportunity and can do man's work for his fellow-men. All these will welcome the book of Mr. Wolff's giving glimpses as it does of his live long activities in the co-operative world and embodying as it does his ripe experience.

What are the patent benefits of the movement, the benefits that every tyro associates with co-operation? They are in the promotion of thrift, self-help, wearing down of class distinctions, education in self government and a gradual enlargement of outlook about affairs in general. People get to see the benefits of decentralised activities and centralised activities in the actual work of individual societies and of centralised banks. Those associated with large associations and unions may learn further how different kinds of co-operation dovetail into one another and how in the process of safe development the movement cannot neglect either the productive, the distributive or the credit side.

A careful reader of the book will find weighty and considered opinions on the matters referred to. Co-operation is as sensitive to environment as organism that grow and develop and there is no matter for suspense that different countries have each their favourite forms of co-operation. Says Mr. Wolff (p. 79) "co-operative credit above all forms to which co-operation lends itself, was bound to have a strongly alluring voice for the struggling small Indian cultivator. In Great Britain we have seen co-operation strike root first of all in the shape of distribution or supply, as it used to be called; in principle the two forms are the same thing—as a help to the industrial artisan. In France the revolutionary spirit of the great national upheaval suggested industrial production. In Denmark the tempting market of England prompted the bulking and careful grading of agricultural produce, food-stuff which sell best in our home country. In Ireland an influence of the same kind drove farmers to co-operative dairying. In Italy rural co-operation, the co-operative renting of land is the most impelling force among the poor rural population urging them to co-operation. In India—as before it in Germany, unmistakably co-operative credit stood foremost as the most commanding need. It was the use of many that was wanted.

On the evils of one sided co-operation Mr. Wolff has some excellent observations (Presidents good and bad, p. 98). "Consumers' co-operation is in itself an excellent thing a thing without which we absolutely could not do. However, cultivated one sidedly, as the sole object of co-operation, it threatens to destroy almost the best part of that movement. For co-operation like every thing else of a composite character, wants a fair balance maintained between its component parts ... There is in truth no more selfish creature than the one-sided consumer raised to power. Our British consumers began with a cry for justice proclaiming capital their arch-foe. Once organised however, the first thing that they—very rightly—exerted themselves to secure, was the denounced capital. And when they had it, they used it, and still use it, just as the hated "Capitalist" had done before him." Does not Triplicane experience bear out the truth of Mr. Wolff's observations? Referring to castes (p. 148) Mr. Wolff says "human nature being what it is, it may be necessary to maintain distinct societies side by side—let us hope not in serious antagonism to one another. *But this is an evil to be kept at its lowest possible point, not a feature to be deliberately adopted and made a rule of.*" The words of warning we have italicised are particularly pertinent to south Indian development of co-operation having regard to latter day consciousness of social differences fermented by interested partisans.

• Very often in discussing questions of politics would be profound politicians caution us about the differences between the European and the Asiatic. As against this caution Mr. Wolff's observation (p. 200) may be recommended for consideration that "Indians are not so different from other folk as to require to

be put into strait waist-coats and made to do what their own inclination rejects."

There are wise and pertinent observations on self-help, the danger of over governing, thrift and the danger of Government doles, regimentation of co-operation etc. We must forebear. We commend the book most heartily to our readers.

K. B. R.

### THE FIRST S. KANARA DISTRICT CONFERENCE.

The first S. Kanara District Co-operative Conference met on the 20th and 21st December, 1919 in the Government College, Mangalore, when Rao Bahadur R. G. Naick M.B.E., Belgaum, occupied the chair. Over 150 delegates attended besides a large number of visitors. Among the prominent visitors were F. R. Hemingway Esq., R. H. Ellis, Collector of the district, Mr. R. A. Gayatri Aiyar, Registrar of Cochin and Mr. D. Ananda Rao, Assistant Registrar of Calicut Section. The proceedings opened with the singing of a Kanarese song on the greatness of co-operation specially composed for the occasion. A number of useful papers were contributed by prominent co-operators in the Madras Presidency and Bombay. The proceedings were in Kanarese, the vernacular of the district. One interesting feature of the Conference was the *Harikatha Kalakshepam* on the Co-operative Movement by Mr. K. Venkata Rao, M.A., L.T., Government College, Mangalore. Much enthusiasm prevailed throughout, and from every point of view the Conference was a great success.

#### WELCOME ADDRESS.

In the course of his Welcome Address Mr. M. Shrinivasa Kamath referred to the progress the district had made since 1915 when there were 51 societies in all. At the end of the co-operative year 1918-19 the number had swelled into 181. The activities were not confined to credit work alone. Four co-operative stores, a Co-operative Printing Press, a Guano Factory Owners' Wholesale and a Garden Planters' Wholesale had been established and five Supervising Unions started. A weavers' society was in the making and a co-operative labour union had just been registered. Mr. Kamath entered a strong plea for increasing the man-power of the Co-operative movement. They had taken up non-credit work and it would not be smooth sailing hereafter. A galaxy of men infused with the spirit of co-operation was wanted as missionaries of co-operation and in various other capacities. Instead of vainly engaging in politics, if our public men entered the co-operative movement, they would really lay the foundations of the political edifice of which they were dreaming. Mr. Kamath, emphasising the need for co-operative education said it was necessary that a right understanding and sound knowledge of the proper uses and scope of credit should be spread among the masses. A man borrowing beyond his repaying power or putting the money to improper use not only lost his credit but also discredited the movement. He must be made to understand the risks he underwent by borrowing more than he could re-pay in time or his necessity warranted. The chief problem they had to solve was the poverty of the village. For it, food production should be increased, trade organised, and cottage industries started. The machinery for the distribution of articles of consumption was effete and inefficient, and co-operative trading offered a promising solution for the economic strain. Increasing the buying power in the villages was another important question. The panchayatdars should see that the borrower's full credit was not exhausted. He would like

to see some measures devised which would compel the villager to conserve some of his earnings against the rainy day. Co-operative societies would do well to pool, their Common good Funds and start Co-operative Health unions in rural areas with convenient jurisdictions. Co-operative societies were an admirable training ground for self-government. The administrative experience gained in them would befit the members to undertake the larger responsibilities consequent on the new Reforms Act. Co-operators derived great comfort from the thought that their services however humble were useful in helping the country to its national goal.

#### PRESIDENTIAL ADDRESS.

Rao Bahadur R. G. Naik of Belgaum, the President of the Conference began his address with a reiteration of his faith in Conferences of which he had himself organised more than half a dozen in his presidency. At the beginning of the movement they held annual Provincial Conferences and those were organised by Government. They were now having District and Taluk Conferences organised by non-official agencies. The movement being democratic they had rightly transformed these gatherings into truly democratic ones where all could meet without distinction of caste, creed, rank or position. He firmly believed that co-operation would eliminate the greater part of the economic distress prevailing amongst our rural population and enhance their productive capacity. But there were certain difficulties to be combated and overcome, and the chief amongst them were—illiteracy of the masses, want of industrial and technical education, lack of commercial education suitable to modern conditions, the disorganised state of Indian society due to religious, social and linguistic causes, and factions and feuds. Only Education, and education of a liberal kind, would remedy the evils mentioned. The results achieved during the last ten years were really astounding. In 1907-8 there were in British India 1350 primary societies, with a membership of 1,79,144 and a total working capital of Rs. 72'25 lakhs. 44'14 lakhs—Ed.) The latest available figures showed there were 26,465 societies of all kinds with a membership of 10,58,244 and a working capital of Rs. 1440 lakhs. There was yet a vast tract to cover. Credit societies were not as successful as they ought to be. So long as a credit society depended upon central financing institutions for its current demands it could not be called successful. It should attract local deposits from members and non-members to be called successful. Non-credit societies should come into existence only when the credit system of co-operation had been successful in a given area. To manage them was much more difficult, and want of education and sound expert knowledge would always stand in the way. Progress with them should be by slow and sure paces. Such societies should be encouraged only when the members themselves could be trusted to run successfully. Co-operative housing should be given immediate attention in all overcrowded cities and towns. As regards co-operative milk supply he would go in for societies of consumers and not of ordinary professional milkmen who were illiterate and unco-operative. Mr. Naik concluded his speech by congratulating S. Kanara on the good progress it had made in all branches of co-operation.

#### RESOLUTIONS.

##### ESTABLISHMENT OF AN ORGANISATION SOCIETY.

I. This Conference is of opinion that it is necessary to establish a co-operative organisation society in this district with the chief object, among other

objects, of conducting enquiries into the condition of this district and collecting information as to the different kinds of societies existing in different parts and the different kinds of societies necessary to be established in the different parts of this district.

#### STUDENTS' SOCIETIES.

II.—This Conference earnestly requests all educational bodies both official and non-official, to exert themselves in organising students' co-operative societies in all the Higher Elementary, Secondary and High Schools and Colleges in the district. As a general incentive and encouragement to the formation and successful working of such societies, Government might be pleased to exempt such societies from the prohibition imposed by Section 47 of the Co-operative Societies Act II of 1912 against the use of the word 'co-operative' by any bodies other than those registered under that Act. Government might also be pleased to admit such societies to the privileges of a free annual audit by the officers of the co-operative department as in the case of registered co-operative societies. Supervising Unions might also encourage the formation and development of such societies in their respective areas including them within the normal sphere of their activities.

#### CO-OPERATION IN SCHOOL CURRICULA.

III.—This Conference suggests that elementary principles of co-operation may be included in the form of short stories in the readers to be used in primary schools and in the form of exercises and examples in the arithmetical lessons in primary schools.

#### FORECASTING AND ASSESSMENT OF CREDIT.

IV.—As an aid to the disposal of surpluses consistently with business principles, as well as with a view to place on an organised basis the work of economic emancipation of the poorer members of co-operative societies, this Conference recommends to all primary credit societies in the district, the introduction of a system of forecasting and assessment of credit with respect to each individual member of such societies. The total needs of each society, thus ascertained for each co-operative year, for short term loans as well as long term loans separately, may be timely communicated to the Central Bank through the Unions concerned, and the Central Bank may, on the recommendation of the Union, open what will practically be a cash credit account in favour of each society up to the maximum ascertained as aforesaid, which the society may under suitable conditions be allowed to draw upon from time to time according to the needs of each occasion.

#### INCREASE IN THE SUBSCRIBED SHARE CAPITAL OF THE CENTRAL BANK.

V.—In view of the necessity for increasing the subscribed share capital of the Central Bank in the District, and the desirability of societies owning a larger interest in the Central Bank than individuals, this Conference proposes that all societies in the district should make it a point to invest in shares of the Central Bank an amount equivalent to as much as possible of their own share capital.

#### JOINT SALE

VI.—As a step towards the systematic and regular inauguration of the operations of joint sale of members' produce in all ordinary societies, this Conference recommends the introduction in all societies of suitable amendments

providing for the advance of loans on the security of members' agricultural produce also besides the kinds of security specified in the existing by-laws.

#### JOINT PURCHASE.

VII.—This Conference desires to impress upon all members of co-operative societies in this district the immense possibilities of joint purchase of their agricultural and domestic requirements through the societies; as the Conference however, accepts the principle that societies should not undertake financial responsibilities on that account, this Conference earnestly recommends the adoption of the Indent system in preference to that of starting regular stores branches in societies.

#### OUTSIDE BORROWINGS BY MEMBERS OF SOCIETIES.

VIII.—This Conference impresses on all the societies of this district the necessity of their meeting all the reasonable requirements of their members and deprecates the practice of societies allowing their members to borrow from outside without the knowledge of the societies. This Conference recognises that for this purposes it may be necessary for societies to considerably increase their maximum borrowing power.

#### LABOUR CONTRACTS BY CO-OPERATIVE SOCIETIES.

IX.—This Conference has learnt with much pleasure of the great interest reported to be taken by the President of the District Board as well as the District Board Engineer of South Kanara in the experiments carried on in some of the societies of the district in undertaking and executing with marked success some labour contracts from the local fund Engineering Department of the district. This conference exhorts all rural Co-operative societies in general and co-operative societies for backward classes in particular to interest themselves in the organisation of Labour Unions through which to procure work for their labourer members and undertake similar labour contracts, especially as they would thereby tend to enhance the security of their own position by increasing the material resources of the poorer classes of members by supplying the latter with steady and remunerative work at all times of the year. Such Unions might with advantage take up the work also of supplying labour to planters on the ghat and other reliable employers of labour. The Conference records its grateful sense of appreciation of the deep interest and sympathy evinced by the two officers mentioned above in the matter.

#### SOCIETIES FOR SALE OF AGRICULTURAL PRODUCE.

X.—This Conference fully appreciates the very useful work done by the South Kanara Garden Planters' Co-operative Wholesale Society in enabling producers to realise very advantageous prices for their produce. This Conference considers that it is necessary to organise similar societies for other classes of produce also but thinks it desirable for due provision to be made in all such societies for the admission of Rural Societies also to the membership of such societies so as to extend the benefits of co-operative sale to the poorest members of all societies alike.

#### CO-OPERATIVE FACTORIES.

XI.—This Conference desires to invite the attention of the co-operators of this district to the possibility of greatly benefiting the agricultural members of co-operative societies by establishing co-operative factories for the preparation of their produce for the market.

## AID FROM GOVERNMENT.

XII.—This Conference requests that Government might be pleased to give the following concessions and privileges to co-operative societies :—

(1) Limit of monies for Remittance Transfer Receipts and Cash Orders to be reduced to Rs. 25.

(2) Maximum to be invested in Postal Savings Bank Public Accounts to be raised to Rs. 50,000.

## A SEPARATE ASSISTANT REGISTRAR AND ADDITIONAL INSPECTORS FOR THE DISTRICT.

XVI.—This Conference has learnt with great pleasure the news of the appointment of a separate Assistant Registrar and additional Inspectors of Co-operative Societies for this District in the immediate future and conveys its grateful acknowledgments to Government for the same.

## LINGUISTIC CO-OPERATIVE CONFERENCES.

XIV.—In view of the existence of a large number of languages in this country and in view of the fact that it is necessary for the co-operative movement to conduct its propagandist work mainly through the indigenous languages of the country, this Conference is of opinion that it is desirable to organise Co-operative Conferences on a linguistic basis. This Conference accordingly suggests that a Karnataka Co-operative Conference might be convened before long for the whole Kanarse-speaking portion of the country made up as it is of the States of Mysore and Hyderabad and parts of the provinces of Bombay, Madras and Coorg.

## THE SOUTH KANARA DISTRICT CO-OPERATIVE CONFERENCE.

XV.—This Conference is of opinion that it is necessary to hold the South-Kanara District Co-operative Conference every year.

## HONORARY ASSISTANT REGISTRARS.

The Local Government have appointed the gentlemen mentioned below as Honorary Assistant Registrars of Co-operative Societies. They will hold office until 31st December 1920 :—

Mr. K. Sundararaja Ayyangar, President of the Pottipurem Rural Co-operative Society in the Salem district.

Mr. T. Raja Rao, Secretary of the Kambainallur Co-operative Union, Salem district.

Mr. K. Venkata Achariyar, Secretary of the Kelamangalam Co-operative Union, Salem district.

Mr. K. Singaravelu Mudaliar, Secretary of the Kalavi Co-operative Union, North Arcot district.

Mr. T. Arunachala Mudaliar, President of the Wandiwash Co-operative Union, North Arcot district.

Mr. M. Kulandaivelu Udayar, President of the Kallakurchi Supervising Union, South Arcot district.

Mr. R. Srinivasa Ayyangar, B. A., B. L., Secretary of the Tirukkōilur Supervising Union, South Arcot district.

Mr. T. K. Venkataramayya Garu, Secretary of the Tindivanam Supervising Union South Arcot district.

Mr. K. V. Tiruvengada Mudaliar Secretary of the Tiruvalur Supervising Union, Tanjore district.

Mr. S. Venugopala Nayudu Garu, Secretary of the Pattukottai Supervising Union, Tanjore district.

Mr. G. Venkataranga Achariar, President of the Tiruturaipundi Supervising Union, Tanjore district.

Mr. S. Narayanaswamy Ayyar, President of the Tanjore Supervising Union, Tanjore district.

Rao Sahib A. Setharama Ayyar, President of the Tiruvalur Supervising Union, Tanjore district.

Rao Sahib H. E. Bellie Gownder, President of the Ketu Co-operative Union, the Nilgiris.

Mr. K. M. Rangayya Gownder President of the Vijayamangalam Co-operative Union, Coimbatore district.

Rao Sahib C. Karunakara Menon, B. A., President of the Perintalamanna Co-operative Union, Malabar district.

Mr. K. L. Bhandari, B. A., Secretary of the Condapoor Co-operative Union, South Kanara district.

Mr. D. Ganpath Rao, President of the Malabar Central Bank, Malabar district.

## CHINGLEPUT DISTRICT.

Mr. K. Kandaswami Mudaliyar, Secretary of the Tirupporur Union.

Mr. K. Raghava Achariar, Secretary of the Madurantakam Union.

Mr. K. S. Srinivasa Achariyar, President of the Manimangalam Union.

Mr. Rao Sahib C. Arulayya Naidu Garu, President of the Kilacheri Co-operative Union.

Mr. M. Srinivasa Mudaliar, President, Poonamalle Co-operative Society.

Mr. W. Jeevarathnam Pillai, B. A., President of the Tiruvallur Union.

Mr. E. Govindaraja Mudaliyar, Secretary of the Tiruvallur Union.

Mr. A. V. Subrahmanya Ayya Garu, Secretary of the Conjeevaram Supervising Union.

Mr. S. C. Venkataramayya Garu, Secretary of the Saidapet Urban Bank.

## MADRAS DISTRICT.

Mr. K. V. Sesha Ayyangar, B. A., B. L.,

Mr. P. E. Devadasan, B. A., L. T., President of the Supervising Union at Madras.

Mr. P. Ramanathan, a Director of the Chintadripet Co-operative Bank and Stores.

Mrs. Whitehead, C. B. E.

Mr. V. Venkatasubbayya Garu, B. A., Secretary of the Madras Provincial Co-operative Union, Madras.

Mr. T. Sundara Rao Nayudu Garu, B. A., B. L.

Mr. P. K. Kunhunni Manon, Assistant Registrar of Co-operative Societies.

## OUR READERS.

The Editor, The "Madras Bulletin of Co-operation."

Sir,

The following few lines are worth ventilation in your esteemed columns for which I solicit your hospitality.

The subordinates of the Co-operative department have recently memorialised Government for the improvement of their pay and prospects. This memorial is not the first of the kind as we hear of several others emanating from several departments. Public servants of the lower stata have felt their position too disastrous to succumb any longer to the policy of "contented subordination" theorised by the opulent who are nevertheless loath to forego a farthing of their own income. These subordinates are a non-descript multitude left only to the mercy of their controllers and are in fact tongue-tied. They all look up to the salaries committee with unabated interest for a soothing balm to their heated hearts but it remains to be seen whether a mere titillation will come out or a substantial solace. Its activities so far are only in name and will be interesting to many if only they take light.

The Co-operative department is a new edifice which ought to be well arranged and strong. I cannot therefore refrain from making mention of the cardinal defects therein for speedy removal, apart from the question of considering several other points in the recent memorial. The defects are (1) the recruitment of the Inspectorate is indiscriminate and requires far greater caution. (2) The existing grades are of a production of the illiberal. (3) The Conferences of high officials are not of all that is desired. Firstly, the department has become a sheet-anchor of those who have suffered a thorough shipwreck elsewhere as the minimum educational qualification for entrance to public service is considered sufficient to hold any appointment here. The raw S. S. L. Cs., also find free way into the Inspectorate impairing its efficiency and affecting the confidence of the public. Not an iota of distinction is at present drawn between them and the Matriculates of years standing in point of promotions which is repellent to equity and justice.

Secondly, the ordinary Inspectorate consists of only two grades viz., 30—2—40 and 40—2—60: the number of the latter being greater, all difference of raw S. L. Cs. shipwrecks and of persons with prospects vanish in the latter grade from which there is no egress. The Chief Inspector's starting grade is 60—2—80. The number of these appointments is too few. Owing to the paucity of Chief Inspectors the audit work of Urban Banks falls on the shoulders of those in the lower grades and results also in the lack of opportunities for the latter to rise freely. The annual increment of a Chief Inspector is half a rupee lower than that of the Inspector on 40—2—60, which is absurd.

It is surprising to notice from the memorial that a G. O. should have come out recently in the name of "regrading" with many of imperfections viz., despicable salaries, unvarying grades throwing all in one mire, and many increments. This arena cannot surely attract graduates so long as this gloomy aspect continues.

Thirdly, the Inspectors ought to have opportunities of holding conferences so that real state of circumstances may be pictured at the Conferences of higher officials.

The problem is very easy of solution if only the Presidency Registrar and the salaries committee cast at once a sober and liberal outlook on the above state of affairs. The solution may be based on the following lines (1) No one other than graduates of say, less than 5 years standing in Government service should be entertained as a Co-operative Inspector, (2) Special tests such as Account and Translation tests qualifying a man for general official duties may be prescribed. This will restrict the influx of raw men into the Inspectorate. (3) Varying grade appointments suitable for different types of men including graduates should be sanctioned with annual increments of not less than Rs. 5. What seems to me as the most weak point is that the Registrar should have held that Rs. 60 would be adequate for the present day Inspector in his retiring age. This view is very uncharitable and requires to be changed immediately.

Yours etc.,

D. SESHAGIRI SASTRI,

Vakil, Bezwada.

The Editor, The "Madras Bulletin of Co-operation".

Sir,

One of the resolutions moved at the recent Provincial Conference held at Madras urged the desirability of dispensing with the registration of promissory notes executed by the Rural Societies to the Central Banks. People in towns cannot easily understand the difficulties to which poor villagers are put in presenting documents before a sub-registrar for registration. No doubt from the point of view of the Central Banks and other financing agencies registration is necessary upon business principles as offering better safeguards. But the inconveniences of the people have also to be considered. When I was recently discussing this matter with a lawyer friend of mine he suggested to me a possible remedy. He cited the instance of the Official Receivers of the Insolvency Courts who are authorised to register sale-deeds and other documents without personal attendance. It seems the Officer so appointed sends a requisition under his seal to the sub-registrar to register a document and the sub-registrar is allowed to register the document without requiring the personal attendance of the Official Receiver. If law would permit such a measure, I should like to suggest some such remedial measure for dispensing the presence of the Panchayatdars of Rural societies before the sub-registrars for registering documents on behalf of their societies under certain circumstances. I should very much like you to invite the opinions of Lawyers and others as to the feasibility of such an arrangement and if convenient to cause the necessary steps to be taken by the proper authorities on the subject. I hope my brother, co-operators will bestow some thought upon on important subject like this.

Yours Sincerely,

A. NAGARAJAN.

[T. K. S. Tiruvannamalai.—The matter has been dealt with editorially.]

# THE EIGHTH MADRAS PROVINCIAL CO-OPERATIVE. CONFERENCE.

## I

## List of Reception Committee Members.

| Names                                      | Address in full.                                            |
|--------------------------------------------|-------------------------------------------------------------|
| 1 C. N. Srinivasangar                      | ... Hosur Remount Depot, Salem Dt.                          |
| 2 M. Chengayya                             | ... High Court Vakil, Nellore.                              |
| 3 Rai Sahab C. Aruliah Naidu               | ... President, Kilacheril Agri. Bank Chingleput Dt.         |
| 4 Tiromalaiyappa Mudaliar                  | ... Dalavoy Hall, Tinnevely                                 |
| 5 E. Subramania Pillai, B.A.               | ... 1st grade Pleader and Secy. Urban-Bank Hosur, Salem Dt. |
| 6 A. Govindachariar, President             | ... Kaveripauk Co-op. Union, Kaveripauk, P.O.               |
| 7 G. A. Natesan Ayl, B.A.                  | ... Madras                                                  |
| 8 N. S. Krishnasami Iyer, Secretary        | ... Vanijambadi Town Co-op Bank Pentland Town, Vanijambadi  |
| 9 V. Venkatasubbayya, B.A.                 | ... Servants of India Society, Royapettah.                  |
| 10 A. Srinivasachariar President           | ... Srivilliputtur C. S. Ramnad                             |
| 11 K. V. Raghavachariar                    | ... Vakil, Nellore.                                         |
| 12 R. Ananda Rao Ayl, Secretary            | ... Satur Local C. Union, Tiruttangal                       |
| 13 K. Ramaswami Iyer                       | ... Madura                                                  |
| 14 M. Narayana Rao                         | ... Secretary Co-op Dist. Union, Paunkonda.                 |
| 15 Rao Sahab C. Karunakara Menon, B. A.,   | ... President, Perintalmanna C. Union, Malabar.             |
| 16 Secretary                               | ... The Town Co-op. Bank, Vellore                           |
| 17 P. Ramanathan                           | ... Solicitor, High Court, Madras,                          |
| 18 O. M. Venkatanatha Iyengar              | ... Uttiramerur, Chingleput Dt.                             |
| 19 V. Venkatachari, President              | ... Chingleput Dt. Banking Union, Conjvaram                 |
| 20 T. R. Srinivasa Iyengar B. A., L. T.    | ... 308, Aiyasaiy Lane, West, Main St., Fort Tanjore        |
| 21 M. Shiva Row                            | ... Pleader, Puthur, S. Kanara                              |
| 22 H. R. Seshappa, B. A. L. T.             | ... Secy. Urban C. O. S. Penukonda                          |
| 23 V. K. Menon Secretary                   | ... Malabar Dt. Co op. Bank, Calicut                        |
| 24 K. Nageswara Rao                        | ... 7, Thamboo Chetti St., G. T. Madras.                    |
| 25 C. Kingsley Williams Esq.               | ... Wesley College, Rayapetta                               |
| 26 Rao Bahadur S. Rm, Annamalai Chettiar   | ... B. A., Kanadukathan, Ramnad Dt.                         |
| 27 S. Sathiyageswara Iyer, Secy.           | ... Co-op. Store & Bank Ltd., Coimbatore                    |
| 28 P. Renga Rao                            | ... President Co-op. Purchase Society, Erode                |
| 29 S. K. Yegnanarayana Iyer                | ... College, Salem.                                         |
| 30 M. S. Seshachala Iyer.                  | ... Hon. Asst. Regr. of Co-op. Soc. Tiruvanna               |
| 31 Rao Sahab A. Seturama Iyer              | ... Nidamangalam [malai                                     |
| 32 Messrs P. S. Venkumami Iyer             | ... Landlord, Krishna Rao, Teppakulam St., Madura           |
| 33 K. Rangaswami                           | ... 22, Edotkari St., L. Conjeevaram                        |
| 34 M. Ananta Row                           | ... Pleader, Puttur.                                        |
| 35 K. M. Chinunrangayya Gounder            | ... President, Vijayamangalam C. Union Ltd. Vijayamangalam  |
| 36 T. R. Venkatrama Sastriar Ayl.          | ... New place, Mylapore                                     |
| 37 T. A. Ramalingam Chettiar               | ... H. C. Vakil, Coimbatore                                 |
| 38 Mrs. Whitehead.                         | ... Bishop's House, San Thome                               |
| 39 C. N. Krishnaswami Iyer Ayl M. A. L. T. | ... 6, Samier New St., Coimbatore                           |
| 40 C. V. Venkataramana Aiyangar            | ... Dharmavilas, Coimbatore                                 |
| 41 Zundar of Papanid                       | ... Pappanad Police, Pattukottab, Tanjore Dt.               |
| 42 D. G. M. Leith                          | ... The Kellet Institute, Triplicane                        |
| 43 R. Srinivasa Iyengar B.A. B.L.          | ... S. Arcot Dt Co-op Banking Union Cuddalore               |
| 44 Rao Bahadur K. B. Ramanatha Aiyar       | ... 16, Venkatachala Mudaliar St. Triplicane.               |
| 45 C. Lakshmi Narayana Sastriar Ayl.       | ... Cuddapah Co-op. Town Bank                               |
| 46 Md. Sadulla Badhasahib Bahadur          | ... 9 Rundalls Road, Madras.                                |
| 47 K. V. Sesha Aiyangar Ayl B. A. B. L.    | ... Vakil Mylapore, Madras.                                 |

## LIST OF DELEGATES.

| District      | Name of the Society.                  | Name of the Delegate.           |
|---------------|---------------------------------------|---------------------------------|
| Anantapur     | 278 Kanapuram, C. S.                  | Gubbi Gangappa Garu             |
|               | 3056 Konganapalli R. C. S.            | N. Vyasa Rao                    |
|               |                                       | Pedda Hanuma Reddi              |
|               |                                       | D. Tirumal Rao                  |
|               | 201, Narasapuram C. S.                | N. Bhimesena Rao                |
|               | 1920 Nallacheruvu C. S.               | A. Hanumanta Rao                |
|               | Kokkante C. S.                        | Sivaramappa                     |
|               |                                       | Dasappa.                        |
|               |                                       | P. Venkata Rao.                 |
|               | 2066 Era Thimmarajacheru C. S.        | K. Laxminarasimham              |
|               |                                       | Haider Sahab.                   |
|               |                                       | Guruswami Chetti.               |
|               |                                       | G. Venketaraman                 |
|               |                                       | N. Narasappa.                   |
| Arcot (North) | Tanakkallu C. S.                      | A. Senseshapillai.              |
|               | Kadiri C. S.                          | P. Arunachala Sastri.           |
|               | Kalyandrug C. S.                      | Y. Kuppuswami Aiyar.            |
|               | Attupakam.                            | Arunachala Aiyar.               |
|               | Pernamallur Union.                    | M. Dharmalingachari.            |
|               | Polur Union.                          | M. S. Vijaraghavachari          |
|               | Vayalur C. S.                         | T. Srinivasaraghavachari        |
|               | Wandiwash Union.                      | B. Venketasubba Reddi           |
|               | Sogathur C. S.                        | Veeraraghava Dikshatur          |
|               | Tirukoilur Urban Bank.                | Rao Sahab N. Krishnamachari     |
|               | Avadayarpet C. S.                     |                                 |
|               | Olugur C. S.                          |                                 |
|               | (North) Arcot District Banking Union. |                                 |
|               | 3021 Usur C. S.                       | V. R. Tattachari                |
|               | 3351 Nagavedu C. S.                   | B. Venkatachala Mudaliar.       |
|               | Esaiyanur C. S.                       | Viswanatha Aiyar.               |
|               | Periyakammayambattu                   | K. Doraiswami.                  |
|               | Valayathur C. S.                      | N. Ellappa.                     |
|               | 847 Kalavai C. S.                     | K. Duraiswami Mudaliar.         |
|               | Do Union.                             | K. Chinnaswami Gurukul.         |
|               | Kalavai Trading Union                 | Aiyana Nayanar.                 |
|               | Peranamallur C. S.                    | A. Govindachari.                |
|               | Kaveripalkam Union                    | Krishnaswami Odayar.            |
|               | Tenkerai Coop Bank                    | Arunachala Mudaliar.            |
|               | Vadanagar C. S.                       | K. M. Singaravelu Mudaliar.     |
|               |                                       | T. V. Cunniab.                  |
| Arcot (South) | Tandarampet C. S.                     | N. B. Rangaswami Reddi.         |
|               | Mel Olakkur C. S.                     | T. G. Venketasubrahmaniya Aiya. |
|               | Vridhachelam C. S.                    | Parthasarathi Mudaliar          |
|               |                                       | B. Sanja Rao.                   |
|               |                                       | D. A. Ramaswami Aiyar.          |
|               |                                       | S. Rangaswami Pillai.           |
|               | Tirukoilur Urban Bank                 | T. Srinivasaraghavachari.       |
|               | Nraayanamangalam C. S.                | Arunachala Aiyar.               |
|               | Melsevalambadi C. S.                  | M. Sithapathi Sarma.            |
|               |                                       | Srinivasa Aiyar.                |
|               | Poyyapakkam C. S.                     | P. S. Viraraghavachariar.       |
|               | Komaramangalam C. S.                  | Ramaswami Odayar.               |
|               | Mudiyanur C. S.                       | Kulandivelu Odayar.             |
|               | St. Roe, Kondiyampakkam               | D. Ponipas Padayachi.           |
|               | Mambalapattu C. S.                    | K. Narayanaswami Aiyar.         |
|               | Kalpattu C. S.                        | S. R. Aiyaviyar.                |
|               | Kappiyampuliyur C. S.                 | K. V. Srinivasa Varadachariar.  |
|               | Tirukoilur union.                     | V. R. Srinivasa Aiyangar.       |

| District.   | Name of the Society.                | Name of the Delegate.            |
|-------------|-------------------------------------|----------------------------------|
| Bellary     | 882, Melai Kottalam C. S.           | ... Krishna Rao.                 |
|             | Villupuram Co-op. union.            | ... S. Chidambara Aiyar.         |
|             | Villupuram urban Bank.              | ... M. S. Venketarama Aiyar.     |
|             | Do. Schoolmasters C. S.             | ... C. S. Rangaswami Aiyangar.   |
|             | Do. Stores.                         | ... V. R. Krishnaswami Aiyar.    |
|             | Vellaiyur C. S.                     | ... A. Nagarja Aiyar.            |
|             | Odayanur C. S.                      | ... T. Valayuda Odayar.          |
|             | 1271 Mugaiyur.                      | ... T. Ramaswami Odayar.         |
|             | Kampli C. S.                        | ... M. K. Pemmala Odayar.        |
|             | Kudligi C. S.                       | ... S. Ramachandrachar.          |
| Chingleput. | Dist. Banking Union.                | ... N. Paramasiya Ayyar.         |
|             | Shotiram Tandalam C. S.             | ... T. E. K. Venkatachar.        |
|             | Uttiremerur Union.                  | ... Ethirajulu Reddiar.          |
|             | Do. C. Bank.                        | ... O. M. Venkatanatha Aiyangar. |
|             | Alapakkam.                          | ... Hanumanta Rao.               |
|             | Salavakkam Union                    | ... S. V. Srinivasa Aiyangar.    |
|             | Do. C. S.                           | ... A. S. Narasimhachari.        |
|             | Walajabad Union.                    | ... S. R. Manikka Mudr.          |
|             | Inamkarumpakkam.                    | ... W. Gopala Naidu.             |
|             | Karasanga C. S.                     | ... M. Swaminatha Mudr.          |
| Chingleput. | 1282, Kilakaranai.                  | ... K. C. Srinivasachari.        |
|             | 2621, Odiathur C. S.                | ... Jayaranga Naidu.             |
|             | 460, Tanirkulam C. S.               | ... K. Paul.                     |
|             | Pudupet C. S.                       | ... Seshadri Aiyangar.           |
|             | Perumbadu C. S.                     | ... Krishnaswami Pillai.         |
|             | Bakkadu C. S.                       | ... G. Narayanaswami Mudaliar.   |
|             | Kilacheri Agri. Bank.               | ... P. Venkatachela Mudaliar.    |
|             | Tiruvallur Union.                   | ... Govindaraja Mudr.            |
|             | Kidankarai C. S.                    | ... C. Savariah Naidu.           |
|             | Sittanur C. S.                      | ... Jeevaratnam Pillai.          |
| Chingleput. | Manapakkam C. S.                    | ... Manaperumal Mudr.            |
|             | Konnar C. S.                        | ... N. Sudararamanjulu.          |
|             | Chingleput Municipal Menials' C. S. | ... P. Masilamani Mudr.          |
|             | Cheyar Union.                       | ... P. Samuel Ponniah.           |
|             | Nenmeli C. S.                       | ... Maduramuthu Naicker.         |
|             | 1150, Kesavanallathur C. S.         | ... K. G. Desikachari.           |
|             | B. Conjeevaram Town Bank            | ... N. Gopalaswami Aiyar.        |
|             | Mukundagiri R. C. S.                | ... A. V. Subrahmanya Aiyar.     |
|             | 710 Madambakam R. C. S.             | ... C. Rathna Mudaliar.          |
|             | Mamandur C. S.                      | ... M. K. Chakravarti Aiyangar.  |
| Chingleput. | 789, Podavur R. C. S.               | ... Annasami Gurukul.            |
|             | Echchur Agri. Society               | ... A. Krishnasami Aiyar.        |
|             | Do. R. C. S.                        | ... M. Natesa Mudaliar.          |
|             | B. Conjeevaram Weavers' Union       | ... P. Govindaswami.             |
|             | 892, Egathur C. S.                  | ... S. T. Ratna Mudaliar.        |
|             | L. Conjeevaram U. Bank              | ... G. Subramania Aiyar.         |
|             | Chingleput Urban Bank               | ... P. S. C. Subramanya Aiyar.   |
|             | Madurantakam Trading Union          | ... S. Ramanatha Aiyar.          |
|             | Do. Co-op. Union.                   | ... K. Rangaswamy Aiyangar.      |
|             | Madurantakam Bank                   | ... Kailasa Naicker.             |
| Chingleput. | Kattarambakam C. S.                 | ... V. Krishnamachariar.         |
|             | Tiruvencaranai R. C. S.             | ... K. Venkatarama Aiyar.        |
|             | Vallipuram C. S.                    | ... P. M. Raghavachariar.        |
|             |                                     | ... T. Raghavachariar.           |
|             |                                     | ... R. Raghavachariar.           |
|             |                                     | ... M. Duraisami Pillai.         |
|             |                                     | ... M. A. Kothandarama Aiyangar. |
|             |                                     | ... Raghava Naicker.             |
|             |                                     | ... Prasanna Raghavachariar.     |
|             |                                     | ...                              |

| District.   | Name of the Society.               | Name of the Delegate.           |
|-------------|------------------------------------|---------------------------------|
| Chittoor.   | Poonamalle Union                   | ... C. Anantachari.             |
|             | Irulancheri C. S.                  | ... T. Ganapati Mudaliar.       |
|             | Manimangalam Xian C. S.            | ... Sashachelam.                |
|             | Devadur C. S.                      | ... Vijiarangam Mudaliar.       |
|             | Attivakam                          | ... Balasubrahmaniam Mudaliar.  |
|             | Chingleput Agaram C. S.            | ... Srinivasa Aiyangar.         |
|             | Tirumishi C. S.                    | ... P. Krishnamurti Rao.        |
|             | Perambakam C. S.                   | ... Manavala Naidu.             |
|             | Pullarabakam C. S.                 | ... P. S. Arunachela Mudaliar.  |
|             | Kuvam C. S.                        | ... Tripurantaka gurukul.       |
| Chittoor.   | Kappankottur C. S.                 | ... P. Adavai Naidu.            |
|             | Puduvallur C. S.                   | ... U. Perumal Naidu.           |
|             | Tiruporur Union.                   | ... K. Kandasami Mudaliar.      |
|             | 1251 Annadur C. S.                 | ... A. V. Duraisami Aiyangar.   |
|             | Chittoor Town Bank                 | ... V. Krishnaswami Aiyar.      |
|             | Madanapalle Urban C. S.            | ... N. Pattabhirama Rao.        |
|             | Punganur Town Bank                 | ... Seshachar.                  |
|             | Do Stores                          | ... S. Chakrapani Rao.          |
|             | Sittanakalli C. S.                 | ... P. Ramanatha Chetti.        |
|             |                                    | ... Rama Reddi.                 |
| Chittoor.   | Chittoor central Bank              | ... D. Vasudeva Rao.            |
|             | Somapalayam C. S.                  | ... Laxminarayana Reddi.        |
|             | Pakala                             | ... N. C. Munusami Naidu.       |
|             |                                    | ... M. Venketarama Aiyar.       |
|             |                                    | ... K. Raja Rao.                |
|             | Marudavallipuram C. S.             | ... Narayanasami Reddi.         |
|             | Kattinaparti C. S.                 | ... M. S. Narasimhachari.       |
|             | Madunur C. S.                      | ... S. Yerram Reddi.            |
|             | Zaminchittoor C. S.                | ... Kuppusami Achari.           |
|             |                                    | ... Murugappa Naicker.          |
| Coimbatore. | District urban Bank                | ... C. N. Krishnaswami Aiyar.   |
|             | Erode co-op Stores.                | ... P. Ranga Rao.               |
|             | Coimbatore Co-op. Building Society | ... C. N. Krishnaswami Aiyar.   |
|             | Pannimadai C. S.                   | ... P. L. Anantanarayana Aiyar. |
|             |                                    | ... C. T. Subbarao.             |
|             | Amypatti C. S.                     | ... P. Narayanasami Naidu.      |
|             | Vijiamangalam Union                | ... K. O. Rangaiya Gounder.     |
|             | Do. C. S.                          | ... Nagappa Gounder.            |
|             | Nayakampalayam                     | ... Ranga Rao.                  |
|             | Mettupudur C. S.                   | ... M. N. Arunachela Gounder.   |
| Coimbatore. |                                    | ... Varadachari.                |
|             | Nadupatti C. S.                    | ... Rangaiya Gounder.           |
|             |                                    | ... Sri Ranganatha Gounder.     |
|             | Morattupalayam C. S.               | ... Kolandaiyappa Mudaliar.     |
|             |                                    | ... Kolithamali Mudaliar.       |
|             | Dalavoipalayam                     | ... Rangasami Gounder.          |
|             | Chotapalayam.                      | ... Hanumanta Gounder.          |
|             |                                    | ... Rangasami Gounder.          |
|             |                                    | ... Muthusami Gounder.          |
|             |                                    | ... Muthukrishna Gounder.       |
| Coimbatore. | Sirukalanji C. S.                  | ... Rangiah Gounder.            |
|             | Sallipalayam C. S.                 | ... Ramaswami Gounder.          |
|             | Tolayampalayam C. S.               | ... Muthusami Gounder.          |
|             | Kambliampatti C. S.                | ... Chellapa Gounder.           |
|             | Do.                                | ... Anandapadmanabha Naicker.   |
|             | Narasimanayakampalayam             | ... Venkatasami Naidu.          |
|             | Marwur C. S.                       | ... Senai Gounder.              |
|             | Periyannayakampalayam              | ... Venkataramana Aiyar.        |
|             | Idikarai C. S.                     | ... K. V. Naidu.                |
|             | Perundurai C. S.                   | ... Ganapati Aiyar.             |
| Coimbatore. | Panikkampalayam.                   | ... Karisai Gounder.            |
|             | Do.                                | ... Muthusami Gounder.          |

| District.   | Name of the Society.                    | Name of the Delegate.                 |
|-------------|-----------------------------------------|---------------------------------------|
| Bellary     | 382, Melai Kottalam O. S.               | ... Kulandai Gounder                  |
|             | Villupuram Co-op. union.                | ... S. Karupu Gounder.                |
|             | Villupuram urban Bank                   | ... Karuppa Gounder.                  |
|             | Do. Schoolmaster                        | ... Govinda Aiyar.                    |
|             | Do. Stores. C. S.                       | ... K. Rajagopal Rao.                 |
|             |                                         | ... V. Venkatasubbaiya.               |
|             | Vellaiyur C. S. Yam C. S.               | ... C. R. Annaiya.                    |
|             | Odayanurmpatti Purchase and sale        | ... K. M. Chinna.                     |
|             | 1271 Muty                               | ... Rangaiya Gounder.                 |
|             | Karimbatores Stores & Bank              | ... C. V. Venketaramant Aiyangar.     |
| Chingleput. | 3330. Kajipeta C. S.                    | ... S. Venkataramaiya Garu.           |
|             | Paramatikona C. S.                      | ... Venkataramana Raju.               |
| Kaveri.     | Do                                      | ... Chingal Rao.                      |
|             | Patagavapalem.                          | ... G. Gopal Pantulu.                 |
| Suntur.     | Narasaraopet Coop. Bank                 | ... T. Chandrasekara Rao.             |
|             | Tenali urban Bank                       | ... K. Narasimha Rao Garu.            |
| Kistna.     | Do. Co-op. Union                        | ... B. Hanumanta Rao.                 |
|             | 2997. Vunagutla C. S.                   | ... K. Subba Rao.                     |
| Kurnool.    | Venkari C. S.                           | ... C. Chelamaiya.                    |
|             | Kurnool District Bank                   | ... Aiyakutti Aiyangar.               |
| Madura.     | American Baptist Mission Workers' C. S. | ... N. A. Samuel.                     |
|             | Madura Urban Bank and stores            | ... S. Laxmana Aiyar.                 |
| Madras.     | Dindigul Urban C. S.                    | ... D. V. Krishna Aiyar.              |
|             | T. U. C. S.                             | ... P. A. Subrahmanya Aiyar.          |
|             | (G. T. II)                              | ... S. Parthasarathi Aiyangar.        |
|             | Do. (Triplicane)                        | ... M. Seshachela Chettiar.           |
|             | Do. (Kilpank)                           | ... M. K. Rajagopalachariar.          |
|             | T. U. C. S.                             | ... M. C. Srinivasachari.             |
|             |                                         | ... S. Veeraraghavachariar.           |
|             | Do. (Mylapore)                          | ... A. Venkatachalam.                 |
|             | Chintadripet Stores                     | ... Rai Saheb T. Laxmana Naiker.      |
|             | Madras Prov. coop. Union                | ... Rao Bahadur K. B. Ramanatha Aiyar |
| Nellore.    |                                         | ... M. A.                             |
|             | Flower lane C. S. (Purasewakam)         | ... V. Venkatasubbaiya.               |
|             | San Thome and Good Shepherd S. P.       | ... K. Parthasarathi Aiyangar.        |
|             | G. Church C. S. Teynampet               | ... M. C. D. Varadarajulu.            |
|             | 142. Pudupakam C. S.                    | ... C. Peiyanyakan.                   |
|             | Peramboto Cobblers' C. S.               | ... Kanagasabai Mudaliar.             |
|             | Vepory Indian Xian C.S.                 | ... P. Veeraswami.                    |
|             | Madras co-op. Leather Goods Factory...  | ... G. A. Duraiswami.                 |
|             | 3164 Gandavaram C. S.                   | ... V. S. Sankavam.                   |
|             | S. Pennar coop C. S.                    | ...                                   |
| Nilgris.    | Kerheda Rice C. S.                      | ... O. Viswanatha Rao.                |
|             | 2849 Ornali C. S.                       | ... Appumadha.                        |
| Ramnad.     | Ketti Union                             | ... L. R. Rasiab.                     |
|             | Sriviliputtur C. S.                     | ... M. K. Bella Gounder.              |
| Salem.      |                                         | ... A. Srinivasachari.                |
|             | Do. Weavers C. S.                       | ... S. Venkatachari.                  |
|             | Sivaganga C. S.                         | ... R. G. Nallakuttolam Pillai.       |
|             | Aruppakotai C. S.                       | ... P. A. Subrahmanya Aiyar.          |
|             |                                         | ... A. K. Krishnaswami Aiyar.         |
|             | Do. Weaver's and Dyers C. S.            | ... D. Subrahmaniya Pillai.           |
|             | Do. Purchase and Sale Society           | ... A. A. Sankaralingam Chettiar.     |
|             | 50. Kannadahalli C. S.                  | ... Soundaramahalingam Pillai.        |
|             | Salem District Urban Bank               | ... K. V. Vadirappa Chettiar.         |
|             |                                         | ... S. C. Venketappa Chettiar.        |
|             |                                         | ... K. Sundararaju Aiyangar.          |
|             | Vanavasi C. S.                          | ... S. K. Yegnanarayana Aiyar.        |
|             | Salem Co-op Union                       | ... Sriranga Chettiar.                |
|             |                                         | ... Kuppaswami Aiyar.                 |

| District.     | Name of the Society.               | Name of the Delegate.                         |
|---------------|------------------------------------|-----------------------------------------------|
| Salem         | Kambianallur Stores                | ... U. P. Sundara Rao.                        |
|               | Kaiffianallur Union                | ... T. Raja Rao.                              |
|               | Do. R. C. S.                       | ... G. Gopal Rao.                             |
|               | Pottiparam R. C. S.                | ... K. V. Vijiaraghavachariar.                |
|               | Namakal Union                      | ... S. R. Raghavendra Rao.                    |
|               | Ramakrishnampet C. S.              | ...                                           |
|               | Dharmapuri Town Bank               | ... Siddhaveerappa Chetti.                    |
|               | Kelamangalam Union                 | ... Visweswara Aiya.                          |
|               | Do. C. S.                          | ... T. R. Ramachandra Mudaliar.               |
|               |                                    | ... K. Venketaramappa.                        |
| Tanjore       | Do. Stores                         | ... Samiah.                                   |
|               | Kamalapuram C. S.                  | ... Rajagopaliah.                             |
|               | Nallagoundanpatti C. S.            | ... Kaveri Gounder.                           |
|               | Tholasampatti C. S.                | ... Chotaya Gounder.                          |
|               | Do. Union                          | ... Arthanari Mudaliar.                       |
|               | Maramangalam C. S.                 | ... Narasimhachari.                           |
|               | Akadapalli C. S.                   | ... Nellasami Mudaliar.                       |
|               |                                    | ... Gurusami Reddi.                           |
|               | Pangapalli C. S.                   | ... Venketasami Reddi.                        |
|               | Tirumalavadi C. S.                 | ... P. M. Chinmasami Gounder.                 |
| Tinnevely     |                                    | ... M. Kuppaswami Mudaliar.                   |
|               | Nangavalli C. S.                   | ... N. Tandavan chetti.                       |
|               | Periasoragai C. S.                 | ... K. Ramasami Pillai.                       |
|               | Nalkarapatti C. S.                 | ... Sadagopachari.                            |
|               | Tiukannapuram C. S.                | ... G. Seshadri Aiyangar.                     |
|               | Pattukotai C. S.                   | ... S. Venugopal Naidu.                       |
|               | Do. Union.                         | ... P. K. Venugopal Naidu.                    |
|               | Thogur Panchama C. S.              | ... S. Adaikalam.                             |
|               | Kumbakonam Village officers' C. S. | ... V. Swaminathan S. M. Rajagopala Aiyangar. |
|               | Orthanadu Chatiram Visalaxiambal   | ... T. S. Pichu Sastri.                       |
| Trichinopoly  | C. S.                              | ...                                           |
|               | Valangiman C. S.                   | ... V. Mahalinga Aiyar.                       |
|               | Telungankudikkadu C. S.            | ... T. S. Muthusami Aiyar.                    |
|               | Umamaheswarapuram C. S.            | ... N. Abethsagayam Aiyar.                    |
|               | Tiruvalur Urban Bank.              | ... K. V. Tiruvanketa Mudaliar.               |
|               | Mayavaram Public Servants' C. S.   | ... A. Narayana Pantulu.                      |
|               | Kumbakonam Teachers' C. S.         | ... T. K. Hanumanta Rao.                      |
|               |                                    | ... K. R. Chinna Pillai.                      |
|               | Palamcottah Urban Bank and Stores  | ... N. Krishnaswami Rao.                      |
|               | Tanner C. S.                       | ... Sakkaraiyappa Pillai.                     |
| Trichinopoly  | Koilpatti Union.                   | ... M. Sankarapandiya Reddi.                  |
|               | Ottapidaram C. S.                  | ... Virabhadra Pillai.                        |
|               | Vilatikulam Union.                 | ... V. K. Ramaswami Aiyar.                    |
|               | Nalaturputur.                      | ... Venkatachela Aiyar.                       |
|               | Vilatikulam C. S.                  | ... V. S. Krishna Aiyar.                      |
|               |                                    | ... V. P. Subrahmaniya Aiyar.                 |
|               |                                    | ... Vellayappa Thevar.                        |
|               | Varadarajampatti St. Mary C. S.    | ... V. M. Savarimuthu Vathiar.                |
|               |                                    | ... Devasigayam Pillai.                       |
|               |                                    | ... D. Aragya Padayachi.                      |
| Trichinopoly. | Tirupalaturai.                     | ... K. N. Ranganatha Aiyar.                   |
|               | Mayathur C. S.                     | ... C. Pasu Patilingam Pillai.                |
|               | Koluvonthondi C. S.                | ... Arunachela Nadar.                         |
|               |                                    | ...                                           |

## CONTRIBUTIONS.

| District.      | Name of the Society.                            | Rs. a. |
|----------------|-------------------------------------------------|--------|
| na ntapur.     | Narasapuram C. S.                               | 4 0    |
|                | Kokkanti C. S.                                  | 1 0    |
| Arcot (North)  | Thandalam Navalpur C. S.                        | 1 0    |
|                | Paramanallur Union.                             | 2 0    |
| Arcot (South)  | Perumbakkam C. S.                               | 2 0    |
|                | Mel Sevelambadi C. S.                           | 2 0    |
|                | Tindivanam urban Bank.                          | 3 0    |
|                | Narayanamangalam C. S.                          | 2 0    |
|                | Tirukoilur Urban Bank.                          | 5 0    |
|                | Melai Kottalam C. S.                            | 2 0    |
| Chingleput.    | Big conjeevaram Town Bank.                      | 5 0    |
|                | Little Conjeevaram Urban Bank.                  | 5 0    |
|                | Chingleput Urban Bank.                          | 3 0    |
|                | Perumbedu C. S.                                 | 5 0    |
|                | Chingleput District co-operative Banking Union. | 5 0    |
|                | Kattarampakkam C. S.                            | 2 0    |
|                | Tholasampatti C. S.                             | 2 0    |
|                | Echchur C. S.                                   | 1 0    |
|                | Pallarambakkam.                                 | 1 0    |
| Chittoor.      | Ramapuram C. S.                                 | 1 0    |
|                | Chittoor co-operative Town Bank.                | 5 0    |
| Coimbatore.    | Tirupur C. S.                                   | 3 0    |
|                | Coimbatore District Bank.                       | 25 0   |
|                | Coimbatore co-operative Building Society.       | 10 0   |
|                | Bavani Urban Bank.                              | 3 0    |
|                | Sulur C. S.                                     | 3 0    |
|                | Marudur C. S.                                   | 1 0    |
|                | Periyamayakampalayam C. S.                      | 1 0    |
|                | Narasimhanayakam palayam C. S.                  | 1 0    |
|                | Karamadai Union.                                | 2 0    |
|                | Naickanpolayam.                                 | 1 0    |
|                | Nerinjampetti C. S.                             | 1 0    |
|                | Kurumbapalayam C. S.                            | 2 0    |
| Ganjam.        | Berhampore Urban Bank.                          | 5 0    |
| Guntur.        | Kollur Parvati co-operative Bank.               | 3 0    |
|                | Chebrole C. S.                                  | 2 0    |
| Kanara (South) | Vittal C. S.                                    | 1 0    |
|                | Udipi C. S.                                     | 5 0    |
|                | Mangalore Catholic C. S.                        | 5 0    |
|                | Kumbla C. S.                                    | 1 0    |
|                | Puttur C. S.                                    | 2 0    |
|                | Coondopur C. S.                                 | 1 0    |
| Kurnool.       | Kurnool Co-operative Union.                     | 5 0    |
|                | American Baptist Mission worker's C. S.         | 1 0    |
| Madras.        | T. U. C. S.                                     | 100 0  |
|                | San Thome Good Shepherd S.P.G. Church C. S.     | 2 0    |
|                | M. K. Rajagopalachariar.                        | 30 0   |

| District.     | Name of the Society.              | Rs. a. |
|---------------|-----------------------------------|--------|
|               | Chintadripet Co-operative Store.  | 2 0    |
|               | Madras Central Urban Bank.        | 25 0   |
| Malabar.      | Calicut Urban Bank.               | 5 0    |
|               | Malabar District Bank.            | 10 0   |
| Madura.       | Madura U. C. S. and Stores.       | 15 0   |
| Ramnad.       | Narikkudi C. S.                   | 1 0    |
|               | Sriviliputhur C. S.               | 5 0    |
|               | Watrap C. S.                      | 1 0    |
| Salem.        | Namakal Urban Bank.               | 5 0    |
|               | Kannadaballi.                     | 3 0    |
|               | Tholasampatti Union.              | 3 0    |
|               | Kelamangalam Stores.              | 2 0    |
|               | Union.                            | 2 0    |
|               | Naikaranpatti C. S.               | 2 0    |
|               | Kuppuswami Aiyar.                 | 1 0    |
|               | Vanavasi C. S.                    | 2 0    |
|               | Nangavalli C. S.                  | 2 0    |
|               | Periyasoragai C. S.               | 2 0    |
|               | Dharmapuri Town Bank.             | 4 0    |
|               | Mathigiri Urban Bank.             | 5 0    |
|               | Pottipuram C. S.                  | 5 0    |
|               | Omalur Sethupati C. S.            | 2 0    |
| Tanjore.      | Tiruvalur Kamalambika Urban Bank. | 3 0    |
|               | Vridhachelern C. S.               | 2 0    |
|               | Nicholson Town Bank Tanjore.      | 5 0    |
|               | Patukottai Union.                 | 3 0    |
|               | Pinnavasal C. S.                  | 1 0    |
| Tinnevelly.   | Palamcottah C. S.                 | 5 0    |
| Trichinopoly. | Lalgudi Rural Bank.               | 1 0    |
|               | Jayankondacholapuram Union.       | 2 0    |
|               | C. S.                             | 1 0    |
|               | Trichinopoly District Urban Bank. | 10 0   |
|               | Vengarai.                         | 5 0    |
|               | Trichy Cooperative Credit Bank.   | 8 0    |
|               | Kodumudi C. S.                    | 2 0    |
|               | Kalyandrug.                       | 4 0    |
|               | Satur C. S.                       | 1 0    |
|               | G. Sundaresa Aiyar, Pudukottah.   | 1 0    |

*Receipts and Expenditure account of the Eighth Madras Provincial Co-operation Conference.*

| No. | Receipts.           | Amount. |     |    | Expenditure.                   | Amount. |     |      |
|-----|---------------------|---------|-----|----|--------------------------------|---------|-----|------|
|     |                     | Rs.     | a.  | p. |                                | Rs.     | a.  | p.   |
|     | Donation            | ...     | 404 | 0  | Cooks feeding &c., ...         | ...     | 600 | 9 0  |
|     | Delegation          | ...     | 305 | 0  | Paper printing Postage &c. ... | ...     | 204 | 10 0 |
|     | Reception Committee | ...     | 210 | 0  | Other expenses ...             | ...     | 98  | 14 4 |
|     |                     |         |     |    | Cash on hand                   | ...     | 14  | 14 8 |
|     | Total               | ...     | 919 | 0  | Total                          | ...     | 919 | 0 0  |

# The Madras Bulletin of Co-operation.

VOL. XI.]

MARCH, 1920.

[No. 9]



E LATE MR. C. N. KRISHNASWAMI AIYAR, M. A., L. T.,  
Vice-President, Provincial Co-operative Union, Ltd.

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

## NOTES AND NEWS.

A G. O. of the 14th February fully adumbrates the Government's policy of expansion which we have been constrained to criticise repeatedly. We do not, of course, propose to go over the same ground here. But we cannot dismiss from our mind that this ill-advised and costly policy is bound to fail, and that the healthy growth of a good movement will have been sacrificed for satisfying a short-sighted Government. We do not know whether to call it pathetic or ridiculous that while the official staff is being continually strengthened the Government should continue to repeat the old and pious wish that the co-operative movement is to be run entirely by non-officials and that all Government appointments in the Department are only temporary. Having needlessly launched on a costly programme of appointments the Government looked about, we are told, to reimburse themselves and rested their eyes on the old question of an audit fee. It is, however, comforting to note that it is not to be levied just now—due perhaps to the compelling fact that the 3,000 odd agricultural credit societies worked in 1918—19 at a net profit of less than Rs. 15,000! The hope is expressed, however, that within the next five years the movement will be in a position to repay a considerable part of the expenditure incurred by Government for the purpose of audit.

\* \*

The co-operative banks of this Presidency are passing through a financial crisis the like of which has never been experienced since the beginning of the movement. From the apex to the smallest central bank the cry everywhere is lack of funds. Banks which had a plethora of funds and sought investment for them even outside their legitimate territorial limits are unable to disburse loans sanctioned long ago. The total cash credit given by the Madras Bank to the movement as a whole seems to be exhausted. The primary societies, central banks and provincial

bank are all awaiting a flow of deposits more eagerly than the agriculturist awaits the monsoon, and the Egyptian the flood of the Nile. What may have brought about this crisis? It is certain that a number of causes have combined. The floatation of a large number of industrial companies, the rise of rent and the consequent desire to purchase land and houses, the Government itself borrowing at 5½ per cent free of income-tax, the offer of an equally high if not a higher rate of interest by state-aided and long-standing banks, have all combined not only to check the flow of deposits in the co-operative banks but to cause the withdrawal of monies from them for investment elsewhere. Nor are co-operative banks free like other banks to offer a sufficiently attractive rate of interest on deposits. They are bound down by Government rules and their own by-laws to finance primary societies at 7½ per cent interest, while the Bank of Madras and other institutions charge no less than 10 or 11 per cent. In spite of these adverse circumstances the present crisis would not have occurred if the expansion of the movement had been normal and judicious. Not only an exceedingly large number of societies was registered during the last year but their registration was not evenly spread throughout the year, giving rise to periods of comparative inactivity and overactivity. It would appear that some Assistant Registrars do not take care to ascertain what finances are available with the Central Bank before starting new societies or sanctioning loans. The efficiency of an Assistant Registrar or an Inspector being judged by his organising a certain number of new societies, there is a tendency in him to thrust a society on a lukewarm village by promising a large first loan. Thrift the first foundation of Co-operation is thus undermined. The liberality with which loans are recommended in some cases by Assistant Registrars may be compared to the generosity of a person who is permitted to draw cheques upon a bank where he is not obliged to keep his money. We understand that the lack of funds in the banks has automatically checked the registration of new societies in pursuance of the '4500' policy. Though we are glad that the policy has received a check yet we fear that the inability of the financing institutions to disburse loans for a long time after they have been sanctioned, will affect the credit of the co-operative movement as a whole. If prestige will not stand in the way of the Department we would suggest once again the abandoning of the policy of artificial expansion and concentrating on the strengthening of the movement, and the weeding out of bad societies.

\* \* \*

The question of the formation of a distributive wholesale society for the Presidency of Madras is engaging the anxious attention of people interested in the movement. The expansion of the business of the existing distributive societies and the formation of trading unions in the various parts of the presidency are bringing into focus the question of a central organisation which will pool their resources, arrange wholesale

The T. U. C. S. and the Wholesale.

purchases for them at seasons when articles can be obtained at the cheapest price, and thus generally consolidate and strengthen the position of societies dealing in commodities. The establishment of a wholesale for Bombay where however distributive co-operation has not much progressed, and the passing of a resolution at the last Madras Co-operative Conference urging the establishment of a wholesale society have quickened the demand for the wholesale. Mr. Hemingway considered at one time that as it was difficult to form a wholesale as yet, the business knowledge and experience of the premier society in India, the T. U. C. S., can be availed of in order to help the distributive societies and trading unions. The object was not exactly to induce the Triplicane Society to convert itself into a wholesale, but to enlarge its activities and increase its scope for usefulness by taking moffussil societies under its protecting wings. The Triplicane Society accordingly passed certain rules in order to enable it to perform agency work for the moffussil societies for a reasonable commission. This idea, however, the Department seems to be giving up now. Now we are to desire the establishment of a pacca wholesale in order that it may cater to the wants not only of the existing institutions but also for the numerous organisations for working classes and the backward communities that are proposed to be started in the city of Madras in the near future. The question has an intimate connection with the future of the Triplicane Society. That society has now more responsibilities than it might discharge with efficiency under its present constitution. A desire, widely felt, is expressed by a large number of the members for a reform of the constitution which will remove the evil of its talkativeness by encouraging local effort and initiative on the part of its branch societies which are now about fourteen in number. The question is whether this desire for decentralisation as it is called, shall take the form of complete local autonomy for the branches or the transfer to local panchayat of some of the powers now wielded by the central Executive. Complete autonomy would mean the break up of the Society, not of course necessarily sounding its disruption. In this case, the conversion of the Triplicane Society into a wholesale would naturally follow, and, the branch societies which will hereafter be independent societies, the various labour union societies which are proposed to be started in Madras and moffussil societies could affiliate themselves to the wholesale. But the general feeling among the members of the Triplicane Society appears to be against this radical alteration, for various reasons which it is not necessary to go into now. Partial transfer of power is all that appears to be demanded. It is expected that the General Body will be called upon at an early date to pronounce its final verdict on this question. If the first alternative of complete autonomy is decided upon which is very unlikely the Triplicane Society could then be easily converted into a wholesale. If, however, the General Body decide against such complete change then the establishment of a separate wholesale will become necessary of which the Triplicane Society with all its branches and other organisations in the City and in

the moffussil may become a component part. This course is the more likely to be ultimately decided upon, though of course the accumulated experience of the Triplicane Society would be very valuable and liberally drawn upon in order to start the new wholesale on its career of great usefulness to the co-operative world.

\* \*

A new Society called *The Bombay Co-operative wholesale society* has been recently organised in the city of Bombay for the purchase of wholesale supplies on behalf of co-operative stores. It is registered under the Co-operative Societies Act of 1912 with a capital of Rs. 10,000 comprising of 10,000 shares of Rs. 10 each. The society has been able to secure a strong directorate. The prevailing high prices of most of the necessities of life and the difficulty of obtaining certain commodities through the usual local agencies have aroused in most parts of the presidency a keen desire for some more satisfactory system of supply and distribution. Many people who have gained some knowledge of co-operative principles felt the need of reforming the present system with its profiteering and frequent dishonest practices. The Government have taken steps to meet the widespread demand of supplementing the work of co-operative credit societies by means of establishing co-operative stores and have sanctioned a special staff to help in the organisation of retail stores etc. Consequently in the last Bombay Provincial Conference it was resolved that the time had come for a rapid extension of retail stores and supply unions and that immediate steps should be taken to organise a wholesale purchasing and selling agency in Bombay City. As the present number of the societies in the city is not sufficient it has been decided to form for the present merely a Wholesale Co-operative Agency doing all business on the adat system and on cash basis. The Agency has power to buy and stock goods in anticipation of a demand at the discretion of the Board. This is to place the goods in the market on favourable terms when demand arises. It deals in a few main articles and distributes any profit as bonus on purchases. All the societies joining it should enquire the rate and address the same to the society. When the rates are same or nearly equal they should purchase the required articles through the society. To cover the working expenses it was arranged to deal with outside traders also under certain restrictions. For this class of business much working capital is not necessary and so the above mentioned capital will be sufficient. Every stories society that joins the agency should take one share for every Rs. 1000 of its own working capital. Co-operative stores and societies will be given preference over individual members of co-operative societies who are preferred to to the outside public. After paying a dividend of  $6\frac{1}{2}$  per cent the balance of profits will be distributed as rebate to societies in proportion to their purchases. The society will be managed by a Board of 8 to 20 persons elected by the General Body.

\* \*

Writing in the December number of the *Bombay Co-operative Quarterly*, Mr. H. W. Wolff remarks that two notable recent developments in Indian co-operation are the multiplication of store societies and the attempts to improve small industries. While the stores will benefit the urban workmen, the co-operative organisation of small industries will help the agriculturist who does not have employment all the year round. "How usefully cottage industries, as they were rightly called, may act in this way we see in many parts of Europe. And it is gratifying to hear the click-click of the handloom in the smallest cottages, say on the mountain sides of Tondai valley, to see in Lorraine women and girls working away eagerly at their embroidery which is the best paid small industry going—the Black Foresters making their parts of clocks and watches, the Truringian peasants shaping their meerschaurns and the maidens and children of Tuscany plaiting their straw. It is all so picturesque! But it also tells of money earned by labour which would otherwise run to waste. However, the classic country for small industry—which in this case includes fishing—appears to be Japan. There small industry and fishing fill up a large space in the country's productions and draw much money into the humble homes of poor but industrious people." Why should not the Indian ryot with his minute parcel of land, he asks, do as the Japanese peasant does and supplement his agricultural income by basket work or some other industrial occupation? But he points out some difficulties, among which are a want of technical skill, want of capital to purchase raw materials or tools or to store goods or hold them over in times of slumps; and more serious than all, the difficulty of finding a market for the products turned out. The middleman is able to fleece effectively, the small producers, because he has ready money and knows the market. One very important point which the practiser of cottage industries should bear in mind, is, that he should be guided by the taste and needs of the purchasers than by his own facilities for production or taste. Japanese products of small industries have a good market in England while Indian articles have not, because the Japanese articles are of general utility such as lacquered ware, basket work and the like. Ivory, silver and shellware and other Indian knickknackery are all very artistic no doubt, but the demand for them is very limited. It is not so with Indian carpets and if they and other articles be manufactured and sent to England 'on sale or return', Mr. Wolff is sure that a growing market would be created.

\* \*

According to Dr. John Matthai who read a paper on 'Agriculture and Co-operation' at the Agricultural Conference held in December last at Coimbatore the net result of the previous conference at which the superior officers of the Agricultural and Co-operative Departments put their heads together, could be summarised as recommending:—

Co-operation and  
Agriculture.

(1) "Joint purchase of seed for green manure such as daincha, sum hemp and Kolinji, (2) joint purchase of artificial manure such as bone meal, oil cake, and fish guano, (3) joint purchase of improved seeds for crops like paddy and cotton, (4) joint production in respect of sugarcane crushing, cotton ginning and ground-nut decortication, and, (5) joint sale of agricultural produce, especially garden produce such as arecanut, cocoanut and pepper on the West Coast." To the consideration of the present conference as a further step in advance he suggested the following two questions. (1) Is it practicable and desirable to give short courses of instructions in improved methods of agriculture to honorary co-operative workers at one or more centres in the Presidency? (2) Will it help agricultural propaganda if, in posting agricultural demonstrations preference is given to places where co-operative unions have been formed?

\* \*

We are thankful to the Government of Madras for issuing the following order:—Security deposits made by municipal renters and contractors may be placed in Co-operative Central Banks or the Co-operative Provincial Bank, the general or the special approval of the Registrar of Co-operative Societies being obtained in each case. If the deposit receipts are transferable, it will suffice if the deposits are made by the contractors themselves and the receipts are transferred to the chairman of the municipal council. If, however, the deposit receipts are not transferable, the deposit should be made by the chairman in his own name, after obtaining from the contractor a formal application requesting him to invest the amount at his risk by depositing it in a Central Bank or the Provincial Bank.

\* \*

Outside credit and trade, and of late production also, co-operative principles have not been applied to any other purpose in our Presidency. It may therefore, interest our readers to know of the experiment in applying co-operative principles for irrigation purposes by the Palavalasa Panchama Co-operative Society in the Cocanada Section. About 500 acres of land of the members of the above society were lying uncultivated for the last three years on account of the disrepair of the three irrigation tanks of the village. The Panchama Society borrowed Rs. 1,000 and utilised the whole amount in repairing the irrigation tanks. The wages went to the members themselves. What is of prime interest is those 500 acres of land are now cultivable.

\* \*

On the 31st of January last a general body meeting of the Madras Government Servants Co-operative Society was held under the presidency of Justice T. Sadasiva Iyer. From the annual report of the society, adopted by the meeting, we gather the following particulars.—During the year under report there were 249 new admissions and 127 withdrawals as against 254 and 139 respectively

in the previous year. Business increased under all the heads but the Registrar has remarked that the overdue balances are increasing year after year. During the year the society earned a net profit of Rs. 3,069-12-4 as against Rs. 4,258-14-1 last year. Although the number of transactions increased, it is regrettable to note that the net profit decreased owing to the irregularity of collections. Rao Bahadur T. Vijiaraghavacharya, the vice-president of the society has earned the deep gratitude of the society by rendering very valuable assistance during the last five years.

\* \*

The Madras Salt Loaders Co-operative Society continued to work well. Its membership was 85 and paid-up share capital Rs. 293. There was a slight fall in the fixed deposits from members owing to withdrawals. The transactions of the society amounted to about Rs. 4,800. There was a decrease in the outstanding balance. The society undertook as usual the filling of gunny bags with salt from the heaps and loading them in railway wagons. The loading charges received during the year were Rs. 24,578. The net profits for the year were Rs. 542. This society is a good example of a Co-operative Labour Society.

\* \*

We congratulate the Cochin Central Bank the membership of which is confined to societies, on its successful working in the first year of its existence. It was able to attract more than Rs. 50,000 as deposits and sanctioned a loan of Rs. 15,000 to a society of fishermen in order to rescue them from the clutches of usurious moneylenders. The management is setting a commendable example of efficiency and earnestness to the other Societies in the state. We wish the bank every success.

\* \*

It appears that the Government of India have obtained the sanction of the Secretary of State to grant loans to co-operative societies, loans which are ordinarily granted to the ryots under the two Acts, the Agriculturists' Loans Act and the Land improvement Act.—*Hindu*.

\* \*

To die for others is the supreme Christian virtue. To live for others in times of security and peace, when there is no collective enthusiasm or devotion, is often a harder task than to die in battle. Edward Vansittart Neale used to say that the sacrifice of selfishness in the daily round of business and personal conduct is of at least as much importance to civilisation as the sacrifice of self on great occasions.

When Arnold Toynbee wanted a text for the delegates' hand book for the Oxford Co-operative Congress in 1882, he selected two lines from Tennyson's "Ode to International Exhibition," 1851. Substituting "let" for "till" as the first word, he had the following lines embossed, in letters of gold, on the cover of the book:—

Let each man find his good in all men's good

And all men work in noble brotherhood.

The various campaigns for social betterment are usually to promote some specific ideas or to achieve some specific object. The purposes are generally limited and temporary : they may be pressed to realisation, or may be found either impracticable or injurious. Limited objects may inspire enthusiasm for a time ; many of them contribute to the development of humanity. But all temporary and local purposes come to an end ; and there is a vast amount of unsatisfied desire wanting only direction and discipline to become useful in numerous ways for general good.

To the representatives of the British Empire, at Westminster, on November 19th 1918, King George said we must rely "on a sense of brotherhood and mutual goodwill, on a common devotion to the common interests of the nation as a whole." Here is revealed the spirit which might animate us if the ideal of a Co-operative Commonwealth is to be realised, common devotion to the common welfare.

This is entirely different from an attempt to find intellectual agreement upon a religious, social or political programme. It appeals to all who feel the common desire for every form of betterment. The devotion of a man or woman, here or there, to the welfare of the people is useful to a limited extent, and is an example which others may follow. But the great need is popular sympathy and helpfulness for the benefit of all :—*The Millgate Monthly*.

### THE LATE MR. C. N. KRISHNASWAMI AIYAR.

We grieve to record the passing away of Mr. C. N. Krishnaswami Iyer, M.A., L.T., of Coimbatore who was one of the most prominent, well-informed, independent and earnest of co-operators in this Presidency. He was the life and soul of the cooperative institutions of Coimbatore and the energetic Vice-President of the Provincial Co-operative Union. The void created by his withdrawal seems almost impossible to fill. Elsewhere is published an appreciative article by his life-long friend Mr. T. S. Venkataramana Aiyar, which needs no supplementing. Of versatile attainments, he was a rare example of the happy assimilation of the eastern and western cultures. Both in conduct and conversation he reflected to an admirable degree politeness and self-control—the *vinaya*—of the east as well as the strong individuality of the west. He was vivacious and pungent in writing and speaking and sometimes found the editor's blue pencil rather irksome. Though naturally sensitive his strong sense of humour made him always excellent company. He had a personality which impressed you in less than five minutes. We offer our deep sympathy to the family.

### THE LATE MR. C. N. KRISHNASWAMI IYER, M. A. L. T.

Co-operators all over the Presidency of Madras will be grieved to learn of the untimely death of Mr. C. N. Krishnaswami Iyer which took place on Friday, the 19th March, 1920, at his residence in Coimbatore. He was only fifty-four years when he died, his last illness being diabetic gangrene of the left leg from which he suffered for a fortnight.

It looks but yesterday that, speaking at the last Provincial Conference at Madras, Mr. Krishnaswami Iyer in his capacity as Chairman of the Reception Committee said "In a popular concern like this, it is in the nature of things inevitable that every time that we meet we should be missing some old familiar faces and that some brave comrades should be withdrawn from the fight". How cruelly, alas! has the inevitable befallen in his own case!

The following sketch of his career, leading to his evolution as a co-operator, is a humble tribute to his memory—which, please God, may ever be green—by one who has had the privilege of knowing him intimately for upwards of 30 years.

Records show that while yet a boy of 15 years of age, he joined the Madras Census Office in 1882, as No. 279, and did his work as an examining clerk satisfactorily!

Later on, we find him as a student in the Native High School, Coimbatore for nearly three years and passing the Middle School and Matriculation Examinations from it, securing in both a creditable place in the First Class. In the opinion of his Headmaster, his conduct was exemplary and the diligence with which he pursued his studies was simply wonderful. Then he was one of the best that the late Mr. C. C. Flanagan, M. A. Principal of the Coimbatore College had "had in all his educational career". After passing the First-in-Arts examination in the First Class in 1886, his higher examinations he was obliged to prepare for in private and while he was at the same time busily engaged in teaching and other school and college work. Nevertheless, he secured a good class in each of the divisions of the B.A. Degree Examination (1893). Since graduating, he successfully passed the Examination for the degrees of Licentiate in Teaching (1896) and Master of Arts (1900, History division). These successes he owed entirely to his own unassisted efforts. He was also University Prize-Man having been awarded the Norton-Prize for Political Economy.

An academic career such as this speaks more for Mr. Krishnaswami Iyer's industry, perseverance and brain power than any description thereof possibly can.

Taking service in the Coimbatore College as a First-in-Arts Man he served the institution for near twenty years and rose from the II Form upwards with

the rise in his qualifications academic and professional, and with the uniform support of successive principals. In May 1907, however, when he was acting as First Assistant he severed his connection with the institution on account of an outsider having been brought to supersede him. His sensitive mind could not brook the slight. He resigned saying that he should not continue to serve on the staff of the college any longer with a sense of injustice and humiliation haunting him at every step. He then served in the Trivandrum College for a short period as assistant Professor of History and then in the Zamorin College, Calicut as Principal. But before he was there for a year he was obliged to resign his Principalship under medical advice and returned to Coimbatore finally.

Mr. Krishnaswami Iyer had read extensively in History and Economics and had thought much upon the application of principles to practical affairs. Though on an occasion one of the Registrars of Co-operative Societies seems to have referred to him, in a complimentary way, as a great theorist, Mr. Krishnaswami Iyer was by no means a mere theorist; for much of his success as a teacher of economics was, indeed, to be traced to his interpretation of economic theory from the events and phenomena of daily life.

It was this practical turn of his mind, coupled with his deep knowledge of the subject that first brought about some correspondence between him and Sir F. A. Nicholson on a proposal to start an experimental Credit Society in a typical South Indian village on co-operative basis. This was long before the the Government of India Act X of 1904 was promulgated.

The first tangible result in the field of Co-operation carried out by Mr. Krishnaswami Iyer was the inauguration of the Coimbatore Co-operative stores early in 1905. The store had been set in motion and gone on working with increasing popularity for several months before the first Registrar had it registered under Act X of 1904. Mr. Krishnaswami Iyer was its first secretary, served on its Directorate, and became its President in due course, and helped it to grow and expand by his active co-operation and friendly advice. This institution is now one of the largest of its kind in the Presidency with a total membership of over 800. Besides the head store, it has three branches situated in different parts of Coimbatore, and catering to a large population.

The Coimbatore District Urban Bank, Ltd., which was started in 1910 is a good going concern, of which Mr. Krishnaswami Iyer had been Secretary until the time of his death. The success of the Bank and its popularity in the districts of Coimbatore, Nilgiris, Malabar and South Canara are mainly due to his able guidance, tact and resourcefulness. It was his earnest wish to carry out the conversion of the Bank into a Banking Union so as to make it a more effective financing body and democratic in character, consistently with the co-operative spirit.

The Coimbatore Co-operative Building Society, Ltd., owes its existence, usefulness and popularity to his advocacy of the need to improve the housing problem in urban areas. This society was established in 1913 and is a progressive association with aims and ambitions before it. Mr. Krishnaswami Iyer who had been its secretary all along was formulating certain plans for the society undertaking to build houses on its own account with a view eventually to enable its members to own them as real property.

As opportunities permitted, Mr. Krishnaswami Iyer used to visit R. C. Societies in the district chiefly with a view to educate and to put himself in touch with village folk for whom he always had unbounded sympathy. But more of the the village folk went to him for counsel and guidance. For this task Mr. Krishnaswami Iyer's linguistic attainments in all the South Indian Vernaculars and his intimate knowledge of the nature and habits of people gave him a special advantage, and he made the best use of his gifts. In various ways it was given to him to be in living touch with the people in the town as well as in the village, and to carry to them his message of co-operation. In a word, his work was a direct refutation of some fanatical statements here and there made by a few of our misguided brethren.

Though conditions of his work at head-quarter rarely allowed his organizing any new societies in the mofussil, he demonstrated, as it were, what a sympathetic non-official can accomplish in this line, by successfully launching an Urban Society at a station, which had been pronounced as a spot least congenial for co-operative activities.

In addition to his doing a large amount of silent executive work in connection with the Bank and the Building Society, it was one of his hobbies to improve the condition of our less favoured brethren in urban and rural areas. As secretary of the Building Society he did his level best to encourage Mussalmans of Coimbatore, amongst others, whenever possible, to build or own houses with the help of the society. His faith in co-operation was such that he readily offered to finance the Badagi societies in the district of Nilgiris which had at the outset many difficulties arising out of ignorance and indebtedness, to contend against.

Agreeably to a resolution adopted at the First Circle Co-operative Conferene held at Coimbatore, in 1913, to improve the condition of weavers, Mr. Krishnaswami Iyer, with the active sympathy of the then Registrar, Mr. R. Ry. Dewan Bahadur L. D. Swami Kannu Pillai Avl., C. I. E, made an earnest attempt to organise a Weavers' Society; but unfortunately vested interests of a few *natural leaders* clashed, and the attempt proved abortive notwithstanding the crying need of the huge weaving population in Coimbatore for betterment of their condition.

It was another serious idea of his to organise a Co-operative Dispensary at Coimbatore on a combination of ayurvedic and allopathic sides. He had almost formulated a scheme for carrying out the idea, when again subterranean forces and technical objections stood in the way, with the result that the proposal fell through, though the *raison d'Etre* for starting such a Dispensary was admittedly a sound one. Besides being the life and soul of the movement in the district of Coimbatore and Nilgiris since 1909 he was, as is so well known to co-operators all over, a moving factor in the Provincial Co-operative Union, and a prominent figure of the annual sessions of the Provincial Conference, both of which have now become much the poorer for the untimely disappearance of his genial and elevating personality.

One prominent weakness, if I may so put it, of Mr. Krishnaswami Iyer was that he was essentially good-natured. The readiness with which he consented to serve in one way or another at numerous co-operative conferences, in and out of his own district, very often at considerable sacrifice and risk to himself was a proof of this weakness, but it was all a loving service on his part. There was also a strong point about him, and that was a deliberate moderateness in the expression of his opinion. The great weight attached to his pronouncement when he was with us, was the natural reward of his restraint, which was greatly enhanced by his power of seeing the multifarious aspects of things.

A most loyal non-official co-operator as he was, with his faith firmly fixed in the destiny of the movement under the guidance and control of the non-official co-operator, whose legitimate function it is to foster the healthy growth and spread the movement and to bring its blessings to all, he never failed to co-operate with the Department whenever it was necessary or possible. It may perhaps be said of him that "He has done the State some services and they know it."

Had Mr. Krishnaswami Iyer been spared for us for sometime longer our onward march had been so much enlivened, and the accomplishment of some of our set purposes rendered easier by his sage counsel and sagacious leading. But, now that our tried friend of Co-operation has passed away from our midst, his own District Bank and the Building Society at Coimbatore and the M. P. C. Union are necessarily more or less hampered, nay, heavily handicapped; and his absence at our future conferences would also be keenly felt. Many a knotty co-operative problem such as the Co-operative Printing Press, Co-operative Finance, Co-operative Training and Education, Audit Supervision, and so on is rendered less easy of solution for his untimely withdrawal from the fight.

As for himself, his single regret during his last illness was that he had left many things half done and somethings ill-done; but he was never afraid to die.

May Peace be to his Soul!

T. S. VENKATARAMANA AIYAR.

### STUDENTS' STATIONERY SOCIETIES AS "CO-OPERATIVE" SOCIETIES.

I was not a little surprised to find in the *Madras Bulletin of Co-operation* for February last what I cannot help calling otherwise than as a curious medley of favourable and unfavourable views all jumbled together under the heading of "Permission to use the word *co-operative* by Unregistered Societies" over the name of my friend Mr. Baindure Ananda Rao. The article is admittedly based upon a resolution passed at the last South Kanara District Co-operative Conference of December 1919 to the effect that students' stationery societies might be permitted to call themselves "co-operative" societies; the writer seems therefore, from the very outset to have tried to make a mountain of a molehill, by making it appear in the title of his article itself that the new privilege sought to be obtained from Government amounted to a permission for all unregistered societies to call themselves "co-operative." This proneness to make a mountain of a molehill manifests itself almost throughout the whole article, where the writer pictures to himself "the serious consequences," "the bitter consequences," "disastrous results" and such other catastrophes as are alleged to follow the grant of the permission asked for.

The last, but by no means the least, of these black pictures drawn by the writer for the edification of the readers, is that of the "panic and consternation" that are said to have been created among the people by some unregistered bank in the Punjab, that called itself "co-operative" and ran into liquidation suddenly. The people, continues the writer, "raised a hue and cry against all registered co-operative institutions; and there was a sudden run against all registered Co-operative Banks which would surely have caused a collapse, but for the timely explanation published in the papers that the said Bank though called "co-operative" was not registered under the Act. This pacified the depositors, a possible calamity was averted, and the rising fire fortunately ended in a puff of smoke." We who fortunately know the facts, can very well afford to dismiss the graphic details with only a smile and put down the whole passage as being due at best only to the normal working of a somewhat abnormally developed imagination. Descending from the Punjab-Himalayan cloudland of imagination to the *terra firma* of stubborn facts, we find that in the Madras Presidency alone 101 societies of the genuine registered variety, be it remembered, have in all been liquidated in the course of the last five co-operative years, and the figure of such liquidated societies for all the provinces in all the co-operative years up to now put together can by no means be less than some hundreds. If an unregistered bank somewhere at the foot of the Himalayas might throw people into fits of hysterics about the security of all co-operative institutions even at the other end of the country, the liquidation of several really registered co-operative societies almost at their very doors should by now have driven the whole country stark mad. Thank

God, however, that we have still enough sanity left in us to distinguish between unmixed truth and gross exaggeration, between good logic and fallacious reasoning!

All that the South Kanara District Co-operative Conference asked for was that "as a general incentive and encouragement to the formation and successful working of such [students'] societies, Government might be pleased to exempt such societies from the prohibitions imposed by Section 47 of the Co-operative Societies Act II of 1912 against the use of the word "co-operative" by any bodies other than those registered under that Act." The writer happily is not opposed to the idea that some at least of the students' societies are truly co-operative in character. Then why not allow them at least those which are truly co-operative to call themselves as such? The writer adds, "There is nothing in a name." Then why this campaign of frightening a peaceful public out of their wits?

Though at the beginning of the article, the writer tries to coax those concerned by saying that there is nothing in a name, towards the end of the article, the writer is forced by his own logic to admit that word "co-operative" has now, so to say a sort of sanctified meaning, and the registered co-operative societies have a sort of sanctified atmosphere and decree round them. Why deny this sanctity to institutions of a truly co-operative character? The only danger that the writer smells is that if students' societies are allowed to call themselves "co-operative," people will not be able to distinguish them from registered societies. But what is the danger? The writer himself says in the earlier portion of his article that "if deposits have flowed in any society with any degree of readiness, it has been due not merely to the consciousness of the existence of the Department behind but to the confidence inspired by the interest exhibited by a few good men and true in the working of the society... to the influence which the executive officers of the society locally command" (The italics are mine). Who are the people then that will be deceived by the mere name into making any investments in the societies? If there are good men and true that interest themselves in the working of a students' society they will be able to get the necessary funds through their ordinary influence, irrespective of the fact as to whether the society is really co-operative or not or whether it calls itself co-operative or not. If the persons that interest themselves in the Students' society cannot themselves command any resources the mere addition of the word "co-operative" to the name of the society will not and cannot mend matters to any the least extent. Where is the writer's so-called "great hoax", "false belief", "make-believe hoax" or "deception" in all this?

If the writer had been as familiar with the Co-operative Societies Act as should have been desirable, he would have been able to discover that if only ten persons—students or teachers—above the age of majority are made available

to sign an application for the registration of a society, and to join the society at its start a student's society might even be got registered under the Co-operative Societies Act itself, and any number of minors might later on be introduced in that very society by getting around the legal provisions and dubbing such minors as "associates instead of "members"—surely a distinction without a difference. What then about the ignorant folk about whose growls and anxious sleepless nights the writer seems to be so very solicitous? The writer clearly says, "I do not mind if the legislation itself is changed so that such societies may be registered under the Co-operative Societies Act, and then called "co-operative" societies. Does he know that the legislation does not need to be changed for that purpose?"

According to the writer the Government "cannot go beyond the legislation." Who asked them to go beyond the legislation? The legislation itself expressly gives the Local Government authority to permit bodies not registered under the Act to call themselves "co-operative", and what the South Kanara District Co-operative Conference did was to ask Government to permit one particular class of such bodies—namely, Students' Stationery Societies—to call themselves "co-operative". No reasonable man can see anything revolutionary or subversive of "peace, order and good government" in this. The very fact that it is only the phantom of a Himalayan Bank under liquidation that the writer can lay hold of to terrify Government and the people alike, goes to show that he has nothing more substantial to support his position.

With regard to the second part of the resolution, that Government might help such societies with free audit also, the writer fortunately comes to the conclusion that "there is no harm" in doing so, though he launches into quite a sermon on the psychological aspect of the age of majority before he concludes that there is no harm. Anyhow, in view of the happy and agreeable conclusion, we can very well pass over the sermon and not mind much about the other fanciful suggestions he makes, such as that the students' societies in the district should organise a supervising union of their own, and should carry on the work of supervision by means of a staff maintained by the Union. The humour of prescribing a separate Supervising Union for the only two societies that exist in the district at present is obvious and does not need to be explained, though it is doubtless hard to beat.

In conclusion, therefore, I can only trust that Government would refuse to be frightened either by the Himalayan bogey or by the writer's string of choice words signifying disaster, and that the small privilege asked for on behalf of the Students' Societies will be ungrudgingly granted to them.

M. ANANTA RAO,

*Secretary,*

*The South Kanara District*

*Co-operative Conference, 1919.*

### COTTAGE INDUSTRIES.

The advantage of co-operation as applied to industries is so well recognized that it has become one of the earliest matters to which the attention of all co-operators is directed. It is of the utmost importance that we should be able to manufacture our own requirements as far as possible from the raw produce available in our country; and if possible, also to finish our raw produce ready for the market before it is exported to other countries. I am not, in this article, dealing with the developments of factories to deal with the produce of our agriculturists, experiments of which are going to be tried at Tindivanam and at Kallakurichi. What concerns me more here, is the revival, or introduction and development of cottage industries of whose existence in old days we hear so much, but of whose existence, at least in these parts, we see so little.

Mr. Wolff has pointed out several defects such as the want of technical skill, the sticking to out-of-date methods of production etc., which stand in the way of the development of these small industries. Even the "inherited familiarity" and "useful accumulation of experience" in caste trades and occupations are not visible in several cases—not to speak of the caste prejudices which very often stand in the way of persons taking to any handicraft readily available and easily learnt.

The initial problem one has to solve is to select some kind of handicraft which can be easily learnt and profitably worked by any man or woman without any pretension to any skill, knowledge or previous experience.

The next thing is to find a market for the ready absorption of the product of such industry. One great defect that has discounted the value of many of our Indian hand-made articles is pointed out to be the absolute indifference on the part of the maker to the tastes of the purchaser. If any industry is to flourish to any extent it is of supreme importance that there should be a ready market. This is secured only by a keen and intelligent study of the needs and tastes of the market. The manufacturer has to turn out his wares to suit the taste of the purchaser and not as is very often done to suit his own tastes. The Indian manufacturer by himself knows very little of the market and unless we are able to do this very important work for him, there will be no use of asking him to turn out anything. Therefore it is only such an industry as would find a ready market that it is worth reviving.

The next duty devolving on co-operators is to find the raw material in cases where it is not locally available. The unskilled and inexperienced, though enthusiastic co-operator finds this not an easy job. The selection of the quality required and its quantity and the fixing of price which are in the daily routine of every sowcar or trader are beyond the skill of the amateur. Any amount of reading or earnestness won't avail him and it is experience alone that must teach him to deal squarely with the vily shopkeeper.

Another very important business he has to undertake and perform is to advertise the goods in an effective manner and the last is the finding out the required finance. I put it as the last though it is almost the first, because I consider this more easily accomplished than the others. I tried to organize some of the local weavers into a co-operative society and amongst the first question put to me was whether I would be able to undertake the selling of their product profitably. In the present fluctuations of the market an amateur is not able to give him a ready answer, nor is the Department to which he turns for help always able to solve this. At the same

time the individual producer is by no means honest. He cares more for gaining an extra anna by palming off an inferior article than for securing a name for him in the market which in the long run would put more rupees in his pocket. The result is the old order of things continues, and the profit legitimately due to the manufacturer struggling to make both ends meet, readily flows into the coffers of the middlemen.

I was reading that in other countries, at least in one country—Germany the Government encouraged small industries and helped them to move with the times by providing technical schools and departmental exhibitions. Alas! how many of us have not walked through various exhibition halls simply staring at the various objects on either side of us like so many children, ignorant of the silent tales of wonder they are telling the intelligent visitor. But this is a digression.

I think we can follow the example and with the help of the Government start technical schools at every important centre. Apart from financial help for such schools the first difficulty you encounter is to find the teacher who will run such an institution on sound lines with the required technical skill. To get over this a central school at Madras or in the mofussil should be started and it should be made attractive to students of the required class by the grant of stipends on a liberal scale and these should be made to work for a fixed period after they come out of the school, in an elementary or a secondary school, where there are at least a dozen pupils willing to get themselves trained to some industry in out of school hours. The pernicious idea of every boy entering the portals of a school that he should become a Government servant or a lawyer must be made to disappear, and education should be looked upon only as an essential and an initial requisite for living in civilized society and to earn a living in such society by any means.

Side by side with the development in these lines a special officer, not necessarily taken from the official ranks, will have to be appointed and told off to study these questions, to put himself in touch with the market, to study its requirements and then propose detailed measures for developing any particular kind of cottage industry.

I think early action on these lines would bring more benefit to the agriculturist than any amount of development on the credit side is likely to do.

There are in every secondary school at least a dozen or two of students and even one or two teachers who are now ready to undergo any manual training and they are hampered by nothing except the want of some instructor to put them in the way. From several conversations I have had with my schoolmaster friends, I feel I am quite safe in coming to the conclusion I have set forth above and I hope every brother co-operator would recognize that from the school to the village is only a natural and necessary step.

V. SRINIVASAN.

### CO-OPERATION IN WEST COAST.

#### CALICUT SECTION FOR-1918—19.

The section originally comprised of the four districts of S. Kanara, Malabar, Coimbatore and Nilgris, but late in the co-operative year it was split up into two, Coimbatore and Nilgris forming one section, the rest another.

Three inspectors in each district were working under the Assistant Registrar and owing to the unwieldy nature of the jurisdiction and pressure of work fourth was sanctioned for each.

The following table will show the progress made in these districts during the last year.

|            | No. of Societies |       | Membership |        | Share Capital in Lakhs. |       | Total working Capital in Lakhs. |       |
|------------|------------------|-------|------------|--------|-------------------------|-------|---------------------------------|-------|
|            | 18—19            | 17—18 | 18—19      | 17—18  | 18—19                   | 17—18 | 18—19                           | 17—18 |
| S. Kanara. | 182              | 119   | 20,451     | 16,675 | 2.12                    | 1.24  | 16.56                           | 11.69 |
| Malabar.   | 142              | 112   | 16,300     | 12,868 | 1.14                    | 0.64  | 5.58                            | 3.63  |

Of the members more than 10,000 were of the backward communities  
*Central Banks*:—Malabar and S. Kanara central banks were the financing agencies in the Section.

|                        | Members   |             | Paid up Share capital | Working Capital | Profits |
|------------------------|-----------|-------------|-----------------------|-----------------|---------|
|                        | Societies | Individuals |                       |                 |         |
| S. Kanara Central Bank | 186       | 134         | 48,326                | 4,96,430        | 5,411   |
| Malabar District Bank  | 98        | 140         | 36,550                | 1,62,150        | 3,007   |

In the Malabar Bank the paid up share capital was nearly one-fourth the subscribed share capital, while it was one-fifteenth in the S. Kanara Bank.

#### Agricultural credit Societies:—

|           | No. of Societies | Membership |         | Total working capital in lakhs. |         |
|-----------|------------------|------------|---------|---------------------------------|---------|
|           |                  | '18—19'    | '17—18' | '18—19'                         | '17—18' |
| S. Kanara | 139              | 16,879     | —       | 6.17                            | 4.76    |
| Malabar.  | 110              | 12,586     | 9,358   | 2.83                            | 1.92    |

Most of the loans were for productive and useful purposes such as paying kist, trade, purchasing food-stuffs, improvement of land etc., and they were much appreciated in those days of hardship and scarcity. During the last five years of war the percentage of arrears under principal and interest in S. Kanara has gradually gone up from 2.05 and 0.9 to 9.2 and 16.8 respectively. In Malabar the balance under principal which was gradually being improved from 3.1 per cent to 10 per cent in 1718 went up to 14 per cent, and under overdue interest up to 21 per cent.

Many of the societies in Malabar wanted to do non-credit work also on behalf of its members, but the bad times and lack of facilities did not allow a long rope. The Puttur Grain Bank worked with vigour this year and earned a profit of Rs. 140.

#### Non-Agricultural Credit Societies:—

There were 31 societies of this kind (including the 18 Fishermen Societies) in S. Kanara and 28 (including 17 fishermen societies) in Malabar. The biggest society of this kind was the Mangalore Roman Catholic Co-operative Society with a paid-up share capital of Rs. 48,392. The total working capital of all the non-agricultural credit societies was Rs. 1.09 lakhs in Malabar and Rs. 4.39 lakhs in S. Kanara.

The Fishermen Societies are a special feature of these districts, and they were started at the instance of the Assistant Director of Fisheries, Calicut. Their working was fair in S. Kanara, but in Malabar their management was not satisfactory and special arrangements appeared to be necessary. Almost all of the societies were self-contained as they are constituted on the thrift basis and are entirely dependent upon the share-capital collected from members at the rate of Re. 1 per month. The Guano Factory Owners Society, S. Kanara jointly sold 105 tons of fish Guano worth Rs. 7,575.

**Joint Purchase and Sale** :—Malabar had only one society of the kind, the Perintalamanna Co-operative Purchase Society. South Kanara had six societies of which four were stores started during the year. The Puttur stores purchased articles worth Rs. 10,932 and earned a net profit of Rs. 190. The Mangalore stores made a net profit of Rs. 171 on a purchase of Rs. 4261. The Puttur Panchama Co-operative Society was solely intended for the Panchamas. During the year the society earned a profit of about Rs. 700 on a transaction of Rs. 1,700. In the previous year the society incurred a loss of Rs. 65 which were made good by some generous co-operators. The South Kanara Garden Planters Co-operative Society was started for the benefit of the arecanut garden owners of the district. There were 194 members with a paid-up share capital of Rs. 11,825 and a working capital of Rs. 35,993. The society sold produce on commission to the value of Rs. 3,84,803. The profit was cut down to Rs. 519 on account of heavy initial expenses. It is estimated that Rs. 19,658 was saved to the members on account of their holding up the produce till the proper time for sale. On joint purchase the society made a profit of Rs. 1,348.

The Sadananda Co-operative Printing Works, Puttur was the only industrial society in the section. It worked satisfactorily and earned a net profit of Rs. 588. Its share capital was Rs. 3,480 and working capital including the plant was Rs. 22,725. All the societies in the district were supplied with the necessary books and forms from this press.

**Supervision** :—During the year five supervising unions were started in S. Kanara and they worked satisfactorily. The primary societies contributed one-fifteenth of the interest accrued on their borrowings and the central bank one-thirtieth of the interest realised from societies. In Malabar there were three unions. The Perintalamanna union did excellent work during the year. All except 3 out of the way societies were brought under its supervision. It is interesting to note that while arrears under principal 8.89 per cent in union societies they were 12.25 in non-union societies.

**Attitude of the Public** :—In general it was sympathetic and encouraging. There were not lacking large hearted, public spirited gentlemen who were ready to work for the cause of co-operation. The Assistant Registrar attributes the progress largely to non-official effort. The fear that the peculiar system of land tenure and inheritance and isolated living in Malabar would stand in the way of spreading co-operation was not justified. Among non-official workers Rao Bahadur C. Krishna Varma Raja and Rao Saheb C. Karunakara Menon in Malabar, and Messrs. M. Shiva Rao, M. Aranta Rao, U. Mangesha Rao, and V. S. Kamath in S. Canara deserve special mention.

## CO-OPERATION IN TINNEVELLY.

### NON-AGRICULTURAL SOCIETIES.

There were at the end of June 1917 five non-agricultural credit societies. Three of them were situated within the municipalities of Tinnevely and Pallamcottah and the other two at Tuticorin and Ambasamudram.

• **Area of operations**.—Unlike the agricultural societies, non-agricultural ones have a wide area of operation. The Public Servants' Society extends its area of operations throughout the district. The other societies include the whole town in which they are situated and sometimes even the neighbouring town. Thus the Ambasamudram Society includes the neighbouring town of Kallidaikurichi in its area of operations and the Palamcottah Society till lately extended its activities to the neighbouring town of Tinnevely. In the earlier stages this wide area does not matter but when the society expands the managing committee finds it very difficult to keep watch over the borrowers scattered over a wide area.

**Resources**.—Like the agricultural societies these societies also derive their funds from share-capital, deposits and loans from central banks. But as is quite natural the shares and deposits answer for a large part of the amount as can be seen from the following figures :—

| Year.   | Share Capital. |           | Deposits of members. |           | Deposits of non-members. |           | Loans from Central Banks. |           | Total Amount. |           |
|---------|----------------|-----------|----------------------|-----------|--------------------------|-----------|---------------------------|-----------|---------------|-----------|
|         | Rs.            | per cent. | Rs.                  | per cent. | Rs.                      | per cent. | Rs.                       | per cent. | Rs.           | per cent. |
| 1912-13 | 1,505          | 28.8      | 805                  | 15        | 1,261                    | 8.1       | 6,500                     | 41.9      | 15,549        | 5.335     |
| 1913-14 | 3,955          | 25.4      | 3,829                | 24.6      | 12,617                   | 37.2      | 1,500                     | 4.6       | 33,851        | 56.28     |
| 1914-15 | 7,568          | 22.3      | 12,170               | 35.9      | 18,660                   | 33.1      | 2,000                     | 3.2       | 56,28         | 72.579    |
| 1915-16 | 14,661         | 20.7      | 20,668               | 37        | 27,271                   | 37.8      | 2,000                     | 3         |               |           |
| 1916-17 | 19,008         | 25.9      | 24,272               | 33.3      |                          |           |                           |           |               |           |

It is seen that the societies depend only for a very small part of their working capital on the central banks. This is due to the fact that the share-capital is very high ranging from Rs. 15 to Rs. 25 though the payment may be made in instalments. Being situated in towns these societies attract deposits when once they have established confidence. One of the societies was able to do without borrowed capital at all 2 years after its starting, on account of the large amount of deposits it attracted.

**Loans**.—The societies differ chiefly in the methods of repayment provided. The Palamcottah Society conforms to the practice of the Nidhi in providing for the repayment of loans by means of recurring deposits for 24 or 45 months. In these cases the interest will have to be paid on the sum borrowed for all the 24 or 45 months. Interest at 6% however is paid on the deposits made. Abatement of interest is allowed on the sums re-paid if the whole loan is cleared in one year.

In the other societies loans are granted for any period within 10 years. and abatement of interest is allowed on all repayments towards the principal.

The advantage of the former system is that it makes people clear a loan as much as possible within one year. It may, however, act as a hardship to

people who take loans to clear off previous debts. In the latter method the instalments are made small and easy of repayment but there is always the temptation to prolong a loan.

The amount and purpose of the loans for the different years is given in the appendix.

*Demand, Collection and Balance.*—It may be said that as compared with the agricultural societies, the non-agricultural societies have been more prompt in the collection of their dues as the following figures will show:—

| Years.  | Principal.                       |                     |             | Interest.                        |                      |            |
|---------|----------------------------------|---------------------|-------------|----------------------------------|----------------------|------------|
|         | Amount recoverable with arrears. | Unrecovered balance | Percentage. | Amount recoverable with arrears. | Unrecovered balance. | Percentage |
| Rs.     | Rs.                              | Rs.                 | Rs.         | Rs.                              | Rs.                  | Rs.        |
| 1913—14 | 7,384                            | 25                  | 3           | 969                              | 1                    | ...        |
| 1914—15 | 11,209                           | 191                 | 4.7         | 1921                             | 28                   | 1.4        |
| 1915—16 | 26,260                           | 1,475               | 5.6         | 3,804                            | 196                  | 3.5        |
| 1916—17 | 46,043                           | 1,905               | 4.1         | 5,368                            | 215                  | 4          |

In the matter of repayments of loans or deposits they have been quite punctual except in one year when there was a balance of a little more than Rs. 2,000 or about 1% of their dues.

*Reserve Fund.*—The reserve fund of all the societies together amounted to Rs. 757 at the end of June 1917, when their working capital exceeded Rs. 73,000. The reserve fund in non-agricultural societies grows slowly as only a part of the profit is set apart for it. A larger part is distributed as dividend among the members and honoraria among the office-bearers. As there is always a tendency among these societies to declare large dividends, the maximum has been restricted to 9%.

In all the non-agricultural societies the sense of co-operation cannot be as strongly developed as in rural societies. But these societies have made it possible for monthly wage-earners and who have nothing else but their character and their salary to offer as security, to get loans for their needs and repay them in small instalments. These societies, however, can train up the people in banking methods, if the members take interest in them and the committee members are frequently renewed. But the chief use of the non-agricultural societies is their usefulness in tapping the deposits of the locality. If they were properly developed they would not simply be able to stand on their own legs for the loans they may have to give, but may have large amounts to deposit in Central Banks and thus be able to finance the agricultural societies.

#### *Non-Agricultural Purchase Society.*

The working of the only non-agricultural purchase society has been described at the end.

*Audit and Supervision.*—One important question has been reserved to the end for consideration viz. the problem of audit and supervision.

Audit is the checking of accounts of the societies and this work is done by the Government through its inspectors. It has been urged, and rightly urged, that the confidence of the people in the rural co-operative societies has been due as much as to the fact of there being a periodical checking of accounts by the Government as to the unlimited liability of the societies. Such being the case

the duty of audit must be retained by the Government in its own hands at least for a long time to come. Distinct from the audit there is another function now being done or supposed to be done by the inspectors in many societies viz., the supervising of the work done by the society, the advising of the committee and the instructing of the general body to do the duties. The Government is not the best agency to do it. On the contrary the fact that Government does the business has had a detrimental effect in weakening the sense of responsibility both of the committee and of the members of societies. The committee very often look to the help of the inspectors in collecting the overdue loans and interest. This is officialising co-operation.

Nor can it be said that the inspectors are able to do this work very well. The Government realise that the payment to the co-operative staff is made out of taxes of the people. They are therefore, unwilling to raise it very much. Hence they appoint one inspector for a number of societies and they are always at pains to show that the cost incurred by the Government forms an infinitesimal fraction of the working capital. Till a year back there was only one inspector for the whole district. And he was expected to do the audit of about 45 societies, the organisation of fresh societies and in addition to supervising the existing ones. The result was that the whole thing was badly done. It must also be remembered that the inspectors have very little convenience. They have no peon to assist them in their wanderings. They do not get good accommodation in the villages they visit and very often no convenience for food on account of their caste scruples. The result is that they are never able to stay in the village and supervise the society but are always in a hurry to sign the books and get away. Under these circumstances no effective supervision can be expected of them.

It is therefore clear that the work of supervision should be removed from the hands of Government and entrusted to others. To whom is the question? Recently two unions have been started to each of which have been affiliated the societies in the Koilpatti and Sankarancoil taluks. The expenses are borne from a rebate paid by the Central Banks on the interest paid by the affiliated societies and by contributions from the societies. Each of these unions have appointed a supervisor who visits the different societies. It is yet too early to pronounce an opinion on the work of the unions. But it is doubtful whether any great improvement in the condition of the societies can be expected from them. The supervisor is used by the committee of the union to expedite collections. But the general work of advising and instructing is done by no one. Moreover the places affiliated are sometimes as many as twenty miles apart and connected by no good roads and the meetings of the union are not attended by the societies that are far off. The committee also has no direct touch with the societies affiliated to the union but depend on their paid supervisors. It would be better if these unions were confined to societies near each other, so that the committee members may visit the societies themselves and rectify the errors.

*The need for a District Banking Union.*—The work of supervision however, naturally forms a part of the work of the financing bank. The safety to the bank of the money lent by it depends on the affairs of the primary societies being properly conducted. This is the reason why they are asked to pay a rebate on the interest they get from the societies as a contribution towards the supervision of the society. It would be better if the bank itself conducts the supervision so that primary societies may know that on proper

conducting of its affairs depends its credit with the Central Bank. The Madras Central Urban Bank cannot be expected to do this business. Very great difficulty is experienced so often in getting money from such a distant place as Madras. Hence it would be very advantageous to start one in Tinnevely. There are already more than 58 societies, a moderate clientele for a district bank.

The Thambraparné valley contains many rich and flourishing towns and villages where there is plenty of money. We have seen that the rate of interest for mortgage loans is 9 and for big loans as low as 7½ and 6 and even less. No doubt there are private and joint-stock banks in the locality but the greater security of the co-operative bank would soon be recognised. Efforts are being taken by the Registrar and the leading men of Tinnevely to start such a bank. There is no doubt of the success of the bank if one is established.

The best form of District Bank would be a District Banking Union. It would not be wise however, to confine the membership to societies alone, as societies are not going to be depositors for sometime to come. Individuals should be allowed to take shares so that the bank might attract deposits, care however being taken that there is full scope for societies to become share-holders. Such mixed membership would answer all purposes and with proper representation of societies in the committee the bank could undertake the supervision of the primary societies very well.

*Effects of co-operation on the district.*—It must be acknowledged that the effect of the movement on the district as a whole is very little. There are in all only 58 societies whose area of operations extend to 83 villages. Hence the large majority of the villages have never been effected by the movement.

Even of the existing societies very few are conducted well and their funds also are very limited. We have seen that on the average the mortgage debt of the district is about 24 crores. The working capital of the co-operative societies is less than 2 lakhs a sum that falls far short of the interest on the debt. Hence its effect on the debt of the district is nothing at all.

But in individual places where the movement has taken root the societies have considerably brought down the prevailing rate of interest in the locality and taught the members the principle of thrift and forethought. But more societies of the best type should come into existence before co-operation can form a factor in the improvement of the district. There are however, many causes that hinder the progress of the movement.

The policy of the Department is not to start isolated societies but only near the existing ones, with a view presumably to make supervision easy. This might be good policy in districts where co-operation has spread in all parts but in Tinnevely where whole taluks are without societies the policy of not registering new societies in far off places cannot be commended.

Secondly there is the appalling illiteracy of the people. This makes it difficult to preach the benefits of co-operation to the people and to get members for the committee. This is especially so as the few literate persons in a village are managers of chits or private money-lenders.

The chit-karavans and private bankers also are in opposition to the movement.

Lastly there is very little organisation. The importance of the Irish Agricultural Organisation Society in the development of co-operation in Ireland cannot be too highly estimated. The co-operators of Bengal also have realised the importance of such an association and have accordingly started one. In the Provincial Co-operative Union, Madras has an association with similar objects. But as yet little has been done by that body to do propagandist work. No doubt it has taken up the publishing of the Co-operative Bulletin from the department and has converted it into a monthly magazine instead of a quarterly one. But on account of the illiteracy of the people this form of propaganda cannot bear great fruit. The Union must send out lecturers who will visit the various societies, lecture to the people and put more enthusiasm in the existing institutions.

Similarly in the Tinnevely District there is a District Association. It has long been sleeping but latterly it seems to have roused itself a little. The members can do no better work than to preach the gospel of co-operation to the village folk.

Mr. Ramamurthi, I. C. S. while he was Sub-Collector of Shermadevi laboured hard for the amelioration of the people in the villages of Ambasamudram and Nanguneri taluks. He established village panchayats in many places. Some months before he was transferred he also held a Rural Improvement Conference at Kallidaikurichi in which lectures were delivered on panchayats, agriculture, co-operation, irrigation and sanitation. He also appointed a standing committee for each of these things and hoped that they would do propagandist work in the taluks. These standing committees can work for co-operation and continue the system of holding an annual conference. There is need for action especially in the shape of propaganda.

*Need for a District Co-operative Conference.* There is absolutely no organisation even among the existing societies. It is no exaggeration to say that to many co-operators the villages where the societies have been established are not known. They have never been brought together, have never compared notes and have never united to represent their difficulties. Not a single conference has been held in the district all these years. Some of the people are moving in this matter and it is likely that the First Tinnevely District Co-operative Conference will be held during the current year.

*Scope for the development of Co-operation.* There is plenty of scope for the spread of the movement in the district in all its forms. In the Thiruchendur taluk where the poor Shanars are being ground down by the appalling rates of interest and in the Nanguneri taluk where on account of frequent failures of monsoon people have to borrow and pay high rates of interest, there is plenty of room for the establishment of credit societies.

Purchase societies can be established, not only in other parts of the black cotton soil but also in the jaggery tracts of the 'Palmyra Forest' where the poor tappers are robbed of their legitimate profits by the middlemen.

Weaving is one of the important industries in the district. The weavers are generally poor and are in the grip of the middlemen. There is no use of giving them mere credit. What keeps the weavers bound to the middlemen in spite of the heavy rates of interest is the fact that the weavers are able to sell their goods to them as soon as they are woven, though they may lose by doing so. If co-operative societies are to benefit the weaver they should not simply lend him money but purchase his manufactured goods. This is difficult for a small society

as it would not be able to find out the best market. There should be a central society at a place like Madras which would purchase all the articles manufactured at the different societies and take upon itself the responsibility of selling those goods. Without some such organisation weavers' societies cannot succeed.

There is also scope for starting fishermen's societies at Marappad and other important fishing centres. The chank-divers of Tuticorin may also be similarly helped.

There are all these possibilities but the problem is to get the men necessary for the work. In one word 'Find Raiffeisen'. I cannot better conclude this essay than with the following appeal of Sir Frederick Nicholson which is as true today as a quarter of a century ago when he wrote it. "What is really wanted is the advent of men of zeal, enthusiasm, devotion and perseverance who will by personal labour solve the difficulties of the problem not on paper, but in practice, the philanthropic reformers of the East must sit down in the villages as did their prototypes in the West and must there establish the petty societies which as in Europe shall contain the germ and promise of infinite potentialities.

"There are in every considerable village men fully equal in intelligence and status. Of the men who in Europe locally administer the movement and direct the institutions, it remains only to find the men of apostolic fervour who will pioneer and champion the idea and will labour in person in the villages not merely or so much in lecturing and writing, good though these may be but in the actual establishment and administration of humble societies. It is not in great schemes or associations, not in reports or circulars or Government orders, not even in specially granted privileges that success lies but in the unassuming labours which starting with simple ideas, simple aims and simple facts overcome each difficulty as it arises and perfect the systems which shall lie found suitable to the needs of the country. Success can only arise from the long-contained, practical efforts of zealous men who while informed in the details of every method yet tried, can yet live among the people, vivify them with their own spirit and intelligence and energise them with some of their own enthusiasm and with them work out in actual fact the system or systems of the future."

#### THE OTTAPIDARAM CO-OPERATIVE CREDIT SOCIETY.

Ottapidaram is a big village that lies 6 miles off the railway station of Tattaparai. The co-operative credit society was started there in October 1914. The area of operations include the village and the surrounding hamlets. There are in all about 850 houses in the area served by the society.

There are at present 121 members in the society drawn from all classes of people, 32 being panchamas, 80 non-Brahmins, 6 Brahmins, 2 Christians and 1 Muhammadan. The large majority of these about 95 are pure agriculturists while the other 26 also depend partly on agriculture for a living.

The borrowing capacity of the society has been limited to a maximum of Rs. 900. The share-capital was only Rs. 119 at the end of June 1915 but it had risen to Rs. 413 at the end of June 1917. The society depends chiefly on the central banks for the money it requires. In the beginning it got a loan of Rs. 2,730 which increased to Rs. 4,600 in 1916-17.

The society is also able to attract local deposits. This is due to the urban character of the locality and the efforts taken by the President. In the first year it received Rs. 406 as deposits, in the next year the deposits increased to Rs. 1,335 and in 1916-17 to Rs. 2,639. In the last year's deposits, Rs. 600 were fixed and Rs. 654 recurring deposits. This is almost the only society that attracts so many deposits.

**Loans.** In the first year the society sanctioned 97 loans, in the next 158 and in 1916-17, 135 loans.

The value and purpose of the loans given in 1916-17 is given in the following table. All the loans were for a period of only one year:—

| Value.                   | No. of loans. | Value.    |
|--------------------------|---------------|-----------|
| Not exceeding Rs. 50     | 104           | Rs. 3,843 |
| Rs. 50 to Rs. 100        | 24            | Rs. 2,330 |
| Rs. 100 to Rs. 250       | 4             | Rs. 606   |
| Exceeding Rs. 250        | 3             | Rs. 1,800 |
| Purpose.                 | Amount.       |           |
|                          | Rs.           |           |
| Cultivation expenses     | ... 3793      |           |
| Discharge of prior debts | ... 2536      |           |
| Marriages                | ... 225       |           |
| Trade                    | ... 620       |           |
| Other purposes           | ... 895       |           |

The rate of interest charged is 9 3/8 % and in cases of default 12 % on the defaulted sum.

The society has during its existence of 3 years been of great use to the people. The members of the society had a loan of Rs. 24,916 when they joined the society, mostly heavier rates than that of the society. At present their debt is Rs. 23,938 or about Rs. 1,000 less. Of this the amount they owe to the society is Rs. 7775. Thus the debt at heavy rates owed to the outsiders is only Rs. 16,163 or nearly 2/3 of the old sum. This includes the debts of newly joined members also. Hence the debts of the old members must have been reduced more than is represented in this figure. Of the 121 members that have joined the society the condition of 105 has not improved; while 15 persons are now in a better condition than before. Only one member is in a worse condition. Of the 15 persons, 5 own now more land than they possessed before while ten persons are traders and their capital is now larger than before.

Thus the society has been of immense use to the members. The credit of all this is due almost solely to its president. The only defect in the society is that very few take any interest in the society beyond getting loans. The following figures will give an idea of the progress of the society:—(No figures given.)

#### THE AVALNATTAM AGRICULTURAL PURCHASE SOCIETY.

The village of Avalnattam is situated about 3 miles north of Koilpatti. The purchase society was registered at the place in the month of November 1913 and it commenced business in December.

There were 26 members in the beginning and during the four years the number increased to 31. Almost all of these members were pure agriculturists.

The maximum borrowing capacity of the society has been limited to Rs. 100. Its funds are derived from share-capital and from loans. On account of the limited liability basis of the society the Central Banks refused to give

loans to it and in the first year it got a loan of Rs. 200 from the credit society of the locality.

The share capital which was Rs. 45 in 1913-14 has increased to Rs 129.

The work done by the society is mainly the joint ginning and sale of the cotton of the members and the distribution of seed of improved strain of Karunganni. In the first year the cost of cotton and the cost of ginning amounted to Rs. 1,028-5-1. The cotton was sold for Rs.806-4-4 and the seed for Rs. 268-9-4, thus making a gain of more than Rs. 46. It also hired a Meeton-plough from the Koilpatti farm at Rs. 40 per year. It was given for use to members and non-members at the rate of 8 annas and Re. 1 per day respectively. Next year the plough was bought for the society. In the third year the members' cotton was bought for Rs. 305-10-0, ginned and sold. Besides this about 150 measures of Coimbatore yellow cholam seeds were bought and sold to the members.

This is all the work done by the society. The members show no great interest and the society is also handicapped for want of money in the purchasing season.

### THE MADURA CO-OPERATIVE STORE.

The Madura Urban Co-operative Society & Stores Limited, was started on the 3rd April 1906 in the presence of Mr. (now sir) P. Rajagopala Chariar Avl. the then Registrar of Co-operative Societies in our Presidency. From the out-set the Society has been doing two kinds of business, Viz, Banking and Co-operative purchase and distribution of Stores. It commenced work by receiving deposits at 6½ per-cent per annum, and granting loans to members at 8½ per cent per annum. The members of the first Directorate were Mr. P. Narayana Iyer, Avl. President, Mr. K. Rama Iyengar Avl. Vice President, Mr. G. Srinivasa Rao as Secretary with Messers K. Ramaswami Iyer and K. V. Subramania Iyer as assistant Secretaries and messers A. Rangasamy Iyer and N. Ramaswamy Iyer as members. Thanks are due to these gentlemen and the Registrar for having laid the foundation so truly and well. The Society steadily grew more and more popular and in February 1908 a chit fund branch was added to it. This branch seems to be a special feature of this Society. Chits are conducted on the auction system and serve as a convenient means of investment to those who have surplus moneys and at the same time of providing fairly large amounts to those who need them and want to re-pay them in easy instalments. These chits are very popular and have not been found to work hardship even in individual cases. The Society is doing considerable work now. It receives fixed deposits at 5 to 6 per cent and grants loans at 8½ per cent. The Society started with 10,000 shares which were increased to 20,000 in 1908 and to 30,000 in 1918. For the last five years it has been supplying gingelly oil extracted under the personal supervision of its employees and the oil has acquired a reputation for purity. The Society recently undertook to supply fuel and has been able to supply at moderate rates owing to the kindness of Mr. Thomas Jesudasan, District Forest Officer, Madura, who has arranged for supply of five trucks of fuel every Monday to the Society from Ayyalur. The Society has provided a permanent lodging of itself by purchase of a house for Rs. 19,000 from its general funds. The Society seems to have sustained some loss in the stores branch on account of accumulated stock in or about 1910—1911 and it is well to bear in mind the advice given by the first registrar in regard to all distributive societies, namely,

that they should guard themselves against the stocking of articles for which there is no immediate demand. I should not forget in this connection to state that the usefulness of the Society has been much handicapped recently owing to the difficulty of getting Railway waggons for importing rice from Tanjore and Madras and it is hoped that the Director of Civil Supplies who is responsible for supply of waggons will take into his confidence more and more our societies for the efficient working of which the Government itself is responsible. The progress of the Society will be easily seen from the following figures.

|                              | End of June 1907. | end of June 1919.   |
|------------------------------|-------------------|---------------------|
| Number of members.           | 266               | 1048.               |
| Turnover                     | Rs. 1,40,326-4-6. | Rs. 23,36,284-10-2. |
| Deposits                     | „ 18,459-0-0.     | „ 1,93,959-11-1.    |
| Loans on personal securities | „ 18,105-0-0.     | „ 79,820-0-0.       |
| Total Distribution           | „ 25,087-4-1      | „ 77,402-13-2       |
| Reserve fund                 | „ 496-4-0         | „ 20,860-7-0        |
| Establishment charges        | „ 679-9-3         | „ 2,778-10-4        |
| Amount Paid as Bonus         | „ 204-0-0.        | „ 1,143-14-5        |
| Divided                      | 6½ per cent       | 9 Per cent          |

In 1918—19 the bye-laws were amended requiring the creation of common good fund which was Rs. 153-7-1 for that year. At the end of the same year its share capital amounted to Rs. 1,91,139 and loans to central societies amounted to Rs. 1,76,000.

### THE IRISH AGRICULTURAL ORGANISATION SOCIETY.

#### WHAT IT IS DOING FOR IRELAND.

Mr. R. A. Anderson, the Secretary of the Irish Agricultural Organisation Society contributes the following article to the TIMES:—

The movement, for which the Irish Agricultural Organisation Society (commonly known as the I. A. O. S.) stands, to-day occupies a position unique in this fertile birthplace of organisations, leagues, and movements. The rival of no other Irish movement, it has attached to it and held, by its simple adherents of Parnell, Redmond, Dillon, and Carson. Yet its work is little known to many Irishmen, although very quietly but surely, a revolution is being effected in the rural life of Ireland. There are over 1,000 societies, all independent, self-governing, self-reliant bodies, with a membership of 1,20,000, representing, about 600,000 of the rural population, and their united trade exceeds £ 12,000,000 annually. These societies exist in every country. They comprise creameries, poultry-keepers' societies, credit banks, agricultural societies, flax-growers' societies, milling societies, bacon-curing societies, co-operative abattoirs, knitting and other women's industries. Other societies own and hire out to their members the more expensive kinds of farm machines, which, by means of common ownership, are available to the smallest farmer.

Recently, a large proportion of societies have added to their business that of supplying their members with domestic requirements. The growth of profiteering has given this development a great impetus, for in the co-operative society the consumer finds the most effective protection against extortion. The I. A. O. S. does not, however, organise societies exclusively, or even primarily, for this purpose. Its main object is to give the organised farmers the status of manufacturers, by enabling them to procure raw materials of their industry

at wholesale prices; to reform their methods of production in order that the volume of the product may be increased and its quality improved; to secure cheaper freights, lower transit charges, and a reduction in the cost of marketing by placing on the market regular and ordered consignment of first class farm and dairy produce. The I. A. O. S. does not claim to have completely solved all these difficult problems. But it may justly lay claim to having accomplished much in that direction.

#### THE VALUE OF EXAMPLE.

Farmers, as a class, are conservative. They are slow to exchange old methods for new. The pioneers of the movement used to be asked, "Who is to pay me for my loss if this new method fails?" That question is never asked now. The farmer has come to realise that the co-operative society is essential to his business and enables him to do, in partnership with his neighbours what used to seem impossible to him as individual.

Until organised in societies, farmers are usually unenterprising, suspicious of each other, and unprogressive. Once they come together in a co-operative society, and meet and exchange ideas, the example of the most progressive speedily becomes the practice of the entire community. To have effected any marked general improvement by attempting to educate each farmer separately would have been hopeless. By associating them for the purpose of common action, the energy necessary to convert one man suffices for the conversion of the whole community.

A co-operative society is a partnership in which each member enjoys equal rights, powers and privileges. It is not to the interest of any member to get the better of his fellow-member indeed, the constitution and methods of these bodies forbid the possibility of any such exploitation. Rather is it the interest of the richer and more progressive members to help their weaker brothers to climb up to prosperity with them. For the friendly chain which binds them all to work together for the common good must have in it no defective link. Thus is the uplifting of the weaker brothers accomplished without patronising on the one hand or sacrifice of self-respect on the other.

#### A NON-SECTARIAN MOVEMENT.

In this movement the exclusion of political and religious questions is rigidly enforced. The sole qualification for membership is that the candidate shall be a "decent man". It is upon the observance of this rule that the strength and stability of the movement rests. Nowhere is its observance more strikingly seen than in the Committee of the I.A.O.S. This body composed as it is, for the most part, of men elected upon the most democratic plan it is possible to conceive, includes members elected equally by all the four provinces. They profess divers religious beliefs (several are clergymen of different creeds), they represent every phase of political opinion, from Sinn Féin to Carsonism. Without abating one jot of their convictions, they meet regularly, amicably, and decorously to transact the affairs of the movement and to direct its policy.

The work of agricultural organisations is extremely costly and laborious, and upwards of £220,000 has been spent upon it during the last 30 years. Of this, nearly £100,000 has been contributed by sympathisers with the movement, the societies themselves have found close on £50,000, and the balance has been supplied by grants from public funds. It is the aim of the leaders of the move-

ment to make it self-supporting, but the backward conditions of Irish education renders the attainment of this object difficult and slow. Nevertheless, the societies are now contributing three times as much as they did three years ago, and the self-supporting status would seem to be within sight.

#### LOCAL UNIONS AND HONORARY ASSISTANT REGISTRARS.

We are giving below a summary of the points dealt with by the Registrar while addressing the representatives of local unions and trading unions and honorary assistant registrars of the District of Salem on the 26th February 1920 as regards the inter-relations between Local Unions, the District Council of Supervision and the District Banking Union.

1. *Local unions—Primary societies.*—A primary society is being managed by panchayatdars or directors elected by the general body and the final authority in the disposal of questions relating to finance, management, etc., is the general body of the society.

2. *Local unions.*—In view of arranging for the audit or inspection of the accounts of such societies in addition to the supervision or audit undertaken by Government, the primary agricultural societies form themselves into a Federation for purposes of audit, supervision and for co-ordination of the efforts of the various society members within the area of the local union. From among the representatives of the various societies some are elected and are entrusted with the duty of management of the local union. These elected men are called governing body members. The local union is not necessarily an authority to exercise any powers over the working of a local primary society but the governing body members are expected to meet and advise the panchayatdars of rural societies in regard to the proper management of the society, the regulation of loans to members and taking steps for the procuring of necessary credit for financing banks and to stimulate various activities other than credit such as joint sale and joint purchase.

3. *Inspection by governing body members.*—The governing body members have no doubt the privilege of visiting societies and tendering such advice as the societies may require from time to time. But this visit cannot be desultory or at the whim and pleasure of each governing body member. The governing body in its meeting has to pass a resolution asking a particular member or members to visit specified societies and to take care of the interest of such societies without enforcing their opinion upon either the general body or their panchayat. They should act as a counsellor and friend of the societies and give such instruction as they think can be acted up to by them. In fact the nature of the visit and kind of work done must be such and conducted in a mood so as to induce the societies to court their repetition.

4. *Regulation of expenditure in local unions.*—The governing body of the union is a trustee elected by the general body, expected to administer the funds placed at the disposal of the institution and to regulate the work of a supervisor or two supervisors appointed to conduct the audit, inspection, etc., of the accounts of societies. It seems therefore incumbent on the governing body members to exercise as much economy as possible in the expenditure incurred by them in getting such work done. In some unions sitting fees are being charged at certain rates. This system implies that even members at the headquarters of the union are eligible to get some remuneration for the time spent by them in attending the governing body meetings. There is nothing objectionable in theory to the grant of such remuneration but this being an institution which is mainly intended for general service to the societies and which has to regulate the income paid by the societies, it is not desirable that

any sitting fees should be charged as one would do it in the case of management of a financing bank where such work is expected to produce necessarily a profit. Moreover the sitting fees that can possibly be given by unions can never be an equivalent in value to the honorary service rendered by the governing body members. It is another matter to pay for the travelling expenses of the governing body members as they should not be asked to bear that expenditure in rendering honorary service in the cause of co-operation.

5. *Supervisor.*—The governing body members have also to realize this fact that the supervisor is an employee of the local union and they are asked to regulate his movements. He is intended to bring to the notice of the unions the defects of the societies audited by him with a view to make suggestions to remedy such defects. Experience shows that in some cases the governing body members feel resentment at the remarks made by the supervisor as disclosed from the audit of the accounts. Such resentment is not one which ought to be allowed to creep in as the supervisor's function is to point out the defects of the societies and the societies should therefore welcome his tabulation of defects which are made and for which the supervisor is paid to better the condition of the society. The governing body members have also to note that in the course of the inspection by supervisor, he is to undertake the duty of pointing out the mistakes even in societies in which these members take some active part. This point has to be borne in mind not only by the governing body members but also by the societies which happen to fall within the range of the inspection of the supervisor.

6. *Joint purchase and joint sale.*—Besides the unions undertaking the service of controlling supervision it has also to conduct the service of joint purchase and joint sale of produce of individual societies to group the requirements under the indent system and find a proper market either for sale or for purchase. It has also to undertake the supply of stationery, forms and books by securing a common indent and by cheapening the cost of such supply.

7. *General items of service.*—It has also to consider general questions of policy of the co-operative movement in general and of special activities which can safely be introduced in that area such as cattle insurance, building operations, societies for weavers, societies for Panchamas and field-labourers and the like. Its activities can be expanded indefinitely and can be satisfactorily performed within a limited area if the governing body members interest themselves in such activities.

8. *General.*—The union constitution is such that the resources of local societies are pooled for securing the consolidated advice of the representatives of a large number of societies and made available for the benefit of each. It is an institution of service for the benefit of its constituencies and not an institution for the exercise of power of a number of societies over independent societies.

*District Council of Supervision.*—The governing body members are also members who take active part in the working of primary agricultural societies and it is probable that such societies have very large transactions. The supervisor may not be expected to scrutinize the accounts of the society managed by such members with that amount of care and freedom as he would in regard to other societies. To remedy this defect it was considered desirable that a certain independent supervisor or auditor should be appointed by each union to get a satisfactory audit made of such

societies. This cannot be secured by each union with its limited resources. In order to secure this at a minimum cost a portion of the resources of each union is pooled and formed into a fund with the aid of which a separate supervisor on a higher pay is appointed to discharge this work for the district. This supervisor is appointed by the representative of all unions and an Executive Committee is selected out of them and asked to regulate his movements. Such a body is called the District Council of Supervision. A more happy title for the institution may be 'A Federation of Unions'. The District Council of Supervision is not intended to exercise any authority over the local unions or over any society affiliated to a local union but has to regulate the staff placed under it and spend the amount placed at its disposal in such a way as to benefit all the local unions in the district.

If the district supervisor is called on to do a certain work connected with specified societies by the local unions the entire work will be got done under the direction of the District Council by regularity regulating the movements of the supervisor with reference to the needs of each union. One item of fixed work that has been accepted by all unions is the inspection once or twice a year of the societies in which the governing body members take an active part. Another item is to audit the accounts and inspect the working of the local unions once or twice a year. The third item is to bulk the indents of local unions for the stationery, books and forms required by the unions to be supplied to the societies. The fourth item is to undertake to bulk the orders of the various unions and arrange for the joint purchase and joint sale of the requirements of the constituent societies of local unions. The fifth item is to find out suitable markets either for purchase or sale and to regulate such transaction, whenever requested by all or any of the unions. The sixth item is to discuss and settle any question relating to the policy of the co-operative movement so as to advance the movement in various forms of activities. Thus it will be seen that when the district supervisor inspects a society at the wish of a local union, any record of inspection that he may send directly to the District Council is only a record in proof of the work done by him and not intended for the discussion or criticism of the District Council. The report so sent has to be transmitted to the local union for its own action. No criticism of such reports either in regard to the work of the union over the particular society or in regard to the work of the society itself need ever be indulged in by the District Council of Supervision. As the local unions serve the purpose of being an adviser, counsellor and friend of the societies affiliated to it, the District Council can perform a similar function in respect of the local unions who have joined the District Council.

*District banking union.*—Taking the question of Banking Union, societies have now been admitted as shareholders in the District Bank along with individual shareholders, each set of shareholders contributing to the share-capital of the institution by a lakh. The societies have to build up the required share-capital by transmitting to the District Bank, the entire amount of paid-up share-capital as found in the books of the primary societies on unlimited liability basis. Primary agricultural societies, though dependent for their credit upon the net assets of its members, are virtually to get money from the District Bank with reference to the basis of credit supplied by them. The net assets are no doubt available for getting large sums of money if the societies can hope to get them from deposits but when they look upon the District Bank for financing them they necessarily get their powers of borrowing limited to the

basis of credit supplied of themselves. The District Bank can only raise eight times the amount of paid-up share capital and therefore they will be in a position to pay eight times the basis of credit contributed by primary societies. The fact that at present the societies are getting larger credit than the basis of credit supplied by them is due to this circumstance that individual share-holders who are non-borrowing members have by their putting in a lakh of rupees contributed large basis of credit which now is utilized for the benefit of the societies unable to supply the necessary basis of credit. In this view of the case the importance of the individual share-holders who are non-borrowers cannot be underrated. The ideal of the co-operative rural primary societies should thus be to raise from the district bank as much credit as the basis supplied by them will warrant and to secure any additional credit purely by deposits. Societies which are unable to command such deposits have as a matter of necessity to supply the necessary basis of credit. From the above description showing the inter-relations of the individual and society share-holders as regards basis of credit, it will be seen that all limited liability societies will be in a position to give large credit to its borrowing members larger than the basis of credit contributed by the members only when there are at least half the number of members as non-borrowing shareholders. Thus a district bank will be in a position to supply the necessary credit only when half of its paid-up share capital comes from the non-borrowing members and thus, it can secure in the present stage of development only from the individual share-holders. I put this argument to bring home the fact that when representatives of societies take part as members or as directors of the district bank in settling questions connected with the district bank, they must free themselves from their inclination towards the interest of their own societies and give their opinion on such questions referred to them after considering in full the interests of the district bank.

Finally I would request the society share-holders to consider the district bank as their own institution as a wholesale one connecting itself with the money market and their own individual societies as an institution for retail trading irrespective of the fact that there are individual shareholders who after all have been helping the movement and the societies by their becoming members contributing a large amount of basis of credit without the privilege of borrowing.

*Honorary Assistant Registrars.*—The Government have appointed a number of gentlemen as Honorary Assistant Registrars in the Salem district for the purpose of helping the movement as supplementary to the work done by the Government staff, by local unions and by the District Co-operative Banking Union. As a matter of experiment, the Honorary Assistant Registrars of this district are recruited from the representatives of local unions in view of consolidating the work of the local unions and in view of giving greater powers in the hands of the local unions by conferring it upon one of their representatives selected by the Government. Their functions may be described in general terms as follows:—

- (1) Disposal of disputes under arbitration rules;
- (2) Inquiries under section 35 of the Act at the instance of the official Assistant Registrar in societies which have become moribund;
- (3) To guide the local unions in regard to several activities in addition to credit for which they are the accredited advisers to the district bank;
- (4) To go about the country within their jurisdiction, find out how far credit, joint purchase, joint sale, improvement of weavers, Panchamas field

labourers, building operations, cattle insurance and other activities can be safely introduced with reference to the local conditions.

(5) They will also be useful in disseminating the principles of co-operation and studying the various activities in other parts of the country and applying them to their local jurisdiction as far as it is practicable.

(6) They will focus the opinion of the co-operators in that area and move the Government Department for whatever assistance they can get from it supported of course by the opinion of the local unions and the societies. In view of discharging this function, the Government have been pleased to allow the itinerating expenses to the Honorary Assistant Registrars at the same scale as is allowed to the Official Assistant Registrars. Their position in regard to the Official Assistant Registrar is that of a co-ordinate officer and I believe that these gentlemen will not take action inconsistent with the policy of the Department. They are, however, at liberty to point out to the Government officers whenever they are in disagreement with them, giving their full reasons for the view they hold in view of their opinions being duly considered. The gentlemen that have been selected now have been selected with reference to the interest they took in the management of local unions with the hope that it will be continued in the same manner and that the local governing body members will be treated with the same amount of consideration as is being shown to them by the Official Assistant Registrars.

The Inspectors within their jurisdiction will be glad to render such assistance as they may require especially in the early stages in regard to arbitration, inspection and audit until a stage is reached when the Honorary Assistant Registrars can do the work themselves. The Inspectors are not subordinate to Honorary Assistant Registrars but at the same time the Honorary Assistant Registrars can indent upon their services whenever required intimating the fact of having made such requisitions to the Official Assistant Registrar.

The Inspectors will necessarily respect such requisitions as far as practicable

Honorary Assistant Registrars can undertake the organization of societies with the help of the Inspectors and also with the help of the supervisors of local unions. They have not been given any staff because they can freely indent on the supervisors of local unions. It is hoped that the unions will not grudge this assistant as the additional work is being undertaken by one of its own members. The Registrar looks up to the Honorary Assistant Registrars as local men with local influence and with local knowledge to assist the movement in the direction of other activities than pure credit. These other activities are attended with considerable difficulties if one undertakes such operations without local knowledge and influence. Loan application need not pass through Honorary Assistant Registrars as such application would have been considered by them as members or representatives of the union itself; of course the Official Assistant Registrar has to scrutinize these applications as such a course is insisted by the financing district banks.

As a personal note I would exhort the Honorary Assistant Registrars to acquire power and influence by making the work they do so useful that the unions and societies and co-operators will request them to continue the work. They should secure the good-will of the co-operators within their jurisdiction. This function if discharged satisfactorily by the Honorary Assistant Registrars, they will be relieving the Official Assistant Registrars of so much of work and the Official Assistant Registrar will then be able to introduce more activities in these areas as well as in others.

## CONFERENCES.

## KISTNA DISTRICT.

The Kistna District Co-operative Conference was held in the last week of February under the presidency of Mr. Dewan Bahadur Ramachandra Rao Pantulu Garu. He said that he was glad to see the development which had taken place in the district during this last two years. The formation of a separate Provincial Conference for the Andhra Districts had stimulated public interest and had also attracted the attention of the people to the importance of the Co-operative Movement. The formation of co-operative unions recently was also bound to bear fruit and to generally encourage co-operative effort. The three central banks in the district had not even touched the fringe of of agricultural credit and agricultural indebtedness. The financing of the poorer classes of agriculturist could be achieved only by raising the credit of the nearly established banks and by the steady expansion of co-operative banking system. Even the joint-stock banking system should expand largely for the improvement of the agricultural, commercial and industrial requirements of the country. The extension of the joint-stock banking system, he said, was certain to stimulate the growth of the agricultural credit societies. He wished he could say that co-operation between the two lending systems *i.e.*, joint-stock banking and co-operative banking, had been productive of much benefit to the Presidency as it was in Ireland. There was a heavy burden of mortgage indebtedness in the district which called for a remedy. Pointing out the defects of the Land Improvement and Agricultural Loans Acts he said that there was great scope for popularising these loans by removing unnecessary and irritating restrictions and by making the rules as elastic as possible. After dwelling for sometime on the extent to which the principles of limited liability might be introduced in the organisation of rural credit societies he concluded by exhorting the audience to join the social welfare movement inaugurated by Lord Wellington, as members of co-operative societies have unlimited opportunities of promoting the social well being of the various communities.

## NORTH ARCOT.

The Second North Arcot District Conference met at Tiruvannamalai on the 24th of January last under the Presidency of Mr. G. F. Paddison. All the prominent co-operators of the district were present and the department was represented by Rao Bahadur A. Vedachala Iyer, Acting Registrar, Rao Saheb T. Srinivasarao and Mr. O. N. Ramaswami Iyer. Among visitors were Messrs. V. Venkatasubbiaya of Madras, C. P. Sundararao and T. Rajarao of Kambalnallur. S. V. Vijayaraghavachariar in welcoming the Conference as the Chairman of the Reception Committee, paid a warm tribute to the work of Mr. A. Vedachala Iyer, who for six years was in charge of Vellore section and congratulated him on being chosen to be in charge of the Department during Mr. Hemingway's absence. Referring to the Reforms Act he pointed out that the most solid general political education of the masses could be achieved only by organising a large number of co-operative societies and working them efficiently and blamed the political workers of our Presidency for not showing any great practical enthusiasm for co-operation and for leaving propagandist work in the hands of the Department. He urged strongly the need for pushing on the joint purchase and sale of agricultural and industrial products. As co-operation was a Transferred Subject the responsibility of its propagation rested on the shoulders of non-officials whom he exhorted, "Let the thought that we are carrying light and sunshine to the poor man's door, to make him cheerful and happy, sustain us though our path. And let God's will be done—the will of that self-declared Democrat who

makes no distinction between man and man and has in his heart the welfare of the humblest peasant."

Mr. G. F. Paddison in the course of presidential address said that there must be harmony and co-operation not only between class and class, between religion and religion but also between official and non-official. He said he was glad to see the first of the societies for cobblers and also societies for co-operative sales and purchases. He said he was going to arrange for assignment of some lands to them in Melserupakkam in Tiruvannamalai Taluq, and was glad that a reclamative co-operative society was going to be opened there. He spoke on the importance of raising the Depressed classes and also made an appeal on behalf of the Health and Welfare Association to be started at Madras at the end of this month under the auspices of H. E. Lady Willingdon.

Then reports of few societies were read of which two most noteworthy were those of the North Arcot District Council of Supervision by Mr. M. S. Seshachala Iyer, and of the Tiruvannamalai Cobblers' Co-operative Society. Their brief summaries will be found elsewhere. The boys of the local Secondary School entertained the conference with the enactment of two amusing poems relating to co-operation.

After the conference was over the co-operators assembled gave a dinner to Mr. Vedachala Iyer in appreciation of his great work in the district.

## CHINGLEPUT DISTRICT.

The ninth session of the Chingleput District Co-operative Conference met on Saturday the 21st Feb. under the presidency of Mr. C. P. Ramaswami Iyer of Madras. Mr. P. Krishnama Chariar B. A., Chairman of the Reception Committee, after making a passing reference to the Reform Act, the Royal Proclamation and the forthcoming Visit of the Prince of Wales said that Chingleput which was ahead of other districts,—so far as the number of societies was concerned had 366 societies out of the 4, 560 in the whole Presidency. The movement in his opinion, should expand cautiously. After emphasising the importance of credit societies for a country like ours he concluded with this appeal. "Let us work the existing credit societies vigorously. Let us start and work on a large scale a central Cattle Breeding Society for the benefit of the agriculturists. Let us start and work a central Weaving Association for advancing the Swadeshi Industry. We have got a good hope in the future. Usurious loans will go. The sowcar will be driven out. Agricultural labourers will become landowners. The prosperity of the poor will be ensured. The ryot will get full value for his produce and pay rent or revenue with ease. The illiterate will turn to education and the drunkard will give up his bad habits, litigation will decrease and mortality will improve. Activity will take the place of stagnation and associated action will replace mistrust."

In his presidential address Mr. C. P. Ramaswami said that the co-operative movement stood, according to Holyoake, for the equitable division of profits, among the worker, the capitalist and the consumer concerned in the undertaking. Co-operation was very different from unregulated work, vague philanthropy, or the mere existence of institutions like joint stock companies where a large number of persons participated but wherein also sharp line of difference was drawn between the shareholders of the concern and its servants. A truly co-operative organisation was one in which every employee had an interest in the undertaking and a definite share in its control by virtue of his membership. Agricultural co-operation had been attended with conspicuous success wherever it was wisely guided. Agricultural banks had done wonderful work in Germany and Denmark and their example was well worth copying. It would be an excellent idea, he said, with the inauguration of the new political regime for co-operative societies to start technical classes, night schools, libraries

and so forth. Co-operative association for industrial purposes, he believed, would be capable of successfully resisting the incursions of the largescale capitalist industry. After pointing out that the spread of Cottage Industry was most suited to the genius of the Indian people he observed that the co-operative organisation of industry would solve the complex problems of capital and labour and also keep intact the genius of the race and prevent the vulgarisation which too often spoiled the body and soul of the industrial worker. He paid a glowing tribute to the tireless energy of the late Mr. Adinarayaniah and also to Dewan Bahadur R. Ramachandra Rao who had worked for spreading co-operation in the district. In conclusion he observed "... the need is not so much for money as for earnest workers filled with a sense of the importance of the mission", who would realise "that no more powerful force has been applied to the solution of misery and towards the promotion of well-being than the principles of co-operation."

### TIRUVANNAMALAI COBBLERS' SOCIETY.

How much good a humble society can do to its members is illustrated by this society. The leather workers of Tiruvannamalai were in such reduced circumstances that they had given up their ancestral calling and taken to ordinary coolly work when in June 1917 a credit society was started for them. Through the kind assistance of the Registrar they soon obtained a contract work for Rs. 18,000 for supplying sandals to the Salt Department. They executed the work to the complete satisfaction of the Department and benefitted themselves immensely both economically and morally. They have not only resumed their traditional occupation but have taken to manufacture of belts, money purses and other articles which they never did before. Further most of them have cleared of all their dues to the credit society and made considerable deposits with the society. They have accumulated a sum of nearly Rs. 800 as Common Good Fund which they want to utilise for getting two of their most promising young men trained in skilled work in Madras. It has created in them a desire for better living and reduced considerably the drink habit. The society has gained for them recognition at the hands of the Municipality which has now metalled the streets in their locality and provided lights adequately. The secretary of the society has also been nominated to the municipal council. The members are arranging to start the tanning of country leather, for opening a night school, and for building new houses for themselves.

### CO-OPERATIVE SOCIETIES

#### A GOVERNMENT ORDER

In pursuance of a resolution moved by the Hon. Mr. B. V. Narasimha Iyer in the Legislative Council in April last, recommending that the Government should take necessary steps to increase the present rate of creation or formation of Co-operative Societies and should appoint a large number of officers for the creation of new societies, the Registrar of Co-operative Societies formulated a scheme which has now been approved by Government. The Registrar recognises that there are "large tracts practically or only partially developed" in regard to Co-operation. The Government are convinced that the co-operative movement should not be permanently dependent upon Government agency for its growth, but at the same time recognise the value of the Registrar's scheme for the increase of the staff. There are at present 10 Assistant Registrars, and to these are to be added 13 more in the course of next year. There is to be also a corresponding increase in the Inspectorial and clerical establishment of the Department. 14 Chief Inspectors and 74 Inspectors are to be added. The Registrar, we are told, is expected to

organise 4,500 societies in the next two years in addition to the 3,700 already existing. The Government Order concludes:

As the union system and with it the method of inspection by supervisors paid by the societies themselves will be developed at the same time as the formation of new societies, it may be expected that State funds will be relieved at an early date of a substantial portion of the charges on account of inspection which are in the immediate future. It is not possible to predict with equal confidence that societies will be prepared simultaneously to take over the expenditure on account of audit which from the inception of the movement has been a charge on the general tax-payer. The Government have considered whether in return for the substantial help they now propose to give to the movement from State funds, societies should not be called upon to contribute a portion at least of the cost of their audit. The Government are advised, however, that the present state of co-operative development, societies can ill-afford to undertake any new liability, and they have accordingly decided to continue for the present to bear the cost of audit, so far as it is now borne from Provincial funds. They trust that before the expiry of five years, for which period the present additions to the staff are temporarily sanctioned, co-operators will have devised means whereby the Government will be relieved of the cost of audit either in whole or at any rate to a substantial part thereof.

The staff including that which is about to be entertained will provide an Assistant Registrar for each district except Madras, Anjengo, the Nilgiris and the three districts of Ramnad, Madura and Tinnevely which will be divided up between two Assistant Registrars.

### CORRESPONDENCE.

#### STAMP DUTY.

To The Editor, The Madras Bulletin of Co-operation.

DEAR SIR, With reference to the editorial comments on the Stamp duty concession appearing in the January number of the Bulletin I should like to say a few words on the other side. I therefore request you will kindly publish the following in the next number of the Bulletin and oblige.

On page 243 you say "we are not among those that desire the continuance for ever of concessions of any kind." This statement is misleading and unfair to those that brought the subject forward. It is not exactly a *concession* that we fight for, but a *Convenience* which is eminently worth having. What this convenience is in this case, everybody who works a co-operative concern specially those who work distributive societies, can easily understand.

Again on page 246 you say "This would mean serious loss to public revenues especially in view of the great expansion that awaits co-operative trade. Co-operators are also citizens and should remember their duty by the Exchequer. Apart from it we think co-operators should begin to drop the policy of mendicancy. Co-operation stands for self-help of a different kind from beggary." Here again you have hardly been fair to the other side. Those that advocate concession are not actuated either by motives of selfishness or any idea of mendicancy. They are perfectly willing to pay their share of the revenue though just now they may not be quite prepared for it. The concessions (or rather public aids as the Report has it) are in their opinion more meant to facilitate business than to effect any saving of money and I think they will be most willing, in this case, to commute and pay, in one lump-sum annually, the loss to public revenues on their account rather than pay in dribblets with the addition of annoyance and loss which obedience to the Stamp Act necessarily entails.

This being their position you will agree with me in thinking that they are not, in this instance at all events, fighting for crumbs from the masters table nor do they mean to go round hat in hand.

Viewing the matter in this light it appears to me that the resolutions adopted at Salem as well as at the Provincial Conference are perfectly same, and therefore we are indifferent as to whether Mr. Sreenivasachariar's interpretation is correct or that of other eminent lawyers who are reported to have pronounced otherwise. If the present notification does not cover the ground, we want that the notification should be made clearer and so worded as to cover the whole ground. For, the Government of India do not need any telling from us that every transaction implies two parties and the concession apparently allowed to one of them is easily nullified as can be shown in the case of distributive societies having with traders outside the movement.

Again be it noted that it is not the saving of money that we contend for, but the convenience that it affords to business and it would be unwise to allow the business to suffer even for the sake of nourishing independence in co-operation. We ask for fair field and no favours and we take it that you are at one with us in this behalf.

Yours faithfully,

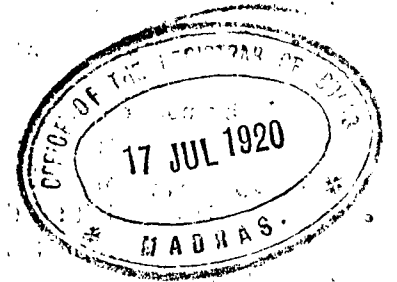
S. SATHIAVAGESWARA IYER.

#### THE STARTING OF CO-OPERATIVE UNION AYURVEDIC DISPENSARIES

The existing dispensaries, maintained by the Government. District and Taluk Boards, are scarcely enough to cope with the ever-increasing demands of the people, nor are they of ten efficient in their equipment and administration. Further the inefficacy of western medicines is being felt more and more, while the appreciation of Ayurvedic treatment is growing correspondingly. This important problem of giving proper medical aid to the poor can be satisfactorily solved by the starting of an Ayurvedic Dispensary in each Co-operative union in this Presidency on the model of the Fatwah Co-operative Union Dispensary in the district of Patna. The members of the several co-operative societies affiliated to each union may join together in an association and establish an Ayurvedic Dispensary in their union. Each member may pay Re. 1 as entrance fee and Re. 1 as annual subscription for which he and his family will be entitled to get medicine and doctor's advice free. But, if the doctor were required at any member's house, he may be paid half of his fee and his actual travelling expenses. The dispensary may distribute medicine also among non-members making a small charge for the medicine only, while the needy poor may be given medicine free altogether. For the maintenance of such dispensaries, the co-operators may solicit the help of the several co-operative societies and their union (these contributing from their common-good fund) besides claiming the patronage of their district or taluk Board. As these dispensaries will be under the direct management and supervision of their members, they will be better looked after, and are bound to be more useful and popular than the existing ones. The creation of such popular institutions, besides enabling their member to get proper medical help, will afford them a kind of training-ground for the cultivation of such virtues as self-help, independence, thrift and economy. If the co-operators of this Presidency earnestly consider this suggestion and put it into operation, they would save, every year, thousands of poor lives and earn their undying gratitude. For more thought provoking suggestions on this question of starting dispensaries, I invite the attention of the readers of the Madras Co-operative Bulletin to the By-Laws of the Fatwah Co-operative Union Dispensary issued from the office of the Registrar of Co-operatives Societies of Bihar and Orissa.

POTTIPURAM, OMALUR TALUQ. }  
Salem District. }

K. GOVINDARAJAN, B. A.



## THE Madras Bulletin of Co-operation.

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### NOTES AND NEWS.

In the first week of this month (April 1920) the Acting Registrar called a conference of the representatives of central banks and trading unions, Honorary and paid Assistant Registrars and Chief Inspectors, to discuss certain important questions concerning the finance, trade and administration of co-operative societies. It was very well attended and resulted in very useful discussions, the Acting Registrar's 'notes' forming a very valuable contribution to the discussions. These conferences were inaugurated by Mr. Hemingway and it is no exaggeration to say that they are of the highest educative value both to the Department and non-official co-operators. We are dealing elsewhere in this issue of the *Bulletin* with the discussions relating to finance. Those relating to trade we shall reserve for the next. Those relating to some miscellaneous topics are given below. We are deeply indebted to Mr. Vedachela Aiyar for an accurate and adequate report of the proceedings of the conference on which we have drawn freely.

In his note on this subject the Registrar said that besides discharging the functions entrusted to them by the Act, he and staff were doing a good many things which should really be left to the Provincial Co-operative Union, such as the formation of new societies, the enunciation of co-operative policy and the selection of suitable places for various kinds of co-operative activity. Just as the district banks and the Provincial Bank looked after the whole of co-operative finance, the local unions and the Provincial Union should look after supervision and efficient administration of the societies.

The Provincial Union had been working for sometime but was unable to take up all the activities for which it was intended, mainly for two reasons: (1) want of men and (2) want of money. The former defect was due to the fact that there was not a well-established connection between the co-operators of the various districts. Though all societies were free to join the Provincial Union, not many had joined it apparently because they did not get any tangible advantage and probably also because they could not exercise an effective voice in the administration of the institution. As regards funds, there was no arrangement by which the Provincial Union get annually any revenue to carry on its cultivation. Co-operators had to solve the problem of its finance.

Of late the local unions in some districts were showing a tendency to form themselves into district organisations. The Northern Circars wished to have a single federation for all the Telugu districts, while South Canara wanted to have a federation for itself. Though logically speaking a provincial federation should be formed only after the district organisations had come into existence, we already possessed the Provincial Union and it was not desirable to keep it dormant till each district had found its own organisation. He brought the subject before the representatives of the banking institutions so that some scheme might be evolved by which the Provincial Union might obtain the funds it needed. Without claiming to have solved the question he would suggest that—

- (1) Local Unions should make some contribution out of their funds either directly or through any district federation and to send one or two representatives for the administration of such funds. If the local unions were unable to spare the money out of the supervision fund, the affiliated societies might liberate a portion of the common good fund, and make it available for the Provincial Union.

- (2) Similar action might be taken by the Urban Banks.

- (3) District Banks, should recognise the utility of a Provincial Union and grant a subsidy either out of their general resources or their common good fund.

The Conference agreed that District Banks, Local Unions, Trading Unions and Urban Banks do take active interest in the working of the Provincial Co-operative Union by ear-marking some definite portion of their resources (common good fund, etc.) and by paying such amount as subscription to the Provincial Union and that where district councils of supervision or federations of local unions existed, these connect themselves with the Provincial Union.

The following scale, proposed by Mr. V. Venkatasubbayya, Joint Secretary of the Provincial Union was accepted by the Conference.

*District Banks.*—Rs. 5 for every one lakh of their working capital subject to a maximum of Rs. 25 in each case.

*Local Unions.*—Rs. 5 on behalf of each union and Rs. 3 on behalf of every society affiliated to each union.

*Individuals and Non-union Urban Societies.*—Rs. 5 per annum.

*Provincial Banks.*—Rs. 100 per annum.

All the above to get the *Madras Bulletin of Co-operation* free.

With the exception of the Andhra Sahakara Sammelanam and the tract of country which it would serve the rest of the representatives present agreed to join the Provincial Union and to arrange for its successful working with financial contributions as stated above.

The Malabar and South Canara districts would have district federations of their own, but agreed to join the Provincial Union for purpose of joint co-operative advancement, as did the representatives of the Ceded Districts.

It is hoped that with the arrangement now agreed upon, the Provincial Union will begin a new course of activity and will discharge its functions satisfactorily. In accordance with a resolution passed at the last Provincial Conference, the Union is arranging to reconstitute itself so as to fit in with the above arrangement. We trust the Assistant Registrars will exercise their best influence towards the fruition of the scheme, and render the Union an efficient centralised institution for all purposes other than finance.

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Another subject kindly placed by the Registrar before the conference was the Central Co-operative Printing Press. It will be remembered that in order to make it as thoroughly co-operative as possible, the by-laws permit its shares being taken up only by co-operative societies and that its profits will be shared by the workmen on the one hand and the co-operative customers on the other. Though the press has the fullest sympathy of our societies, yet they have been very slow in taking up shares. It was therefore that Mr. Vedachela Aiyar pleaded its cause before the conference. The representatives of all central banks excepting those of the Circars and the West Coast agreed that their banks should liberally take shares in the concern and get all their stationery and printing done by it. One point that came out in the discussion was that though all societies could take shares in the printing society the primary agricultural societies should not be expected to do so. It was suggested that much share capital need not be collected and that free recourse should be had to borrowing. But in view of the present financial situation, we think the right course is to collect as much share capital as possible. Firstly, when even the Provincial Apex Bank is not overflowing with funds, it will be a great advantage to spread the collection over a number of institutions. Secondly, the central bank which invests its share capital in the printing press—which is bound to work at a good profit—will be earning 9 per cent. dividend on its investment which is higher than its lending rate. Moreover, investment as share capital will enhance the credit-worthiness of the press without affecting that of the central bank. We therefore take this opportunity to appeal once again to the prominent societies of our province to take shares in the printing press.

We are glad to state that since the conference the Central Co-operative Printing Works Limited have purchased plant &c., and are now executing orders from co-operative societies and the general public. Our readers will also observe that this issue of the *Bulletin* is printed in our own co-operative press. An old Sanskrit saying commends humble beginnings. Though this press is bound to grow to very large dimensions, at present it is quite a modest affair. We may well be proud of the fact that our Presidency possesses two efficient co-operative printing presses, the Sadananda at Puttur and the Central here. So far as our information goes there is only one other co-operative press in India, that at Patna in Behar, but if we are not mistaken, it is managed by the Registrar and is co-operative only by courtesy. Moreover, it is not reported to be working efficiently.

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Regarding the investment of Trust Funds in co-operative societies, the following opinion of the Advocate-General was read out at the conference.

1. "The Trust Act applies to private trusts only."
2. The deposits of Public Endowments. Public Trust Funds can be made in co-operative institutions.
3. The permanent investment of trust funds alone is prohibited. Lodging of money for withdrawal eventually is not prohibited."

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The Naogaom Ganja Producers Co-operative Society claims to be the largest society in India and to have grown to its present dimensions in a couple of years. Its transactions are to be mentioned in lakhs of rupees, its membership in thousands, and its area of operation extends over two provinces—Bengal and Assam. It has no less than 44 agencies in Bengal and five in Assam.

In the second year of its existence, the report for which is before us, its profits was considerably cut down owing to the over-production of ganja by its members. Nevertheless it was possible to carry out of it nearly Rs. 40,000 to the Reserve, to distribute among the members a bonus of nearly Rs. 1,40,000 and allot Rs. 8,000 for charitable purposes. These figures show the magnitude of the society. But we do not think that co-operators can take an honest pride in these striking figures. Genuine co-operative societies nowhere grow with the quickness of the prophet's gourd. We are inclined to think that the Ganja Producers' Co-operative Society is only a convenient name for one side of the Bengal Excise Department. The ganja producers, the agencies, the preventive staff, the sale arrangements etc. all seem to have been there even before the 'Co-operative Society' came into existence. The society is to have a Director on a salary of Rs. 800 a month. If it were a genuine self-governing co-operative society we wonder whether it could afford to have such a superior director, not to speak of the other numerous staff employed by the society.

But to question the genuine co-operative nature of this institution is not the same thing as to deny its usefulness. It is true that co-operation

is out of place in the manufacture of an evil drug or the practice of an evil trade. But within the limits possible for this society it has done much work of benevolence. In the Naogaom Charitable Hospital the society has built an inpatient's ward at a cost of Rs. 5,000, and it has spent Rs. 15,000 on the advancement of secondary and primary education, Rs. 1,500 on improvement of communications through the Naogaom Local Board. The society contemplates opening a charitable dispensary at Kirtipur at an expense of Rs. 12,000. It is also encouraging by various means the formation of Co-operative Societies for other purposes, such as credit, supply and sale and home industry. During the last year the society distributed tobacco seeds and sugar-cane cuttings among its members; and appointed a veterinary assistant to look after the health of the cattle of its members. It will very soon start a model agricultural farm where its members will be instructed in the scientific cultivation of valuable commercial crops which may be adopted when the demand for Ganja declines.

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The Registrar has drawn attention in a recent circular issued by him to a want of regularity on the part of district banks which is causing much inconvenience to the Provincial Bank. A district bank applies for a loan, say for Rs. 50,000 without mentioning the period when it wants the whole or even part of it.

The Madras Central Urban Bank, Limited, thinking the entire amount must be kept ready, reserves it for payment out of its resources and allots only the balance if available to meet subsequent applications. The first demand, being not accurate, the Rs. 50,000 so allotted is not utilised for a number of months. To that extent the subsequent demands also are not met. As a result of the absence of proper arrangements, it has been found that about Rs. 3,00,000 remain unutilised and later applications for a similar sum had to be put off.

To obviate this inconvenience the circular suggests that after a loan is sanctioned by the Provincial Bank a period of 30 days should be allowed to the district bank within which time it is to claim the loan. After the period the Provincial Bank will be at liberty to use the money as it likes and is not obliged to make the loan available to the district bank. The district banks are also requested to say what portion of a loan would be required in each month if the whole amount of the loan is not wanted at once. The difficulty experienced by the Provincial Bank is

very real and the course suggested by the Registrar will, we are sure, commend itself to all central banks, especially as the present financial stringency necessitates the utmost economy in the management of co-operative finance.

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The same circular commends the example of the North Arcot District Banking Union to other banks. In disbursing loans the N.A.B.U. gives preference to short term loans for trade purposes, then to other short term loans, then to long term loans for new societies and lastly long term loans for older societies are distributed. It is claimed for this arrangement that it gives a forecast of the amounts urgently wanted and also serves as a basis for the absorption of any surplus which may be lying idle with the M.C.U.B. The Vellore Bank has provided another convenience of much practical value to its constituent societies. In the case of short term loans it accepts bonds executed by the primary societies without the formality of registration before a Sub-Registrar. It is prepared to accept such documents when attested by one or two members of the governing body of each local union deputed for the purpose. The circular says that the system has worked well in North Arcot and commands it to other district banks.

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Successful efforts have been made in Calcutta and Rangoon under the patronage of the respective Commissioners of Police to establish Co-operative Societies for the City Police. The objects of the Calcutta Society are similar to those of every other Co-operative Society—thrift, self-help and mutual help, while those of the Rangoon society differ a little—mutual assistance in the case of death, illness or financial difficulty. Membership in the Calcutta society is open to all permanent members of the Imperial Service, Provincial Service and Subordinate Police Service including the Constabulary, Fire Brigade, Ministerial Department. In the Rangoon Society, strangely enough, membership is open only to men of the rank of head-constable and above. We wonder why policemen below the rank of head-constable are excluded. It is they that are mostly in need of help. Are they organising a separate society for them? But it is quite refreshing to note that the Calcutta Society is consciously designed to serve the needy. No member of the Imperial service is eligible for any loan from the society while others are eligible to obtain a loan

Police Co-operative Societies.

ordinarily not exceeding a sum equal to three month's pay, at an interest not ordinarily exceeding 9½ per cent. The share capital of the society is Rs. 50,000 divided into 5,000 shares of Rs. 10 each. We hope Madras will not lag behind.

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We understand that Mr. K. Narayanaswami Mudaliar, Auditor of Co-operative Societies in the City of Madras, has been elected member of the Royal Asiatic Society of Great Britain and Ireland. He has served the Department for nearly fifteen years and risen steadily in service. He is the brother of Mr. K. Dvasikhamani Mudaliar, Assistant Registrar, Coimbatore. We congratulate him on the distinction.

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#### AN INCIDENT OF THE WAR—GERMANS AND CO-OPERATIVE COMRADES.

A remarkable tale of the early days of the war is related in the American consular reports by a consul stationed at Chateau Thierry France, and re-told by Dr. Warbasse, the president of the Co-operative League of America.

The Germans had bombarded the town, destroying many buildings. Now they were marching in and the population was escaping from the village. Among the buildings still in tact was the Co-operative store, and its manager decided to remain in the hope of saving some of the property.

Together with a few of his clerks he remained alone in the wreck of a town, waiting in that desolate scene for the tramp of the invading armies. Soldiers came in, saw what they wanted, and strange to say, *Paid* for it! The manager was astonished. Others came in and shook hands with the manager and wished him good luck.

Wondering at the cause of this kindness from the invading Huns, the manager was nonplussed, till one of the clerks called him outside. There he found, under the name of the store which showed its Co-operative character, the German equivalent written, with this inscription added: "These are Co-operative comrades: Do them no harm."

He realised, perhaps for the first time, the world-wide brotherhood embraced in the Co-operative movement.—*The Co-operative News*.

### "THERE IS GOLD IN THE LAND."

BY MR. T. ADINARAYANA CHETTIAR, BAR-AT-LAW.

Yes. There is gold and plenty of it in the soil of India, not as buried treasure deep in the bowels of the earth but on the surface if only her children would care to dig it out. Yet, there are not a few with whom it is a favorite habit to say that all the ills India at present is heir to is due to her dependence on agriculture. There is no doubt some basis for the outcry against a country being helplessly at the mercy of the periodical settlements and precarious rainfall. It is also not untrue that India is such a great importer of foreign manufactures, of things she can well do without and which it is better for her spiritual and economic welfare she does go without. But to say India has had a sufficient trial of agriculture and it is high time she plunges headlong into the whirlpool of industrialism, is a dictum to which thoughtful people should hesitate to subscribe.

England is an example of a purely industrial nation. When I was travelling from Manchester to Liverpool in the excellent fast train for which the line is well-known, I pointed out to my English companion, a Lancashire man, stretches of land on which the industrialist had not yet planted his grimy chimneys of the cotton mills and the pulleys of his coal mines—land black as pitch on which even the struggling blades of grass assumed the hue of the surrounding grimness—and asked him why these lands were not cultivated. The reply was instructive though to me startling. He said cultivation was an occupation fit only for the poor Irish but "we Englishmen have our industries." This was in 1915, when the pinch of scarcity had not begun to attack the breakfast and dinner tables of England. Canadian apples, West Indian Bananas, South African pine-apples and Argentine meat were both cheap and plentiful and milk was only five pence a quart. But as 1915 passed into 1916, which again in its turn yielded its place to 1917, things assumed a different aspect. Food control was in full force. Bread which was fit only for swine (there were prosecutions for giving it to swine and also for wasting the uneatable bread by burying) was 8 d 9 d and so on a quarter loaf. A banana was 6 d each and the cocoanut 14 d. Even bad tea could be had only in small driblets of two ounces at a time and that too after waiting in ques for hours together if not days! Milk went up 200 and 300 per cent! Then the Englishman, proud of his industrialism, began to turn his thoughts to agriculture. The same Englishman who was some years before stone deaf to the appeals of Rider Haggard and his persistent cry of "Back to the Land" now began to realise as shipload after shipload of Java sugar went down to the bottom of the Mediterranean "owing to enemy action" as the official despatches

would put it, that a country however rich, however great, however advanced in her industries was one day or other likely to find itself in a seriously, sad plight if it did not produce its requirements by way of food within its own boundaries. Then began a vigorous campaign of food production. The minimum agricultural wage was fixed by Parliament at 25 shillings a week. Town Councils vied with one another in giving prizes for food production. Beautiful parks for which England is justly famous were converted into market gardens. I shall not pursue this topic further interesting though it is but still the food problem of a vast country could not be solved by such twelfth hour efforts. If the British navy had not proved itself more than a match for the German submarines and if the war had been prolonged somewhat longer, probably the famine in British Isles would have been a serious one. Luckily we won. But even now it looks as if the spectre of famine is still stalking Britain. Milk is as dear as in 1917. Many items of food, especially meat, are still controlled. The quartern loaf, we read the other day, is now far above the worst war-price! The reason for this is that the English working man who has got used to receiving princely wages in munition factories is unwilling to return to the despised calling of tilling and the minimum wage fixed by Parliament no longer attracts him or suffices for his expensive habits and his post-war style of living. The spinners are demanding an increase of 300 per cent over their pre-war wages.

And as regards industries the recent troubles show that there is a regular chaos. Everyday we hear of strikes and of threatened strikes. It is said that even the existing factories are not working at or anywhere near pre-war output. If any reader would care to ask an importing firm he would readily confirm this statement. Famine conditions seem to be prevalent everywhere and that is the reason why the Allies are anxious to establish trade relations even with Soviet Russia.

But when I thus describe the evils of a too much dependence upon industries to the neglect of agriculture, I am not to be taken to mean that I am indifferent whether India produces her own requirements or not. In fact I am one of those who think that the political salvation of the country is dependent upon her industrial self-sufficiency. Nor am I to be taken as holding the view that I am satisfied with the present condition of the practice of agriculture in India. Far from it. I am aware that the agricultural wages are very low especially in the interior, with the unavoidable result that a stream of migration is ever taking place towards the big cities. The treatment meted out to the agricultural laborer is moreover not so good as that shown to the town laborer and artisan. Life in villages is not superficially at least as attractive as that in towns. All these must change if our agricultural conditions are

sought to be improved on anything like the lines obtaining in other and prosperous parts of the world.

That agriculture can be made to be paying there can be no doubt about. In Canada there are thousands of small farms cultivated in most cases by the husband and wife alone—for labour cannot be hired there except at prohibitive rates—which are said to be paying handsomely. In 1917 many Canadian women who accompanied their husbands as far as England when they joined the allied forces, and who were obliged to stay in England owing to the restriction on women travelling by the sea, were complaining that their little farms went to ruin. Rhodesia is one vast smiling fruit garden, and thanks to the enterprise of the "Union-Castle" Line people, the export trade in fruits promises to be very paying. And yet labour is terribly expensive in Rhodesia. In Natal our Indian emigrants own or lease tiny patches of land and by cultivating either the betel vine or vegetables are able to earn a decent competence. The secret of this success is the nearness to a rich market where the standard of life of the (buying) public is very high. In Denmark agriculture is paying immensely in spite of the fact she has to get labour from far off Russia and Finland at high wages. The reason for the success in this case is the scientific use made of bye-products, the most conspicuous example of which is the rich cattle food derived from the refuse of the sugar beet after making sugar, which refuse is carefully stored in special pits to be used throughout the year!

So, it is not true to say that agriculture cannot pay or that the only salvation for India depends upon wholesale adoption of industrialism and the horrors of the factory system and huddling of millions in crowded chawls, converting beings made in His own image and with brilliant faculties into mere machinery. If India is to take her place among the nations of the world she must pay more attention to her agriculture and encourage her cottage and home industries. Then even world-wars will have no terrors for her.

But we have a lesson to learn from Canada, from Rhodesia and from Denmark. It is this. If each farmer continues as a detached unit, with capital borrowed from the village Mahajan at prohibitive rates, with no decent roof over his head and with no respectful treatment from his own neighbours, obliged (owing to want of capital and the requisite knowledge) to adopt primitive methods for producing sometimes twenty different crops in as many acres and that too of varying qualities, and if his crops are bespoken to the money-lender even before they are harvested, and if he has no other go than to sell his produce in the village market for whatever may be the price for that particular day—there is no prospect of agriculture paying a handsome return or the standard of life for the

cultivator rising or even keeping pace with his growing but legitimate ambitions. Cheap capital, knowledge of and access to markets, uniform crops over large areas of a standard quality, facility of transport, availability of cash to hold out against rise in prices, and above all joint-marketing are the minimum requirements. And to my mind co-operation affords the readiest means of securing these.

### THE NORTH ARCOT DISTRICT COUNCIL OF SUPERVISION

BY Mr. M. S. SESHACHELA AIYAR, TIRUVANNAMALAI.

The North Arcot District Council of Supervision was working informally for two years before it was registered as a Co-operative Society on 20th June 1919. The chief objects of the Council are to develop the work of co-operative societies in the district, to provide for a higher form of supervision over the affiliated societies than can be had from the local unions and to help the expansion of the movement in the direction of non-credit work; and to that end render all possible help to co-operative societies in the district. The council has secured the services of a Government Inspector as District Supervisor and he is assisted by a clerk. The funds of the council consist chiefly of contributions towards supervision charges from unions and non-union societies, delegation and miscellaneous fees. The income comes to about Rs. 2,500. The main charges on the funds are the pay and the travelling allowance of the staff; and it has been found that the income and the expenditure meet each other.

Next to supervision the chief object of the council is the encouragement of non-credit co-operative work. The non-credit work so far done consists mainly of joint purchase and sale, and it has not been inconsiderable. The purchases are being made on the indent system. The affiliated societies ascertain the requirements of their members and the indents therefor are collected by the trading or local unions. In turn the District Council collects the indents of the unions and makes the purchases wholesale. The purchased goods are distributed from top to bottom, from the District Council to the unions, from the unions to societies and from the societies to the members. Adopting this indent system the Council purchased during the last co-operative year rice for Rs. 78,000 cloth for Rs. 16,000 iron for Rs. 6,500 kerosine for Rs. 3,900 salt for Rs. 2,800 castor cakes for Rs. 4,800 cotton seeds for Rs. 200 and paddy seeds for Rs. 170. This is by no means an extraordinary amount of business but yet it is a good beginning. It is estimated that by means of this joint purchase the members were benefitted to the extent of Rs. 15,335.

Joint sale is more difficult and demands greater business knowledge and tact. Joint sale when it is successfully carried out is a great boon to the ignorant producers. By bringing into direct contact the producer and the consumer or the producer and the wholesale merchants and thereby abolishing a whole array of middlemen who eat away the cultivators' due share, joint sale conduces to the prosperity of the agriculturist. The North Arcot District Council of Supervision conducts the joint sale of the produce of the members of its affiliated societies only as their agent and has no claim or liability for any profit or loss in the transaction. The credit necessary for the trade is found by opening a cash-credit account with the District Bank by each society that wants to trade. Joint sale was conducted during the last year in Tiruvannamalai taluq alone as an experiment. Five hundred bags of cotton were offered for sale and a sum of Rs. 2,100 was realised as profit. About 2000 bags of ground-nut were sold for Rs. 17,000 at a profit of Rs. 4,000. Ground-nut is the staple crop of the district, and there is immense scope for the adoption of joint sale in this particular commodity alone. So far the foreign consumers have not been directly reached, and when it is possible to export directly the country is sure to make vast profits.

The council plays a notable part in the agricultural improvement of the district. It arranges for the purchase and distribution of scientific manure, seeds, up-to-date agricultural implements, &c. and co-operates with the Agricultural Department in popularising the improvements advocated by it. During the last year about 1,000 acres of land belonging to co-operators in Tiruvannamalai taluq were brought under Cambodia cotton through the exertions of the Council. Fifty monsoon ploughs were purchased and supplied to societies and the Council has advised all societies to pool their dividends and purchase one plough at least for each society and let it on hire to its members. For the Tandarampattu Society the Council bought a sugar-cane mill, and secured the services of the Agricultural Department for building an improved furnace for it. Among the minor items were the purchase of fish guano and cotton and paddy seeds. But perhaps the most notable achievement of the Council was the holding of an Agricultural and Industrial Exhibition during the Tiruvannamalai festival. The exhibits were varied, numerous and extremely useful. The attendance was very large. It was a thorough success.

The District Council aims at co-ordinating the work of the trading and local unions and smoothen friction between societies. To this effect conferences of unions are arranged. The organisation of societies for depressed and other backward classes and of special types of societies is also included in the objects of the District Council. The Panchama Colonisation Society at Kilsirupakam, the Field Labourer's Society at Gudanaga-

ram, the Scavenger's Society at Vellore and the Public Servants' Society at Vellore are among the special societies organised by the Council.

What has been done is only a fraction of what remains to be done. The work of the Council was seriously handicapped, during the last year, owing to the failure of crops, the abnormally high prices of foodstuffs and their fluctuations, and the Council's own want of experience in trade. It has made a good beginning, and it hopes to make itself as useful as is possibly can in the direction of spreading the movement and the economic regeneration of the district.

### WHOLESALE AND PURCHASING STORES.

BY Mr. K. RAJA RAO, SUB-POST MASTER, PAKALA.

The question of the establishment of wholesale stores in the capital cities of the several Presidencies has been for a long time engaging the earnest attention of those interested in the co-operative movement. By "wholesale stores" is meant one or two big stores in the Presidency located in a central place whose business is the collection of articles required for export and the distribution of imported articles through the medium of branch stores distributed over the Presidency to the local co-operative stores already in existence in several towns and villages or those that may be newly created. This question involves the consideration of the following points:—

1. The financing of stores.
2. The collection and distribution of articles.
3. The management of stores.
4. The relation of wholesale stores to the co-operative stores etc.

Of these the financial aspect of the question claims our first attention. How are we to get the necessary capital? Is much capital at all needed? It may be pointed out that credit is not very beneficial in trade but without it no trade is possible.

The following illustration may help the solution of the problem.

Supposing we wish to start a wholesale store at Madras, the principal city of the province. I would fix its authorised capital at Rs. 5,00,000 divided into 50,000 shares of Rs. 10 each with power to increase it. These 50,000 shares would be distributed among the 25 districts at Rs. 20,000 or 2,000 shares per district. The 2,000 shares allotted to the district may be spread over about 200 primary societies and trade unions inclusive of the district stores. By this arrangement each society will take up 10 shares of the value Rs. 100 in all. All the subscribed capital need not be called at once, but spread over a period of 72 months or 6 years as follows:—

1. Rs. 1 to be paid up on admission.

2. The balance of Rs. 9 in 72 monthly instalments of 2 annas each partly by cash payment and partly by the bonus of trading accrued towards the share value.

II. The next point for consideration is how the purchase of articles by wholesale stores can be profitably effected. A knowledge of the defects existing under the present system will enable us to understand the methods by which we can best effect it. The defects are many and may be summarised as follows:—

1. Dependence on a salesman or an agent to purchase things for the stores.
2. Trading on borrowed capital.
3. Not studying the question of supply and demand etc.

The wholesale store could avoid several of the risks attending on trade by the adoption of the following methods.

- a. As far as possible the capital should be found from amongst the shareholders who do not claim interest on share money but share the profits and losses among themselves, thus freeing the institution from the fear of fluctuation of the market.
- b. Systematised and guaranteed cash demands may be made to come from the consumers. They should be asked to send an indent for the articles required by them during a particular season and an advance of  $6\frac{1}{2}\%$  of the total indented value should be recovered from them in addition to the share money that they may hold in the stores. As observed by Mr. Hemingway, our Registrar, it is not always possible and convenient for the consumers to give indents, take shares, deposit earnest money and take delivery of a large quantity of goods by cash payment at a time. But without such an understanding between the stores and their customers the former will be in a dangerous predicament. To remedy this we may adopt the warehouse system under which the store will deposit  $12\frac{1}{2}\%$  of the required funds with a central bank and ask the bank to lend her the balance of  $87\frac{1}{2}\%$ . The whole amount of loan will be converted into goods and stocked in the godowns of the bank. The store undertakes to pay interest at  $7\frac{1}{2}\%$  on the borrowed capital, from  $1\frac{1}{2}\%$  to  $2\frac{1}{2}\%$  ground rent and  $1\frac{1}{2}\%$  clearance charges etc. It further agrees to clear systematically a certain proportion of the stock on paying cash for it then and there. The store itself agrees to bear any losses due to the fluctuations of prices in the market. It will freely consult with the bank in all such matters and arrive at a decision which is acceptable to both the parties. Under this system

the consumer will not be asked to pay the whole amount of money at once or to clear the entire indented goods. The payment for the goods and the clearing of it may be spread over 3 or 4 months. This will enable the store to estimate its demand and stock the required quantity with the least risk. So much with regard to the financing of the stores.

III. We may next consider how some of the risks attendant on trade can be met under this system by the adoption of particular methods. The risks are mainly due to:

- a. Depending too much on salesman or agent for purchases.
- b. Trading with mostly borrowed capital or a small amount of owned capital.
- c. Anticipating demand, without having a correct idea of the needs of the consumers or obtaining indents from them.
- d. The overstocking of things which are liable to get damaged and fall in prices in course of time, ultimately bringing loss to the store.
- e. The understocking of goods, when there is a profitable demand for the same, thus allowing the opportunity to slip.
- f. The lack of efficient checking which tempts the storekeeper, the secretary, the managing director or other persons to remove goods from the stores undetected and show it under wastage and shortage.
- g. The underselling of articles under the plea of being damaged and causing loss to the store where a profit is expected.
- h. The low salary paid to the staff and the management being left in the hands of an irresponsible set of men who are generally neither honest nor businesslike.
- i. The inexperience of the Board of Directors in trade matters, the limited time at their disposal, the meagre responsibility of the directorate to the general body, the bringing in of philanthropic ideas and honorary supervision in vast business concerns.
- j. Want of scope for the consumers to observe and learn to estimate things at their correct value, to discover adulteration and deficiencies in weights and measures.

IV. To remedy these evils the following suggestions are offered seriatim.

I. The mischief played by the purchasing agent may be easily remedied as follows:—

After either collecting indents or ascertaining the probable demand from its members, the stores should place the order before the merchants at several centres of production, on an open competitive tender system, the competitors to deposit 1 % of the tender value with the store without which no offer should be recognised.

The merchants should bring or send in their samples with quotations to the store, undertaking to deliver them at the godowns of the stores if accepted, subject to the condition that all bags are to be reopened and reweighed after they have remained in the godowns of the stores for at least 3 days.

The merchant should make his own arrangements to deliver the consignment at different stores in a city direct, so as to fix the responsibility on each individual society for wastage etc. This will avoid extra carting charges from the central to the local stores and simplify accounts. It will enable the central directorate to arrive at a data regarding the wastage etc. in the case of each society and compare it with the others and use the information as a check over theft and swindling.

The tender will have to be given effect from one to three months of the harvest. Before the harvest the prices will be unsettled and they fluctuate roughly once in every fortnight after the harvest and for 2 months in all. The tenders should be placed for articles which are not locally produced at a cheaper rate and can be well recognised as to quality without any difference of opinion.

A few details as to the mode and methods which are adopted by the private merchants in our Presidency may not be out of place here. The mercantile community in our presidency carries on its business mostly by means of borrowed capital. No doubt, the accumulation of interest on the borrowed capital, the fluctuations of the market, wastage and damage are to be taken into account in such a kind of business. But yet experience has shewn the trader that it is not a dangerous game generally. He borrows money to the extent of 8 to 10 times his property and is trusted to that limit by his creditors; because they know as a matter of fact that he will not entirely fail in business and that the average loss expected in the transaction may come upto about 10 p.c. of the invested capital. To avoid risk the trader invests his capital over several commodities in demand, purchases them in instalments during the harvest season and disposes of the stock according to the existing market rate at the earliest opportunity. The temptation of higher profits, by holding out stock, does not appeal to him so much because he knows for certain that he is not standing on firm ground and that he is carrying on the

business on borrowed capital. This caution on his part ordinarily saves him from serious loss. If he loses some amount by the fall of prices of certain commodities, he is recompensed by the rise in others. At the close of the year on balancing his accounts he finds that after paying interest at 9 per cent. on the borrowed capital and after meeting establishment and warehouse charges inclusive of wastage, damage, theft in transit and stocking, his net profit ranges between 12 and 25 per cent. over his total transaction. This conclusion is arrived at as the result of the present writer's personal observation extending over eight districts in the Presidency.

V. The suggestions referred to in para IV are summarised here:—

1. The Capital should be mostly made up of shares payable in easy monthly instalments and all borrowed capital should be returned as early as possible.
2. Indents should be obtained from the mofusil stores and trade unions as far as possible and the things stocked should not be very much over the demand.
3. Stocking should be regulated according to the demand.
4. Purchases should be made during the season and goods stocked so as to last for 3 or 4 months.
5. Arrangements must be made with supplying merchants to weigh and correctly hand over the commodities to the Store-keeper in the presence of the Managing Director and Secretary.
6. The stock should be maintained in double and single locked rooms and the Store-keeper allowed to take from the double lock room only the quantity required for sale during a month.
7. The wastage occurring in the single lock room should be ascertained at the end of the month and compared with that of other local stores.
8. A security of about Rs.1000 should be taken from the Store-keeper in the shape of cash and he should be held personally responsible for any serious wastage or adulteration.
9. A wastage of 5 per cent may be allowed on an average and the Store-keeper should be held responsible for any deficiency exceeding this per centage.
10. No damaged articles should be sold except in the presence of 3 directors. This should be done in public auction.
11. The staff should be adequately paid so as to place them above temptation. Though the establishment charges may be high the fraud, wastage, damage and manipulation of the quotation of prices which bring on great loss can at once be prevented and a profit found for the store.

12. A Directorate which is well remunerated and which can devote its whole time to the store and which has practical experience of the business should be secured and held entirely responsible for the misdeeds of the staff. By turns the chance of learning business matters should be made available for persons interested in trade matters and they should be ultimately trained for the post of Directors.

VI. Taking up the question of freight, we shall offer a few suggestions. Suppose the freight on one maund of goods is 1 anna 6 pies for a certain distance. If we go in for a wagon, it comes only to 1 anna per maund. If we engage a special train consisting of 32 vehicles the freight comes to about 6 pies per maund, provided the distance is over 100 miles. To secure these benefits, we have to group the districts according to their geographical situation and commercial importance:—The Circars and Nellore through which the Broad Gauge sections of M.S.M. and B. N. R. run are to form group No. 1. Godavari, Krishna, Guntur and Nellore are the rice producing districts in this group.

Bezwada will be a convenient centre for the export of rice, chillies, pulses etc. Through specials can be easily arranged from there up to Madras on the Broad Gauge and up to Guntakal Bangalore Pakala and Katpadi on the Metre Gauge. Kurnool, Bellary, Anantapur, Chittoor and Vellore districts depend on the Delta and Nellore districts for their rice supply. Raw rice is an important staple grain required in large quantities by the inhabitants of the above districts. Rice is produced only during a certain part of the year:—

The whole quantity required by the rice-using districts may be got by making arrangements to run a special train up to Guntakal from Bezwada, detaching a few wagon loads at Nandyal or Kurnool on the way. From Guntakal the wagons are to be sorted for Bellary, Anantapur, Chittoor and Vellore at a concession rate. The freight when carrying a commodity over a single gauge of a Railway is cheaper than transshipping it from one gauge to other or the changing to foreign Railways.

The whole Presidency depends on Madras for glass-ware, clothes kerosine, stationery, medicines and the like. The Central Store at Madras may with great profit indent for and supply the above kinds of goods to the several districts.

The districts of Chingleput, South Arcot, Tanjore, Trichinopoly, Madura, Ramnad and Tinnevely may be grouped together; and Salem, Coimbatore, the Nilgiris, Malabar, and South Canara may form the third group.

VII. Where there is convenience and saving of time the goods should be moved as far as possible over water ways, viz., channels and rivers the freight on which is cheaper than on the Railways. Moreover

this arrangement finds employment for many boatmen and coolies, and will be an incentive to the opening up of new waterways. The more the number of channels and waterways are opened the more will be the irrigation facilities offered to the country which in turn will increase the agricultural prosperity of a nation.

VIII. A few words with regard to Triplicane Co-operative stores and a number of other stores will not be out of place here.

The Triplicane Co-operative Stores may transform itself into a whole-sale and purchasing society if worked in the light of the proposed scheme which will be to the benefit of mofussil stores and itself. It has deposited nearly a lakh of rupees in banks finding no investment for the surplus capital. The present pay of its staff and their responsibility to the general body are believed to be far from satisfactory. This defect can be remedied on the lines of the above scheme and a healthy institution brought into existence which would infuse a new life into the several mofussil stores.

IX. The rural societies are as a rule more producing and supplying than consuming. Their wants are limited. We may arrange with these stores to supply us with their produce and in return give them hardware, clothes etc.. The urban areas are more consuming than producing. The central store has therefore to create a connecting link between the two and act as an agent in the transaction.

### CO-OPERATIVE MILK SUPPLY FOR CALCUTTA.

The following is a summary of an account of an experiment made during the last three years by the Co-operative Department to improve the milk supply of Calcutta.

The City itself could produce no milk while it required about a quarter of a million seers for its daily consumption. The suburban villages that met this large demand did so through a certain class of middlemen known as the Goalas. The Goala entered into a contract with the cow-owners of his village, paid them in advance the probable value of the yield of their cows during the period, had their cows milked by his own men and arranged for the sale in the City with certain coolies whom he provided with monthly tickets for the railway journey and fed in the city at his own cost. The coolie walked as far as the railway station with one and a half maunds of milk in two cans that were slung over a bamboo across his shoulder, then went by rail in a third class carriage generally reserved for these men and returned

home from the city late in the evening after completing his sale, which took him almost the whole day.

The Goala generally diluted the milk with water so as to make good the heavy transport charges and the coolies diluted it further to make good the extortions by Railway and Corporation servants. The milk was therefore generally very watery.

Some straw or leaves that were generally filthy were placed in the cans to keep the milk from splashing and from being churned; the cans, that were themselves unclean, were carried uncovered in the dirty railway carriage crowded with dirty passengers and along the polluted streets of the city; and the coolies plunged their perspiring arms into the cans whenever they wanted to take out the measuring vessel which was always left within. The milk was therefore always far from being pure.

The Registrar of the Co-operative Societies in the face of some opposition at the beginning, the usual fate of all similar new schemes, established a few Co-operative Milk Societies in some surrounding villages with the cow-owners as shareholders on the understanding that each shareholder should then pay Re. 1 towards a share of the nominal value of Rs. 10, the balance being payable at call, and arranged for the sale of the milk in Calcutta under the aegis of his Department.

To begin with he adopted the goala's system of transport as it was. But with a view to keep the milk as free from impurities as possible he taught the cow-owners the rudiments of dairy hygiene and induced them to be cleaner in dealing with their cows; he made use of better and sterilized cans and saw that they were invariably closed, locked and sealed before transmission; and, he also arranged to avoid contamination at the places of sale, besides verifying the results of his endeavours in this direction by having the milk frequently analysed and tested. He also put down to a satisfactory extent the extortions to which the goala's milk was subjected, by requiring a member of his Department to travel with the coolies.

As the societies progressed, however, he purchased motor lorries and used them for the vending of milk along the streets of the city and for directly transporting to the city the milk of such of the societies as lay far off from the railway stations. This improvement was found by experience to be less expensive and more suitable especially for the vending business.

As for the working of the societies themselves, he paid Rs. 7-8-0 and even more for a maund of milk whereas the goala was paying only

Rs. 6-8-0 and he apportioned the dividend of each society among its shareholders themselves at the end of each year after setting apart a portion as reserve fund. These concessions together with the facilities he afforded them by the creation of a union in the city which took contracts for the societies from Government institutions and gave them scope for a regular sale, considerably popularized his scheme, so much so that there was an increasing demand in the mofussil for such societies. Which was evidenced by the fact that between April and November of last year more than 25 new societies were formed and at the close of the year a few more, so that there are to-day 34 societies with 935 members in all.

Owing to the maintenance of ill-fed cows of small yield, due to want of capital the supply of milk was necessarily meagre. To improve the situation, the Registrar helped the members with loans raised on behalf of the societies and enabled them to procure cows of a fairly large yield, and to give them better nourishment. The loans thus advanced went up nearly to half a lakh at the end of last year, but the greater part of it has been repaid already from the sale proceeds of the milk. This substantial assistance produced the desired result, namely, the production of a plentiful supply of rich milk. That it was this loan that led to the improvement in the productivity has been borne out by the fact that the productivity per member at the commencement of the experiment was 9 seer for member and it is to-day 15 seers per member.

As a result of these activities of the Registrar, the 34 societies are to-day supplying the city with  $1\frac{1}{2}$  tons of milk in a fairly pure and unadulterated form in place of the goala's impure and watery milk. For this production, meagre as it is, considering that the quantity daily required for the city is a quarter of a million seers or 100 tons, the societies are working with a capital of Rs. 30,000, including the Rs. 13,000 invested on the lorries. Large as this capital may seem, it is however considerably small when compared with what was said to be required under other schemes proposed for this purpose; and loans had to be freely sanctioned and the milk paid for then and there, while the milk of the society was being paid for by the Government institutions on bills only at the end of each month. The share-capital paid up to-date being Rs. 1100 only, the greater part of the capital had to be borrowed and the borrowing was made from the Bengal Provincial Co-operative Federation at 5 to  $7\frac{1}{2}$  % per annum on the securities of the lorries and the outstanding dues. This large investment enabled the societies to sell what they bought for  $2\frac{1}{2}$  as per seer at 4 annas

per seer and even less, whereas the goala was selling his milk at 6 annas per seer. At the same time the societies earned a net dividend of Rs. 1200 per month or Rs. 14000 per year, a rough estimate of which is given below.

|                                                                  |           |
|------------------------------------------------------------------|-----------|
| Selling price of $1\frac{1}{2}$ tons of milk at 4 annas per seer | Rs. 10000 |
| Cost price of " " $2\frac{1}{2}$ " " "                           | Rs. 6240  |
| Expenditure at Rs. 80 per day " "                                | 2400      |
| Interest on the working capital " "                              | 160       |
|                                                                  | <hr/>     |
|                                                                  | Rs. 8800  |
|                                                                  | 10000     |

With this large profit of nearly 50 per cent. of the working capital the Registrar is liquidating the debts at Rs. 600 per mensem.

By further exertions he hopes to increase the number of societies and their out-turn and to expand his operations further afield. He further believes that, if the city will make up its mind to do what every other city has to do and use the morning's milk in the evening and the evening's milk the next morning, the entire demand can easily be met by establishing similar societies in distant villages as well, provided they have the facility of good roads and railways.

## SOME QUESTIONS OF LOCAL FINANCE.

### THE FEDERAL BANK.

The first question that was discussed at the Conference of bankers and others called by the Acting Registrar related to the popularisation of the Federal Bank. Though the shares of the Madras Central Urban Bank were thrown open to societies so long ago as April 1917 and representatives of society-members given a place on the directorate, only 18 out of 26 mofussil central banks and 58 out of 3,600 rural and urban societies have taken shares in the Provincial Bank, their paid-up capital being only about Rs. 33,000 out of Rs. 4,00,000 of new capital intended for them. Thinking that this was due to the inadequacy of representation provided for societies on the directorate of the Provincial Bank, Mr. Hemingway persuaded the directors of the M. C. U. B. to so change its constitution that it would become a real federation of central banks giving their representatives a determining voice in the management. The changes proposed and accepted are: that in future no society other than a central bank should be affiliated with the Apex Bank; that its future

Board of Management should consist of 50 representatives of the affiliated central banks and 25 representatives of the individual shareholders; that to entitle a central bank for affiliation it should hold share worth Rs. 15,000 or 10 per cent of its own paid-up share capital whichever is less; and that every affiliated central bank should be allowed a representative on the Board of Management. In the words of Dewan Bahadur K. Krishnaswami Rao, president of the Provincial Bank. "[The object of these changes is to make this Bank, the Federated Bank of this Presidency, to secure the hearty co-operation of the Central Banks in the administration of the affairs of this Bank, and to promote the general interests of the Co-operative Movement. By this federation, it is hoped to unite the leading Co-operative institutions in the Presidency for their common advantage and to remove as far as possible causes of friction among them.]"

The Conference accepted these ideas and agreed that district banks should take shares in the Federation between the minimum and maximum limits of 10 and 25 per cent. respectively of their own paid-up share capital, as it stood on 31st March 1920. As the share capital of the Provincial Bank falls far short of the standard recommended by the committee on Co-operation in proportion to the deposits received by it, it is desirable that the district banks should immediately begin taking shares up to the maximum limit as funds become available. By such investment of their share capital the only disadvantage to which they may be put is that they will not be able to lend out that money to the primary societies. But on the other hand it enhances the borrowing capacity of the Provincial Bank to the extent of ten times that amount, and enables the district banks to get credit with the Provincial Bank to the extent of eight times the amount invested, so that when its deposits are withdrawn it could draw on the Provincial Bank to the required extent.

The district banks and the Federation will then move as one body in point of credit and get connected with the outside money market as a single institution thereby enhancing their borrowing power in times of need. As it is desirable that the Federated Bank should begin work in that capacity on the 1st of July when the new co-operative year begins. It is hoped that central banks will immediately take the minimum number of shares, that is, to the extent of ten per cent of their paid up share capital.

#### SHARE CAPITAL OF CENTRAL BANKS.

The Conference agreed that unlimited liability societies should pass on the share capital collected by them from their members to the central

banks and invest it there as share capital. Unlimited liability societies depend for their working capital mainly upon borrowings from the district banks. Their share capital and deposits form almost a negligible factor. The central banks give them credit on account of the unlimited liability of their members. Their borrowing capacity in each case is fixed with reference to the net property of their members. Central banks receive deposits to the extent of eight times their share capital plus the reserve fund. But their share capital comes mainly from non-borrowing individuals. The borrowing societies contribute very little to the credit-worthiness of the central banks. The latter are therefore unable to extent their credit and meet the demands of the societies. If however, the unlimited liability societies passed the share capital collected by them on to the central banks the borrowing capacity of the latter would be considerably enhanced. At the same time the primary societies are not in any way inconvenienced by this action, as the deposits received by them are quite negligible.

Even limited liability societies which for their working capital depend mainly on their own share capital and deposits, will do well to invest a portion of their share capital with the central bank, so that if deposits are withdrawn suddenly or to an unexpected extent they may have credit with the central bank and seek accommodation at its hands.

#### INVESTMENT OF THE RESERVE FUND.

Another question that was discussed at the conference was whether the Reserve Fund of primary societies may be invested as share capital in the district banks, and that of district banks in the Federal Bank. It was recognised that it was wrong on principle that the reserve fund of any society should be invested as share capital in another society. The Reserve Fund should be kept fluid so that in the event of loss it may be drawn upon. When invested as share capital it ceases to be fluid and becomes subject to all the risks of the institution in which it is invested. This objection is all the greater in the case of the reserve funds of unlimited liability societies. Their Reserve Fund is intended to reduce the risks of unlimited liability, that is to say, in the event of loss if the reserve fund be adequate it would be unnecessary to draw upon the unlimited liability of the members. The net assets of the members of those societies cannot be, at any rate have not been, accurately estimated, and it is therefore, all the more necessary that their reserve fund should be kept fluid. The Conference, however, was not very much opposed to the investment of the reserve funds of district banks in the Federal Bank.

## INTERLENDING BETWEEN DISTRICT BANKS.

At present interlending between district banks is permitted with the previous sanction of the Registrar. This, however, entails waste of time and inconvenience. One of the objects of the Federation being to serve as the clearing house of surplus deposits, interlending by district banks will of course be put an end to, and they will be required to pass on their surplus deposits to the Federal Bank. It was agreed that where the district banks could make fixed deposits for definite periods  $6\frac{1}{2}$  per cent. interest should be allowed on them, and preference given them over deposits from individuals. Where, however, no period was fixed and the deposits were liable to recall at any time the Federal Bank would accept them at  $5\frac{1}{2}$  per cent. provided there was use for them to decrease the overdraft drawn upon the Madras Bank. These terms are very reasonable, and will be considered favourably, we hope, by the Directors of the Federal Bank at their meeting.

The central banks which have borrowed from the M. C. U. B. can under the present arrangement repay only Rs. 5,000 a month i.e., the M. C. U. B. is not obliged to accept anything more. Nor can it demand the payment of more than Rs. 5,000 in any month. This arrangement does not seem to have worked satisfactorily, and the representative bankers were of the opinion that each loan from the Apex Bank should be repayable in ten annual instalments, the first instalment commencing from the second year after the grant of the loan.

## HELPING PHILIPPINE FARMERS TO HELP THEMSELVES.\*

BY A. W. PRAUTCH.

*Director, Philippine Rural Credit Division.*

In the task of advancing the people of the Philippine Islands to the point where they may themselves confidently and effectively control the complex machinery of modern business finance to take the place of ineffective methods which obtained in the past, the Government has insisted on having them help themselves instead of performing their tasks for them. The principle has been explained and illustrated, but the Filipinos have been compelled to work out their problem, with the result that ability to handle their own affairs is being developed most satisfactorily. In hundreds of towns and villages rural credit associations now flourish and do a substantial business on sound economic principles, where formerly

\* Taken from the *Transpacific* with the kind permission of the writer.

the activity of the usurer impoverished the population and retarded the development of the community.

The Rural Credit Law of the Philippines was enacted to remove the restriction in the Corporation Law requiring 200,000 pesos paid-in capital before a bank may be started, and to provide rules and regulations to insure the operation of the rural credit associations and safeguard the interests of small investors, general public and Government. These associations may incorporate with a paid-in capital as low as 100 pesos or as high as 10,000. The shareholders who contribute this sum elect boards of five directors, who approve or disapprove loans, sell shares, borrow working capital and manage all the affairs of their associations. Where the directors are active the work goes forward, but where figurehead directors are selected, because of social standing or prominence, the association lags, yet this very experience teaches the lesson of self-government more effectively than theory ever could, and there is always the opportunity at the next election to remedy the unfavourable condition by changing the membership of the board.

The law specifies that only one association may be incorporated in a municipality, the purpose being to avoid rivalry and factions. The provision that the bonded municipal treasurer shall act as treasurer ex-officio without extra remuneration and the Government auditor shall audit the association's books at the same time municipal accounts are being audited inspires the unsophisticated investors with confidence in the association. Thus they are satisfied that their few pesos are safe. Possibly no other single feature has contributed more to the success of the associations than this wise provision for the protection of the funds.

All payments are made by the treasurers on vouchers passed by the Board of Directors. No individual may own more than 500 pesos' worth of shares, and each shareholder has only one vote, irrespective of the number of shares he owns. Associations enjoy certain exemptions until their paid-in capital stock is 10,000 pesos. Among these are the following: taxes, revenue charges, revenue stamps, registration fees of mortgages or documents, court fees incidental to the collection of unpaid debts and the like. These exemptions are allowed to continue until the association is on its feet and can pay its way.

The Government furnishes no financial help directly or indirectly after the associations are formed. The organizing staff is paid by the Government as otherwise no one would systematically and continuously push this solution of the question as to how to provide working capital for small farmers by banding them together into a "home defence

guard." No one in the association receives pay; their public spirit and civic pride are appealed to. Forms, supplies, books and share stock forms are paid for by the association out of a fund made up from the small entrance fees. Everything aims to develop self-help. The agents never do for an association what it can do for itself, nor do they omit to point out the danger of a doubtful course and the advantages of right management. Naturally, anything contrary to the Rural Credit Law (No. 2,508) is sternly stopped, and the reason is clearly stated. The character of rural credit associations must, like Cæsar's wife, remain above suspicion, a condition which would not continue without a Government staff to advise and guide in the apprentice period.

In getting the work started the organizing staff of the Bureau of Agriculture's Rural Credit Division visits towns, distributes copies of Law 2,508, points out the benefits which the whole community will reap if the small farmer can keep the money which he would otherwise expend for usurious interest on the loans he must have. It is also pointed out that this interest stays in the town instead of going to the capitalists in the large centres, and that in time a strong village bank will be the result of this co-operative effort. People who are not borrowers are urged to buy shares in order that a worthy institution may have funds to lend. If sufficient interest is manifested they proceed to organize. A meeting is called and those who have subscribed and paid for shares select the incorporators, of whom there cannot be less than five nor more than 15. From these, five directors are chosen to serve until the first shareholders' meeting is held, when these or other directors are formally elected. Incorporation papers are registered without expense to the association. The directors then receive applications for loans and approve or disapprove them. Their action is final.

If an application is approved, a voucher is drawn on the treasurer, and the money is paid to the borrower. The law compels the exaction of security for all loans, which security may be represented by mortgage on land, pledge of work animals or the like, or by endorsement by "two persons of recognised solvency in the community." Our work is done only on personal guaranty because the loans are small, and if the borrower is doubtful or tricky his application is disapproved by the directors. The division has even begun a step further back by refusing admission to membership to such characters, thus reducing the number of refusals. These associations do not attempt to reform loafers or to provide easy money for the careless, but aim to unite earnest, industrious farmers in a co-operative self-help association.

When the paid-in capital is 1,000 pesos or more an association is permitted by the Philippine National Bank to borrow an equal amount on the security of its capital and a joint several note of the five directors, whose assessed property is certified to by the municipal treasurer. The National Bank also lends larger amounts to associations on the joint and several security of growing crops, stored produce, work animals, sugar mills and other property of the members, the mortgage being made out in favor of the association, which is a corporation, and this accompanies the joint and several note of the directors. There is no maudlin sentiment or mistaken pity for the poor, but practical help for those willing to help themselves. The bank charges 8 per cent of the association, which charges its members 10 per cent, the resulting profit going to the association. Twenty associations have received loans aggregating 80,000 pesos.

The first rural credit association was incorporated October 19, 1916. There were, on May 20, 1919, 325 incorporated associations and over 100 more in various stages of organization. The paid-in capital at incorporation was 164,846 pesos, which has been increased by further sales of shares to more than 400,000 pesos. Over 30,000 members have bought these shares, and loans aggregating over 350,000 pesos have been made to over 6,000 members. Official returns from the treasurers were made December 31, 1918, and this estimate, which is probably conservative, is made on reports of progress sent in by the division's agents.

In addition to these financial activities, the Legislature designated the rural credit associations to be agents to lend 1,000,000 pesos to responsible persons who will plant uncultivated areas in rice and corn. The Secretary of Agriculture and Natural Resources finally passes on such applications received from associations. No loans may be made directly to individuals, the reason being that no central agency can possibly determine the reliability of the applicant as well as can the directors of his association. The expense and trouble of investigation is obviated by making the total loan to the association under precisely the same conditions as the National Bank loans are made, as explained above. The directors, having assumed responsibility for the repayment of the loan, will, for their own personal protection, exercise great caution in lending this money only for productive purposes and to responsible persons. The purpose of the 1,000,000 peso fund is to develop the production of food in the Philippines to the point where importation of rice will be unnecessary. By May, 1919 applications had been received from 170 associations, totaling over 800,000 pesos. These were being carefully investigated, and Secretary Apacible had already granted loans amounting

to 212,600 pesos to 53 of these. It would have been very difficult, if not impossible, to have carried out these useful loans without the co-operation of the rural credit associations, with their local knowledge and community interest.

No one cares to read about failures. In justice to the 325 associations it should be said that there is not one which can be styled a failure. Two hundred are making healthy progress, the others have ailments, which, while not fatal, retard their growth. Their chief trouble is that they have been unfortunate in the selection of directors. But the money they manage is their own, and they are working out their own salvation. The division hopes they will outgrow their infantile troubles and is encouraged by signs of improvement. In three cases the interests of men on the boards suffered by the liberation of the poor. Naturally they opposed progress, but even in associations thus handicapped a large number of members clearly see the light, and time and another election will remedy the temporary setback. There are also some "one-man" associations, the machinery of which stops when this one man is absent. It is not possible to realize the ideal type of association without depriving the members of initiative and liberty, and doing everything for them. If these are to be worth-while associations, they must be co-operative, and even if it takes years to put the backward ones on their feet the time will be considered well spent.

It is impossible in this article even to mention several hundred encouraging incidents in various associations. It suffices to say that the plan of making the "scholar" work out his own problem, instead of putting down the correct answers on his slate without his knowing why or how the "answer" was reached, is bringing the desired results.

Our greatest problem lies in the imparting of an understanding of the principles of rural credit to the large majority of members who know absolutely nothing about co-operation beyond the point that the plan, as presented to them, seemed good and they bought shares. Unless the principles of co-operation are constantly insisted on, these associations will degenerate into village money-lending concerns instead of being moral and social regenerating centres. Their possibilities for good are great. It is also apparent that if they are not carefully supervised, and if promptness in payments is not exacted, their possibility for evil will be equally great.

## CO-OPERATION ABROAD.

### A CO-OPERATIVE MEDICAL SERVICE.

Among the many services which co-operative enterprise has established in the world, none is more efficiently organised and beneficial to the community than the splendid medical service of the working men's co-operative society "De Volharding" (The Perseverance) in Hague. It consists in rough outline, of two pharmacies, a fully equipped "Polyclinic," with analytical chemist, a staff of specialists and nurses, a panel of doctors for ordinary ailments, and a special delivery system bringing drugs, &c., to the doors of the members with the utmost promptitude after the medical consultation has taken place. A more efficient organisation it is difficult to imagine.

"De Volharding" has 17,000 shareholding members, heads of families, but its medical department embraces 40,000 heads of families.

Each adult member pays a subscription of 4d. per week, a sum which strikes a familiar cord to the Britisher who knows anything of the National Health Insurance Scheme of his Government. But as one might expect from a co-operative scheme, the return to its members is greater than the 9d. for 4d. of the British plan. For the sum of 8d. per week, a whole family, including all children under 18 years of age, are assured the full benefits. The subscriptions are paid independently of share subscriptions and just like any other payment for goods or services rendered by the society, except that their regularity is assured by a staff of sixteen collectors who call from house to house at the stated intervals.

The maintenance and improvement of the physical standard of co-operators at the Hague is provided by a "panel" of 31 doctors (including nine specialists of whom more anon). The subscribers to the fund are distributed amongst the various medical men in the same manner as under the British National Health Insurance system. Each member has, therefore, his own doctor, whom he consults in case of need. The prescription is handed to the patient and by him taken or sent to one of the society's pharmacies, where it is compounded and subsequently delivered at the house of the member by one of the special staff of boy messengers.

There are two pharmacies belonging to the society in the town and they consist not of makeshift premises or ordinary shops but of buildings specially designed and erected to provide for a dispensing department, store rooms for drugs, surgical appliances and dressings, ordinary analysis and testing, in fact, every attribute of a fully equipped establishment. Only to a small extent are the pharmacies used for the casual sale of

drugs, nearly the whole of their business being the preparation of medicines specially ordered by the doctors of the society.

Some idea of the extent of the work can be gained from the fact that the number of prescriptions dispensed last year was nearly half-a-million. Of course, each pharmacy is directed by an expert apothecary, and skilled chemists are included in the staffs.

#### THE POLYCLINIC.

This is a most important and interesting part of the scheme. A separate building in the centre of the town provides consulting rooms for each of the eight or nine specialists who deal with the serious diseases and ailments to which human flesh is heir. Patients are drafted to the clinic on the order of any one of the medical men on the society's general staff, and here they receive not only the most expert treatment of their malady but also the maternal care of the nursing staff. In one room we were introduced to an electrical installation and the Rontgen rays, in another to the best appliances for improving physical defects and deformities. The operating theatre was interesting because of the ingenuity displayed to secure the satisfactory treatment of the patient. At the top of this compact and complete establishment we were introduced to a splendid laboratory where the most important scientific investigation can be, and is, carried out for the purpose of the speedy restoration of ailing co-operators.

Incidentally we made a closer acquaintance, for a brief period, with some dangerous forms of bacilli, than we had ever knowingly made in our life. The laboratory is, of course, under the personal direction of a specialist, and besides its great advantage in aiding the right diagnosis of the cases sent to the Polyclinic for special treatment, it has another great benefit for the community. Each of the doctors on the general panel when dealing with ordinary cases can speedily and surely resolve any doubt he may have as to the symptoms of a patient by calling to his aid the staff of the central laboratory, instead of incurring the delay of sending to perhaps a distant institution to await his turn in the general demand. Another aspect of considerable importance is the provision of surgical aid in the numerous cases which arise.

Sick benefit is paid to members prevented by sickness from following their employment, at the rate of 13 guilders\* per week, for a period of ten weeks.

\* 1 guilder—1s. 8d.

The last annual report gives the following interesting figures, which usefully summarise the operations of the service:—

Subscriptions, Guilders 364,309, or in round figures £33,000; doctors' honoraria, Gldrs 140,264; salaries of two apothecaries, Gldrs. 6,725; cost of drugs, Gldrs. 37,821; wages of 15 collectors, Gldrs. 22,632; wages of pharmaceutical staff, Gldrs. 33,454; nurses at Polyclinic, Gldrs. 18,714; allowances to relatives of deceased members, Gldrs. 17,993; sick benefit, Gldrs. 13,804.

Perhaps the most remarkable figure of all in the above statement is the amount of sick benefit which represents the sum equal to the full benefit for 920 members out of a total of 40,000. On the face of it this is a remarkable testimony to efficiency of the service and real value to the community of such an organisation. Some of the other figures are surprising in their magnitude in view of the services rendered, but a careful examination of the position as a whole leads to the conclusion that the organisation is far sighted and wise, that it ignores petty economies when, as in this instance, a bold comprehensive policy secures a handsome return in the physical efficiency and happiness of the people.—*The International Co-operative Bulletin.*

#### LABOUR SOCIETIES IN ITALY.

There is so much talk about labour revolts and labour unrest and strikes and general revolution that we feel it a duty to keep calling attention to co-operative policy which was developed so successfully in Italy by labour with the approval of Italian Government. It seems almost impossible to convince people here that humanity need not exist in a state of recurrent strikes and lockouts, and that the resources of human intelligence are not exhausted by the social order and economic organisations existing in Ireland and Britain. So far as we can make out from an official report of the International Institute in Italy, co-operative labour societies began when about one hundred unemployed carters and navvies formed a society to undertake the construction of an embankment, and this led to other societies being formed, and gradually big co-operative associations of labour were formed which undertook the most important contracts and brought their members here and there over Italy to execute important contracts, to reclaim large areas and render them productive. The movement had grown to such an extent that between 1889 and 1909 there were 547 labour productive societies, and they have undertaken for the Government 3,434 contracts, for which they were paid a total of

70,741,346 francs. It should make our Irish trade unionists, who seem unable to think of any other way of helping themselves except by strikes, to find that there were before the war in Italy 149 societies, with a membership of 10,694, and a capital of 446,392 francs, engaged in building and dependent occupations, painters, decorators, etc.; that there were 107 societies, with a membership of 33,471 and a capital of 625,041 francs, comprised of day labourers, navvies, miners, and peasants; that there were 41 societies, with a membership of 2,722 and a capital of 178,021 francs, engaged in transport and portage, comprised of cabmen, carters, etc.; 32 societies with 1,147 members and a capital of 264,346 francs, were engaged in working metals and minerals; that 39 societies with 1,422 members and 87,973 francs capital, were working in stone, the members being stone-cutters, paviors and road makers; that 18 societies, with 1,177 members, capitalised to the extent of 340,155 francs were engaged in printing and book-binding, and there were 88 other societies for various purposes, with 15,156 members and capital of 257,312 francs. Altogether 468 labour and productive societies, with 65,789 members, undertaking on behalf of their members contracts for Government, public bodies, railways, landowners, and financed by the banks in their undertakings because these unions had technical competence and were found, as the Prime Minister of Italy said, to be more honest than the private contractors. Nothing could be more important for the future of Ireland than that Irish Labour should become aware of these developments of labour in Italy, or that they should begin to think of some other means of improving their position and status than by eternal wrangling with employers. Irish labour is so hypnotised by the English form of Trade unionism, and of bargaining for wages that it never seems to have learnt that it was possible for them to form productive and labour associations on a co-operative plan and become their own masters.

When two parties are in dispute, as employer and labourer are in these islands, and the disputes have gone on for long years and the interest of both appear unreconcilable, the obvious thing to do is to try and find a way out. Here in Ireland, for example, there is a dearth of houses. In Italy co-operative societies of builders would undertake the contracts. They would not, as in 1913, be standing half-starving about the streets in Dublin in a great strike, because they would be their own employers. By a gradual evolution in society labour employs capital, reversing the old custom of capital employing labour. Anybody who believes in the idea of a democracy of freemen must desire some such evolution in society, and

must feel a weariness and a lack of interest when he hears of men who insist on being employed by capitalists and who quarrel with them all the time. Instead of using their trade union funds to free themselves and become their own employers, they still cling to a system they hate and will not listen to anybody who suggests another way, tried elsewhere and proved to be successful. It would pay our Irish unions well to send the most intelligent man they could find to Italy to study Italian co-operation, the rules, methods and finance of these labour and productive societies, and to report to Irish labour. There is nothing like it in Great Britain though there the workers have built up co-operative production through their great co-operative wholesale. In Italy, as we gather from the official reports, in certain provinces, more than half the public contracts are undertaken by these workers' unions. In Emilia 58 p. c.; in Ferrara 88 p. c. in Ravenna 85 p. c. in Bologna 76 p. c. in Siena 64 p. c. in Rivigo 58 p. c. and in Verona 54 p. c. What about our Irish painters, decorators, masons, carpenters, builders, paviors, stone-workers, road-menders, printers, etc.? Have they not equal natural intelligence, pluck and comrade spirit? It is the manly way out of their troubles. The idea of State Socialism in Ireland is a pure will-o'-the-wisp, and by this time intelligent men must have realised that the State is, as Nietzsche said, 'the coldest of all cold monsters' and has not got the humanity of louse, and that it is a thousand times better for men to be free co-operators in a democratically controlled society than to be ordered about by some bureaucrat in a state department, with the state trying to sweat its workers as it does in the teaching profession, in the post office, and any other department where large numbers of workers are employed.—*The Irish Homestead*.

#### ANIMAL FERTILISERS vs. ARTIFICIAL AIDS.

Artificial manures have greater value than is often assigned to them in practice, it is true, but we should assume that the distribution of smaller quantities of vegetable manure over the land is not without risk. For sometime past supplies of animal manure are decreasing both from the farmyard and in the hurdles. The use of artificial fertilisers has given rise to the idea that animal manure has become less essential and valuable. Better informed scientific advisers think that undue dependence on the concentrated materials, which are excellent supplements to vegetable manure, is dangerous. Evidence is not shown that chemical and mineral fertilisers are not injurious to the soil as well as production, when continued indefinitely. A good deal depends upon the inherent richness of soil and humus restored in it when the application of dung is ceased.

To find correctives for excessive use of fertilisers is very difficult. When once the fertility of the soil is destroyed, restoring it to the full-bearing condition again is the work of some years. The Germans have been lauded for the liberal use of artificial manure but more than one German scientist was heard expressing the belief that they had reached the borderland in the effective substitution of chemical for vegetable manures. The outlook for the supply of animal manure is not encouraging. The fattening of cattle in the sheds and the high prices of feeding stuffs will curtail the hurdling of sheep on the arable fields. Crop returns are erratic on the point that the physical influence of farmyard manure is its chief and distinctive virtue. In the hurdling system the treading of the sheep greatly enhances the value of the manure. It has its economical effect also in the handling and carting of the crops and manure with the manuring and treading of the land.

Any considerable reduction in the supplies of manure from the homestead would react upon the productiveness of the land. If there is to be—and it is in the interests of the country that there should be—an increase of arable farming the continuance of a prosperous animal husbandry is of vital importance. In the case of the arable land the lost ingredients cannot be made good without the aid of vegetable applications. There is also the important mechanical influence, when animal manure is mixed with the soil, which no chemical dressing can supply.—*The "Times."*

### CO-OPERATION IN THE UNITED STATES.

The Co-operative Movement in the United States has developed and is developing in many very different ways and under very different circumstances. One thing it might be said applies in common, *viz.*, that economic pressure is in every instance the prompting motive for organising Co-operative Institutions. High prices, inflated profits, adulterated products, dishonest measure have all come to the front in an aggravated manner during the war. The failure of the Government to control the trusts, or correct prices, or protect the people, or even itself, during the war has led to a generally settled conviction all over the country that something different must be done.

During the past year and a half or two years, more has, without doubt, been done to start Co-operative concerns and definitely establish a Co-operative programme than had been done in a score of years previously. In every state of the Union, in both productive and distributive lines, the people are joining together in legal organisation to take care of their

own business. New laws have been enacted and new features added. New conceptions have been born in the minds of the people concerning the fundamental wickedness of leaving to heartless exploitation, such vital issues as the life, health, comfort, morals and happiness of the people. A new sense of the power of the common people has arisen and they realise that they themselves are to blame for not having what they want.

A list of the different Co-operative Movements would include the several groups of stores and bakeries in New England and about greater New York, the strictly industrial stores of the Pennsylvania Workingmen's Organisations and the Miners' Stores in Illinois, the Farmers' Distributive system of stores throughout Minnesota, Wisconsin, the Dakotas and Montana, the two principal Pacific Coast centres in Seattle and San-Francisco, the Farmers' Co-operative Fruit Producing Organisations, principally on the Pacific Coast, the Co-operative Dairy Movement showing itself in many sections, the great Society of Equity and the Farmers' Union, organised throughout the Northern and Central States, and very rapidly extending their systems of grain-elevators, flour mills, and meat packing plants, and the Farmers' Non-Partisan League with its Co-operatively owned newspapers, banks, stores, etc. Mention must be made of the various wholesale houses established at Pittsburgh, St. Paul, St. Louis and San-Francisco, and the propaganda organisations of the Co-operative League of America at New York and the Co-operative whole-sale-Society of America at St. Paul. An unique and very successful group of Co-operative producing plants is that of the Co-operative Timber Mills in Western Washington.

In order of beginning and development, each section of the country and each set Co-operators has been a law unto itself. There has been no great central organisation from which to start new societies, send out organisers, assist financially, etc., however, propaganda work has been done to considerable extent by the organisation at New York and St. Paul. But in January of this year, there was held a National Co-operative Convention at Springfield, Illinois, at which time the National Co-operative Wholesale Society was organised and which, in the meantime, has become effective with its head-quarters at Chicago. Dallou J. Clark is the President and Duncan McDonald the Secretary of this Organisation. An organising campaign has been inaugurated and large results are anticipated.

Perhaps the most striking feature of the Co-operative Movement in America, is the spontaneity with which the idea is at this time being taken up in practically every part of the country and by all classes of

people. The unfortunate lack of information generally on fundamental principles of Co-operative success promises evil results unless a great educational effort is made to reach these Co-operators with instruction on organisation and management.

An interesting fact is that of the awakening among the religious bodies relative to the fundamental wrong of basing the productive and distributive activities of any people upon a foundation of exploitation, rather than of service and use.

The relations between organised labour and the Co-operative Movement have been most cordial. It is in the Unions where Co-operators are organised and Co-operative funds solicited. Similarly with the farmers; very largely in proportion as they have been organised and educated in some sort of a Farmers' Union, are they ready and capable of being organised into economic and business concerns with an assurance of working good.

With the splendid examples of Co-operative success in Europe and with such assistance as may be given by the coming among us of some of your leaders, in order to show us the way, we expect the Co-operative Movement to advance with giant strides. Co-operators of America regard the Movement as one of education, looking forward to the break up of the present order, and the necessity for trained leadership who shall be ready to effectively meet the situation.

*The International Co-operative Bulletin.*

## CORRESPONDENCE.

### INSPECTORS' MEMORIAL.

[In Mr. D. Seshadiri Sastri, B.A., B.L., Vakil, Bezwada, the Inspectors of Co-operative Societies have found a doughty champion. He has forwarded to us a printed memorial from Co-operative Inspectors to His Excellency the Governor-in-Council, which is nearly five printed pages foolscap folio. As we cannot find space for the whole of it, and for Mr. Sastri's own covering letter, we give below the concluding portion of the Memorial.—Ed.]

"Your Excellency's humble memorialist therefore prays that the non-gazetted superior and inferior servants may be graciously afforded *immediate relief* by the grant of a temporary allowance of Rs. 25 and Rs. 20 respectively in supersession of the present high price allowances pending final orders on the following:—

(1) The existing establishment may be confirmed.

(2) Pending its confirmation, orders may be issued to various heads of departments to give chances of substantive promotions to the permanent men working in this department.

(3) Further import of candidates from other departments may not be allowed unless and until the claims of the working incumbents are fully satisfied.

(4) The salaries may be raised according to the following scale:—

|                                               |                 |
|-----------------------------------------------|-----------------|
| Manager Registrar's Office                    | Rs. 200-20-300  |
| One Chief Inspector for each district         | " 150-10-200    |
| Inspectors                                    | " 70-8-150      |
| Head Clerk of an Assistant Registrar's Office | " 90-10-150     |
| Second Clerk                                  | " 75-5-90       |
| Third Clerk                                   | " 60-3-75       |
| Fourth and Fifth Clerks                       | " 50-2-60 each  |
| Sixth Clerk                                   | " 50            |
| Attendar and Mutchi                           | " 25-1½-35 each |
| Peons                                         | " 20-1-30 each  |
| Other menials paid from contingencies         | " 15 each       |

(5) The scale of pay of the typists may be fixed as follows:—

|                                                     |             |
|-----------------------------------------------------|-------------|
| If the typist happens to be an Elementary Grade man | Rs. 50-2-60 |
| Do. Intermediate Grade                              | " 60-4-80   |
| Do. Advanced Grade                                  | " 80-5-100  |

(6) An executive subordinate may not be deputed for ministerial duties.

(7) An additional house rent allowance may be sanctioned in special localities according to local requirements.

(8) The scale of travelling allowances may be raised as follows:—

| Designation                | Daily allowance | Mileage. |
|----------------------------|-----------------|----------|
| Chief Inspector            | 3-0-0           | 0-4 0    |
| Inspector                  | 2-0-0           | 0-4-0    |
| Clerks from Rs. 100 to 150 | 2-0-0           | 0-4-0    |
| Clerks from Rs. 50 to 100  | 1-8-0           | 0-4-0    |
| Peons                      | 0-10-0          | 0-2-0    |

(9) The Salaries Committee may be pleased to invite the evidence of the prominent members of the subordinate establishment as they are the best judges of their own difficulties."

**KING GOLD.**

King Gold reclined on his lofty throne,  
His face aflame with wine ;  
He laughed with glee, "Aha," said he,  
"Aha, the world is mine.

The workers may toil on farm and field,  
In shop and factory ;  
They pluck the weed and sow the seed,  
But the harvest is for me.

For me and the few who feast with me,  
And join in my revels gay ;  
We never need soil our hands with toil  
While I my sceptre sway.

Then fill up the cup, my jolly friends,  
For a jovial crew are we,  
We are in great luck and can say with ' Puck ',  
What fools these mortals be."

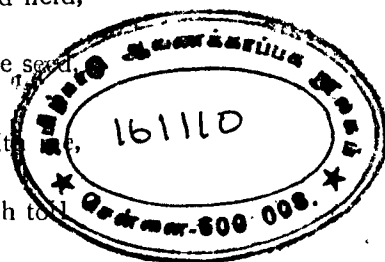
Oh, why do we worship this tyrant king,  
And how does it come to pass  
That we bow before gold, whose worth all told  
Is eclipsed by one blade of grass ?

King Gold reclined on his lofty throne,  
His face was blanched with fear,  
For he heard the shout of the crowd without,  
And knew that his doom was near.

On his millions of slaves the truth had dawned,  
A grand awakening ;  
They rose in their might, and girded with right,  
Dethroned the tyrant king.

Now he who produces may freely consume,  
And all having plenty will scorn  
To guard it with locks, or muzzle the ox—  
The ox that threadeth the corn.

The landlords and money-lords out of the way,  
Humanity's heart will expand,  
For wealth will increase, and plenty and peace  
shall redeem all this beautiful land.



W. A. WHITTICK.

*From the Co-operative News.*