REGISTERED—No. M. 1284

The Madras Bulletin of Co-operation

Issued every month in two languages—English and Tamil.

> "If the system of Co-operation can be introduced and utilised to the full I foresee a great & glorious future for the agricultural interests of the country"—
> His Majesty's Reply to the Delhi Municipal Address, 13th December, 1911.—

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REVIEWS OF ADMINISTRATION REPORTS.

ETC ETC. ETC.

Office of the

Madras Provincial Co-operative Union, Ltd.,

Royapettah, MADRAS.

Subscription per annum for individuals and non-affiliated Societies Rs. 4, and affiliated and contributor Societies free.

N.B.—Complaints of non-receipt of parts will not be attended to if not received within a fortnight after the due dates.

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Sir F. A. Nicholson, K.C.I.E., I.C.S.

Sir F. A. Nicholson, K.C.I.E., I. C. S. (retired), son of Doctor W. H. B. Nicholson, Inspector General of Hospitals, Madras, 1840-45; born in London 1846; educated at Epsom College, and Lincoln College, Oxford; passed for the I. C. S. 1867; arrived in Madras 1869; served in Tanjore, Madura, Anantapur, Tinnevelly, and other districts till 1895; Secretary to Agricultural Committee, Madras, 1888; deputed to report on Land and Agricultural Banks, 1893; Resident in Travancore and Cochin 1895; member of the Viceroy's Legislative Council 1897 and other years; member of Famine Commission 1901; retired 1904; from 1905 engaged in various duties under Government; now resident in Coonoor.

THE MADRAS BULLETIN OF CO-OPERATION
P.C.U.
ALL FOR EACH and EACH FOR ALL

VOL. XVI.] JULY 1924. [No. 1.

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.

GREETINGS TO THE BULLETIN.

I

SURRENDEN,
COONOOR.
25th April, 1924.

THE EDITOR,
MADRAS BULLETIN OF CO-OPERATION, MADRAS.

Dear Sir,

Your letter of the 9th instant, reached me two days ago.

I thank you for your kind suggestion that I should contribute a few lines to your Bulletin on enterning its 16th year, and wish I could comply with it. But I have been regrettably out of direct touch with the general co-operative movement for so many years, that I feel myself quite unable to write any thing, except, of course, my warmest wishes and hopes for the growing success and development in India of this basic principle—co-operation—of national life and welfare.

Yours sincerely,
F. A. NICHOLSON.

II

MANCHESTER,
12TH MAY, 1924.

Dear Sir,

I am glad to know that the Madras Bulletin of Co.operation will shortly enter upon its sixteenth year of publication. The fact that it has lived so long is proof that it is valued by those who read it, and that it is of great assistance to the Co-operative Movement in the province of Madras. Copies that reach me always contain information and articles of great interest. I sincerely hope the magazine will continue to flourish and that its circulation will be enlarged as its years increase.

Yours faithfully,
T. W. MERCER,
Editor, "Co-operative Official".

III

THE REFORM CLUB, LONDON, S. W .I.
May 16th, 1924.

Dear Mr.

I learn with interest that about the time when this letter is likely to reach you the Madras "Monthly Bulletin" will be entering upon the sixteenth year of its existence, under your judicious and able editorship. Privileged as I have been, by your courtesy of sending me the "Bulletin" regularly, to follow its course and estimate the degree of its utility to the public, I wish to bid it a hearty "God speed" on the new period of its life.

Bharthrihari, the famous Indian poet, classifies men under three headings: those who do not begin to act because they fear there would be obstacles tn their way; secondly, those who start some business, but frightened by obstacles stop away; thirdly, the few who having started a business continue it undeterred by any obstacle.

To what class do you belong, dear Mr. Reader? And so far as co-operation is concerned, will you not try to become a member of the last class?

It was rather a bold thing to venture upon the enterprise of issuing a paper so early in the progress of the Co-operative Movement. But it was the right thing to do, and the Madras "Bulletin', seems to have done that thing well.

Among other most useful services to community life—as witness the competency which it has imparted to the native population of taking up the part of self-government—the Indian Co-operative Movement has rendered also this, of creating a most educative Co-operative Journalism, among which your "Bulletin" is entitled to take an honoured place. The most serviceable task which the press is designed to perform is, according to the frequent declaration of the late G. J. Holyoake, affectionately known to British Co-operators as the "Grand Old Man of British Co-operation," "to strew good seed on the desert places of the world." That was a work particularly required in India where, above all things, Education of the Masses was called for.

Madras used to be known as "the sleepy Presidency"! I remember the late Mr. Adams being congratulated upon this feature of his new realm when, after an exceptionally busy lite as Liberal Whip, he was appointed to the Governorship. However, Co-operation has waked the province thoroughly out of its "sleep"! There is now no more active and progressive province—in the matter of Co-operation—in India than Madras. It was from a Madrassee—as I think that I may call him in virtue of his office—the late Sir Arthur Cotton, that, when starting upon my apostleship just thirty years ago, in respect of India, I received the most stimulating encouragement. Decrepit octogenarian that he was, when I explained to him the principle of Raiffeisen Co-operative Credit, he delightedly jumped up and declared: "That is the very thing for India; and, whatever estimate you may have formed of results, multiply it by ten, and you will still find it

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Die when I may, I want it said of me by those who knew me best, that I always plucked a thistle and planted a flower where I thought a flower would grow.—*Abraham Lincoln.*

exceeded." Thanks to the able handling which the matter has received by those administrating it—including in the first place the late Sir Charles Bernard—and still more to its inherent virtue, Indian Co-operation has fully verified that bold prophecy.

About the same time it was the Governor of Madras of the period, the late Lord Wenlock, who entered upon organizing work, by telling off Sir F. Nicholson to carry out that meticulously careful enquiry, which resulted in the publication of his masterly Reports of 1895 and 1897. Lord Wenlock was a great believer in Co-operation in Ireland. He had introduced it among his own tenancy on his property of Eserick near Cork. At a late date, in 1908, it was he who took charge in the House of Lords of my Bill which was to further the extension of Co-operation in Ireland. He thought that Co-operation must do good to India. Later still Governors and Registrars throwing their shoulders well into the collar, have speeded the work. We cannot forget Mr. Hemingway's useful services. And the just returned Governor, Lord Willingdon—known to us as Mr. Freeman Thomas of Ratton, the grandson of Speaker Brand, who became the first Lord Hampden, and who was a zealous advocate of Co-operation—has certainly done his share of work under this aspect.

The Co-operative Press has in India still much necessary and useful work to perform. Under the spell of Co-operation India has become a little excited and scatter-brained. People go to see what is done elsewhere and, to show that they have been there, write glowing accounts of results achieved and urge compatriots to go and do likewise, without in the least considering the difference in circumstances. You can as little produce the results of Manchester and Glasgow in low-standard-of-life-countries—like India—as you can grow rice or tea or cocoanuts in England. It is right and most desirable that equal opportunities should be given to all forms of Co-operation, every one of which has indisputable value. But in every country freest attention should be paid to those particular forms which the circumstances of the country most urgently call for. M. Luzzatti, having learnt Co-operation in Germany, when introducing it in Italy made a point of it, that he had not simply copied a foreign institution but created a specifically Italian form of Co-operation. India has now run through an apprenticeship of sufficient duration and special attainments to be in a position to build up a Co-operation stamped with its own national character, adapted to Indian habits and circumstances, as we in great Britain have formed our institutions and even our language with due regard paid to corresponding things in Athens and Rome and elsewhere but which were studied only to serve us in the production of things specifically our own. Let Indians be equally partriotic in the matter!

The wise and active conquer difficulties
By daring to attempt; sloth and folly
Shiver and sink at sights of toil and hazard
And make the impossibility they fear.—*Rowe.*

Believe me, Dear Mr.
to remain
Yours sincerely
HENRY. W. WOLFF.

IV

THE EDITOR.
THE MADRAS BULLETIN OF CO-OPERATION.

Dear Sir,

You ask for words of encouragement and advice. We dare not proffer such. All that we can say on this sixteenth birthday of your Bulletin is,

'The Australian Co-oporative Movement is but a young member of the vast International Co-operative Movement. We have gained valuable information and help from the Madras Co-operators, and we rejoice that the Bulletin has again added another year to its life of broadcasting our Movement's great principles—peace, brotherhood, equity, and efficiency and idealism in business. Already Madras Co-operators, with their thought and research, have helped considerably to mould the world's Co-operative thought and legislation; we sincerely trust that the Bulletin will be given an ever-widening sphere in which to carry on its valuable work of Co-operative publicity.

Yours fraternally,
THOS. E. SHONK,
Secretary, Australian Co-operative Union.

Throw yourself upon the altar of some great cause. Enthusiasm is the life of the soul.—*Wendell Phillips.*

V

NEWLLANO LOUISIANA, U. S. A.
May 23rd, 1924.

To

THE MADRAS PROVINCIAL CO-OPERATIVE UNION, LTD.
Royapettah, Madras, (India).

COMRADES,

We read your magazine with great interest. Coming from a far-away corner of the world where things seem to be moving along orderly lines, and where a people of whom we have only a vague and shadowy knowledge are proving a capacity for organization in the face of great odds which is an example to inspire others.

It is a surprise to us to find a Bulletin issued in English as an exponent of cooperation. It is a greater surprise when we note the quality of the matter which goes into it. A movement which can support a publication of this kind has vitality and a sound foundation which will make it a more and more dominant factor in working out the problems which beset the human race in this age when a super-commercialism has seemingly set up a worship of material wealth.

We certainly wish you well and congratulate you on your efforts.

Fraternally yours,
THE LLANO PUBLICATIONS
Llano Colonist Co-operation in Action
ERNEST S. WOOSTER.

Back of every real achievement of man lies imagination and the dreamer is the future's builder.

THE ADDRESS DELIVERED AT GUNTUR CO-OPERATIVE CONFERENCE.

BY THE HON'BLE THE MINISTER IN CHARGE OF DEVELOPMENT DEPARTMENTS.

Gentlemen,

I am very glad indeed to have this opportunity of meeting the co-operators of Guntur in conference here to-day and of discussing with them problems in which we are all vitally interested. This is the first occasion since I took over charge of the Development portfolio that I have had an opportunity of saying anything in public about what is one of the most important departments in my charge. I fully expected that such an opportunity would be forthcoming in the course of the budget debates, but my Honourable colleagues took so much time in criticising other departments of Government that they did not reach mine. I feel quite certain, that, had they done so, their criticisms would have been of a friendly character and that I should have learnt much from them. I hope later on in this speech, to refer to a few of the points, which I have reason to believe would have been put forward, had the Co-operative Department come under the purview of the council.

2. Before I go any further, I should like very briefly to review the state of co-operation in the Guntur district. Figures are dull things, but they do show progress in a way that nothing else can do. I find that on the 30th June last year, there were 304, (now 466) societies in the Guntur District and that their operations affected about 371 villages. The total membership of these societies was 16,122 and the working capital was Rs. 16·31 lakhs of which Rs. 2·28 lakhs was paid up share capital and Rs. ·63 lakhs was reserve fund. Members of the primary societies had deposited Rs.1·01 lakhs, the deposits of individuals in all societies amounting to Rs. 7·11 lakhs. The loans from financing banks outstanding against primary societies at the end of the year amounted to Rs. 5·74 lakhs. These are fairly satisfactory figures; but, if I may say so, they are not quite so good as they should be. The population of the whole presidency is about 42 millions and there were 8,443 societies at the end of last year. If the number of societies in Guntur were in exact proportion to its population it would be very nearly 365 instead of just over 300. You have in this district only 9 people out of every 1000 who are members of co-operative societies. The proportion for the Presidency as a whole is 12½. No one

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Production and distribution for use instead of for profit is the most fundamental principle that has ever struggled for acceptance in the economic world. —*Warbasse.*

can possibly maintain that Guntur is a backward district; but these figures show, I think, that it is not quite such a progressive district in co-operative matters as it should be and I hope that it will not be long before it is well above the presidency average instead of being below it.

3. I am glad to know that the district bank is in a satisfactory position and that the collections of the principal and interest due by primary societies to the financing bank are fairly good, the percentage of balance to demand being only 11·61 in the case of principal and 2·45 in the case of interest. The figures for the collections of primary societies from their members are not nearly so good, especially those for agricultural credit societies where the balance of principal outstanding is 19 per cent of the demand, of arrear interest 32 per cent and of current interest 30 per cent. I attach the greatest importance to this question of collections. I hold that there is no better test of the soundness of the co-operative movement than the test supplied by the figures of arrears. The aim and object of the co-operative movement is the inculcation of *thrift* and, if a co-operative society fails to collect its dues promptly from its members, it is to that extent failing to teach them that great lesson. We all know that a shop which sells goods on credit, charges much higher prices than a shop which sells them for cash. It is just the same with co-operation. A co-operative society which does not get in its dues promptly from its members is obliged to render them far less efficient and much more costly service than one which does.

4. It has, I know, been frequently urged that one of the reasons why agricultural societies find it difficult to get in their dues from their members is that the landholder wants long term money and co-operative societies cannot let him have it. There is, I am prepared to admit, a good deal of truth in this criticism but under the existing financial arrangements, banks and societies can hardly be expected to take the risk involved in lending for long terms. This question has been under consideration by Government for a long time past and we have recently taken a very important step forward.

We are now well on the way to the organisation of land mortgage banks which will provide loans for a longer period than ten years to poor agriculturists to enable them to redeem their mortgaged lands. In October last, my predecessor, Sir K. V. Reddi Naidu, discussed this subject with the Registrar of Co-operative Societies aud Mr. N. M. Murray who was then the Secretary to the Imperial Bank of India for Madras and whose most valuable services to the cause of co-operation in this Presidency I should like to take this opportunity of acknowledging. It would take too long to give you the details of the scheme which was evolved as a result of that discussion. It will be sufficient to say that the outcome of the discussion was to show that, in the beginning, the banks would have to issue debentures to attract the necessary capital and that it would contribute very materially to their successful floatation—in fact it was regarded as almost essential—if Government were to give an undertaking that if at least half the debentures were taken up by the general public, they would, if necessary, be prepared to take up the remaining half. That undertaking I am glad to be able to say, the Government have decided that they are ready to give, so that we now hope before long to make a beginning in four localities where conditions appear specially favourable to the working of these banks. On the success of these four banks, which will have a debenture capital of one lakh of rupees each, will depend the extension of the system to other tracts. I have asked the Registrar to report in which tracts the banks should be opened and also to work out a complete scheme with model by-laws for their organisation. I have also asked him to let us know all he can about the security which will be furnished to Government for the money which they are expected to invest in the debentures, for, in our anxiety to benefit the indebted agriculturist, we must not overlook our obligations to the general taxpayer.

The middle man always gets the greatest return for the least service in any line of traffic.

5. I now come to the question which would, I know, have aroused the keenest interest if the budget of the Co-operative Department had come in for detailed examination by the Legislative Council and that is the progress we are making in transferring the control of the movement from official to non-official hands. I would start by reminding you of the very rapid development during the last nine years of the system of supervision of primary societies by Unions. At the end of the last financial year there were 247 of these unions to which over 6,500 societies were affiliated. Last year the unions spent no less than a lakh and a half of rupees on the supervision of societies which was about a quarter of what was spent by Government and therefore a very appreciable contribution to the cost of the Department. This is very striking evidence to my mind of the extent to which the movement is already

Co-operation and the organization of national and international life on co-operative lines will bring that peace and prosperity that is beyond the power of any political party which believes in the maintenance of the competitive system in the production and distribution of the necessities of life.

under non-official control. Then there is another important way in which the non-official control is exercised and that is by the Honorary Assistant Registrars of whom there are now 85. I am glad to say that we have been able to restore to these gentlemen the services of the peons of whom they were deprived during the strictest period of economy and I have no doubt that this measure will enable them to render even more valuable services to the co-operative movement than they are doing at present. I am aware that the multiplication of supervising unions and of Honorary Assistant Registrars does not satisfy some of our critics who want co-operation freed entirely from official control. I will explain what we have done in this respect. We examined the question whether it might not be posssible in some selected district or taluk to embark on the experiment of entrusting control of co-operative societies entirely to non-official agency. We found in the course of this examination that whilst there was no objection in delegating some, though not all, of the powers of the Registrar under the Act, there were very considerable difficulties in the way of delegating these powers to an individual. For one thing, the individual would not be amenable to discipline. For another, there would be no guarantee of continuity, for, if he were to resign or to vacate his post, it might be impossible to find another suitable local man to take his place. Yet another difficulty arises from the fact that the appointment of outsiders, (and it might prove necessary to import an outsider for it would not always be possible to find a local gentleman with sufficient leisure and energy and above all, private means, to undertake the job) would possibly be unwelcome to local co-operators and his intervention in co-operative matters would be resented. In these circumstances, delegation to some recognised co-operative body, such as the local unions, the executive of which would exercise the powers, appeared preferable to delegation to an individual. The subject was discussed at a conference of district banks and supervising unions which was held about Christmas 1922 and which came to the conclusion that a beginning should be made in this direction. It was considered that central banks might select one or more unions in their area and agree to accept loan applications from primary societies in that area, from the Unions concerned direct, the central banks being supplied with relevant portions of the extracts from the departmental inspection reports on the financial position of the societies concerned. It was also considered that the responsibilty for organizing credit societies might in well developed areas be handed over to supervising unions. The Registrar communicated the views of the Conference to the Assistant Registrars and asked them to take action on the lines indicated. The subject was again discussed at a conference of the Assistant Registrars which was held in October last and they were of opinion that the progress which has so far been made and which I shall discribe in a moment is satisfactory and is as great as is compatible with the principles enumerated in the Co-operative Societies' Act and stated by Government, with the healthy expansion of the movement and with the credit of the societies. There are four directions in which progress in transferring control from official agency has been specially made. The preliminary work in connection with the organisation of societies up to the submission of applications for Registration is being done as far as possible by Unions. In a fourth of the unions, recommendations for loans go through the union, direct to the central banks concerned. Enquiries and arbitration work are very largely carried out by Honorary Assistant Registrars where these have been appointed and many enquiries are carried out by arbitrators specially appointed for the purpose from among the members of the governing bodies of Unions and urban societies. Finally, the collection of current and arrear demand is largely done by the aid of unions. Now I know that it will be said, that the opinion of the Assistant Registrars in

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The world is not greatly interested in our party divisions, and fails to appreciate the fine shades differentiating sections to which we attach so much importance. The final test of national status is not the power either to maintain or upset the Treaty, but to evolve a culture that shall express the genius of the race, and so order our everyday affairs as to ensure for our citizens "joy in widest commonalty spread." If we can do this, more shall be added to it; if we fail, no extension of legal powers can redeem the failure. *The Irish Statesman, 12th April 1924.*

The following extract throws a flood of light upon the financial side of newspaper ventures:

A preacher at the close of one of his sermons said:

"Let all in the house who are paying their debts stand up."

Presently every man, woman and child with one exception rose to their feet..

The preacher seated them and said: "Now every man not paying his debts stand up." The exception, a careworn, hungry-looking individual, clothed in his last summer's suit assumed a perpendicular position.

"How is it, my friend," asked the minister' "you are the only man not able to meet his obligations?"

"I run a newspaper," he answered, "and the brethren here who stood up are my subscribers, and——"

"Let us pray," exclaimed the minister.

a matter of this kind must be coloured by the fact that they are officials and that the question of vested interests comes in; but I have very good reasons to believe that their opinion that we are proceeding sufficiently rapidly in relaxing the trammels of official control is shared by many experienced non-official co-operators and that there are central banks all over the Presidency who object very strongly to receiving recommendations for the grant of loans direct from the Unions. In fact, if I may say so, there is evidence that this demand for handing over the co-operative movement to non-official control receives much stronger support only from gentlemen outside the movement than from those actually in it. I needly hardly say, the Government both before and since the Reforms have had every sympathy with the desire to make the co-operative movement as non-official as possible; but I would emphasise the necessity of proceeding with great caution in this matter. Credit is a delicate plant which requires careful nurture. It cannot be forgotton that the general public have invested what now amounts to vast sums in co-operative banks on the strength of the Government connection with those banks. The Imperial Bank of India has also rendered immense help to the movement on the strength of that connection. We have had in this country, unfortunately plenty of evidence as to what the failure of big banks means. The co-operative movement is a very big banking organisation. The deposits in central banks at the end of the last co-operative year amounted to very nearly two crores of rupees. Think what would happen if there were any questson about the stability of a movement in which such vast sums have been invested. In this matter of transferring control to non-official agency, we owe it as a duty to co-operators and to the public to consolidate every position to which we advance, before we proceed to the next one. For the present, the objects which we all have so much at heart, will be best attained by officialdom and unofficialdom working hand in hand, the former ceding more and more of its sphere to the latter as the latter becomes more and more qualified to take it over. It is the duty of the Minister in charge of the Department to see that bureaucratic tendencies are kept in check and that duty I shall do my best to fulfil.

6. I have dealt at such length with this, which is undoubtedly the most important subject which is agitating the co-operative world to-day, that I have left myself but little time to touch on other topics but I must refer to the slow progress which is being made in the matter of co-

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The wealth of the United States amounts to 320 billions of dollars and that is roughly about three thousand dollars (nine thousand rupees) per person.

operation for purposes other than credit. Very little progress has been made in this direction. Neither joint purchase is making any appreciable headway. All we can say is that we are no more backward in this respect than most other provinces in India, but this is not very much to say. This was a subject which recently came up for discussion at the meeting of the Board of Agriculture held at Bangalore in January last. The Board of Agriculture comprises representatives of the Agricultural Departments of all the provinces and on this occasion it was reinforced by representatives of the Co-operative Departments so that its conclusions on a matter of this kind carry very great weight. Let me tell you what they were. The Board held that the progress of non-credit agricultural co-operation must depend upon the successful expansion of credit work as the good credit society is the best training ground for the more elaborate and efficient forms of production and sale. It was also held, that much of the distributing and propaganda activities of the Agricultural Department could and should be taken over, as they have in fact in some measure already been taken over, by the existing organisation of credit societies which is the foundation of the whole movement. The most important proposition advanced by the Board was that the organisation of non-credit forms of agricultural co-operation—(the Board was dealing only with agricultural co-operation but its recommendations would apply also to non-agricultural co-operation) should be a definite branch of co-operative work entrusted to officers specially selected for the purpose. I notice that the Board was unable to agree, whether these officers should be officers of the Co-operative Department lent to the Agricultural Department or officers of the Agricultural Department lent to the Co-operative Department. I have given you the views of the Board of Agriculture at length because I am cordially in agreement with them. We have not yet received a copy of them officially and the summary I have given you is extracted from a newspaper report. But I shall in due course in consultation with the heads of the Agricultural and Co-operative Departments see what can be done to give effect to them.

7. A subject which is closely connected with this is the co-operation which should exist between the various departments under my charge which, as you know, are the Agricultural, Co-operative, Fisheries, Veterinary and Industries Departments. They are working together in many

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Krupskaya, wife of Lenin, the great Russian Dictator who recently passed away, is giving her life to the caring of the thousands of homeless children in Russia. In accordance with her request the money that would have been spent on memorials to Lenin is being gathered into a fund to care for homeless children.

directions but I am not satisfied that they are working as closely together as they should and I propose to devote special attention during my term of office to see whether it is not possible to bring them into closer relationship with each other. I noticed, for example, in the last report of the Registrar of Co-operative Societies that whilst he mentioned the activities of some Agricultural societies of special interest, he did not refer to any joint efforts by the Co-operative Department and the Agricultural Department to use co-operative societies as a means of disseminating Agricultural improvements. Such efforts are being made ; but we want to know more about them so that we can discover how to increase them. The Registrar has been asked to pay special attention to the point in his next report. Again both our Industries and Co-operative Departments are engaged in that most uphill task of improving the lot of the weaver. The Co-operative Department does its best to help them by forming co-operative societies and the Industries Department by teaching them the use of improved appliances but I do not think that the Co-operative Department has paid special attention to starting co-operative societies where the weaving parties are working or that the Industries Department pays special attention to sending weaving parties where there are weavers' co-operative societies. In matters of this kind, there is scope for far closer connection between the various development departments and, as I have said, I hope it may be within my power to ensure the necessary closer relationship between them which is essential to progress.

8. I have, I fear, kept you a long time. There are other subjects on which I should have liked to touch, such as the recent reduction in the rate of interest charged by societies to their members, an earnest, I hope, that better times are in store for us and the work of the Co-operative Department amongst the depressed classes, evidence of which in this district is furnished by the fact that last year nine new societies were formed for the benefit of these classes in order to enable them to cultivate disafforested and lanka lands assigned or leased to them by Government. But time does not permit and I must conclude by assuring you all of my warm interest in co-operation and my earnest desire whilst I am Development Minister to further the interests of the movement in every way which lies in my power.

You can differ and yet be friends.

CO-OPERATIONS IN THE LOCAL LEGISLATIVE COUNCIL DURING THE BUDGET SESSION.

I. Questions and Answers.

Honorary Assistant Registrars of Co-operative Societies.

532 Q.—MR. T. ADINARAYANA CHETTIYAR: Will the hon. the Minister for Development be pleased to state :—

(1) the names of the Honorary Assistant Registrars of Co-operative Societies appointed during the year 1922—23, their educational and other qualifications, the number of days spent on tour by each and the amounts drawn by them as travelling allowances for the year 1922-23, as also the number of arbitration cases disposed of and the number of inspections of co-operative societies made by them during the period, viz., 1922-23 ;

(2) whether it is a fact that the peons formerly allowed to the Honorary Assistant Registrars were disallowed on account of retrenchment whereby these officers are left without any agency for the service of summonses in arbitration proceedings and whether the arbitration work of the Honorary Assistant Registrars has thus suffered considerably ;

(3) the amount drawn as travelling allowance by (i) the Assistant Registrars recruited from the Deputy Collector grade and (ii) by those recruited from the lower branches of the Revenue as well as from other departments during the year 1922-23 ;

(4) whether much of the arbitration work has now to be taken up by the Assistant Registrars as a consequence of the Honorary Assistant Registrars being unable to do much arbitration work ; and

(5) whether he will consider if it will not be cheaper to the tax-payer to allow the Honorary Assistant Registrars the facility of peons for serving arbitration summonses than to get arbitration work done by the paid Assistant Registrars ?

A.—(1) & (3) Two lists giving the details asked for are appended.*

(2) Yes.

(4) It is a fact that as they are deprived of their peons, Honorary Assistant Registrars find it difficult to do arbitration work ; but this has not resulted in materially increasing the arbitration work of the Assistant Registrars.

(5) The question of restoring peons to Honorary Assistant Registrars is under the consideration of Government.

One of the fundamental rules observed by every sportsman is "Don't cheat." If you cheat you are not playing the game and this applies to co-operation also.

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* The lists are omitted.

PRIMARY CO-OPERATIVE SOCIETIES.

556 Q.—MR. T. ADINARAYANA CHETTIYAR : Will the hon. the Minister for Development be pleased to state :—

(*a*) what percentage of primary co-operative societies in this Presidency constituted on the basis of unlimited liability are working so uneconomically as not to be able to build up their reserve funds as required under rule 9 of the Madras Government Rules under Act II of 1912 ;

(*b*) what precentage of such societies have not remitted any amount whatever towards their reserve fund ever since they were started ;

(*c*) the number of such societies districtwar ;

(*d*) whether it is a fact that primary societies constituted on the basis of limited liability have been able to build up their reserve funds ;

(*e*) if the answer to (*d*) is in the affirmative, whether the inability of the unlimited liability primary societies to build up sufficient reserve funds is due in a majority of cases to their profits being frittered away in the shape of liberal remuneration to their office-bearers and the incurring of heavy contingent charges in running the societies ; and

(*f*) if the answer to (*e*) is in the affirmative, whether the officers of the Co-operative Department have been taking sufficient pains to advise such societies as are modelled on the Raiffeisen type about the desirability of economic and prudent management ?

A.—(*a*) The fact that a society has not a reserve fund does not show that it is working uneconomically. A society which starts in the latter half of the co-operative year will earn no profit during that year and consequently will have no reserve fund until after the end of the next year. It can get a reserve fund only if profits have been earned by them. Consequently an unlimited liability society can build up no reserve fund within 18 months of starting, and if it is a small poor society to which the initial cost of books, etc., is a heavy item of expenditure, it will take a longer time. It is therefore impossible, without a detailed examination of all such societies, to state what precentage of them are failing to build up a reserve fund on account of uneconomic working.

(*b*) & (*c*) Excluding societies started in the last two years (about 2,000) only a comparatively small number have, since their commencement, remitted nothing to reserve fund. The ascertainment of the exact percentage and of the figures for each district would require a detailed examination which would involve much work and, in view of the facts stated in the reply to (*a*), would lead to no definite conclusion.

Day-light is only for works of art: humbug works by artificial light.

(*d*) Yes.

(*e*) No. This is only one cause. There are other causes such as the failure to collect overdue interest which is an important factor in reducing profits and *ipso facto* contributions to reserve fund.

(*f*) The officers of the Co-operative Department are doing all they can to secure the economic and prudent management of all societies.

MR. G. RAMESWARA RAO :—" Does the Government expect that the reserve fund will come up to 50 per cent of the net liabilities as contemplated under the rules at any time ? "

The Hon. Diwan Bahadur T. N. SIVAGNANAM PILLAI:—"The accounts will have to be examined before an answer is given to that question."

Mr. G. RAMESWARA RAO :—" My experience is that during the last 14 years no appreciable attempt has been made towards that end. Therefore I say that it is only an ideal figure."

The hon. Diwan Bahadur T. N. SIVAGNANAM PILLAI :—" The figure is one mentioned in the rules."

Mr. G. RAMESWARA RAO :—" With regard to the answer to clause (*e*) does the Government know that it is the lessening of the margin of profit between the rate of borrowing from the Central Bank and the rate at which money is lent by the societies that is responsible for the societies not being able to build up their reserve fund ? "

The hon. Diwan Bahadur T. N. SIVAGNANAM PILLAI :—" I want notice of that question, Sir."

II. Extracts from Speeches.

Mr. V. C. VELLINGIRI GOUNDER :—So far as co-operation is concerned, it is only a voluminous tabular statistical record. So far as the benefit is concerned, it may be said to be precious little. Thanks to the Hon. the Minister for Development, a ray of hope at the end of the budget is held out for land mortgage banks but no provision is made for them in the budget.

DR. JOHN MATHAI :—" There is one other point to which I might refer. It is the question of co-operation. An Hon. Member, just a while

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Truth is more often rude than polite.

ago, referred to the question of land mortgage. I want to make this statement—and I say it with a great sense of responsibility—that it does seem to me that we have reached the utmost limit of development if we are going to work on the present basis. We need a change of method and a change of basis.

"If we want really to help the ryot population in this country, we have got to do two things; first, we have got to help them to produce more and in the second place we have got to help them to get better prices for what they produce. I am firmly convinced in both those directions it is possible for the co-operative movement to do a great deal more than what it has really done." (The hon. Sir Arthur Knapp:—Hear, hear.)

Mr. ABBAS ALI KHAN:—"As regards the Development Department, Sir, in no civilized country in the world do you come across the head of the Co-operative Credit department being separate from the head of the Department of Agriculture, and, if only Baron Raiffeisen had known that, in Madras the two departments were in charge of two separate officers, I am sure, he would have committed suicide (laughter). I say, Sir, that the Director of Agriculture and the Registrar of Co-operative Societies must be one and the same person. The Education portfolio must be held by no other than the Minister for Agriculture, because any amount of money spent upon the Coimbatore and Koilpatti farms will be sheer waste unless and until you introduce compulsory education all over the country and allow the public to acquire the scientific knowledge imparted in these farms. Therefore, Sir, I submit that the portfolios relating to agriculture, co-operation and education, must be held by one and the same Minister. That is what we find in all the civilised countries.

Mr. A. RANGANATHA MUDALIYAR:—"Turning now to the Development Department, I find that it is receiving less and less attention in this House and from the Government. Co-operation, Agriculture and Industries are departments, on the proper administration of which, the welfare of the people of the country largely depends. But what do we find is actually the case? Co-operation, Sir, is confined only to forming more and more credit societies, and we are not devoting that attention we ought to give to the formation of agricultural societies (Dr. P. Subbarayan; 'Hear, hear'); the department has not perceptibly added to the number or to the variety of the Agricultural societies.

So much to do—so little time in which to do it.

Mr. L. C. GURUSWAMI:—"Under co-operative credit, a recurring provision of Rs. 10,400 is provided for additional inspectors of the Labour Department. This is as it should be. Here again, I should like to point out that men belonging to the depressed classes should be appointed as additional inspectors. They will do very well. If only a notification is issued in the Gazette calling for applications from members of the depressed classes in Government service and outside, capable men will be forthcoming. It will be interesting to know that out of 342 inspectors that are now in the Co-operative Department, how many of them belong to the depressed classes. In the matter of appointing Honorary Assistant Registrars, the Government should consider the claims of the members of the depressed classes. It is all very well to say that only those on the governing body of any supervising unions, especially those who are secretaries or presidents, should be appointed as Honorary Assistant Registrars. These rules exist more to stand as obstacles than to help men belonging to the community, who have a sincere desire to do work for the people from being appointed as Honorary Assistant Registrars. I hope the Minister for Development who I am sure, has the interest of the depressed classes at heart, will see that members of the community are freely appointed as Honorary Assistant Registrars. Here also it will be interesting to know how many of the Honorary Assistant Registrars are men belonging to the depressed classes and it will also be interesting to know how many from among the community have been recommended for such appointments by the existing high caste Hindu Assistant Registrars or by the Registrar himself.

Mr. T. ADINARAYANA CHETTYAR:—"As regards the Co-operative Department, it is to be regretted that there is nothing in the budget to indicate any welcome departure from the present policy of drift. The question of non-officialization has not yet been seriously tackled. The selection of honorary assissant registrars during the last two or three years has been nothing short of a scandal. Many of them, perhaps accidentally, belong to the then Ministerial school of politics and there are loud complaints from districts that many of them foment factions.

"A society where people will be at harmony in their economic life and will readily listen to different opinions from their own, will not turn sour faces on those who do not think as they do, but will, by reason and sympathy, comprehend each other and come at last, through sympathy and affection, to a balancing of their diversities, as, in that multitudinous diversity, which is the universe, powers and dominions and elements are balanced and are guided harmoniously by the Shepherd of the Ages."—*a poet's dream.*

Much of the work now done by the large army of inspectors ought to devolve upon non-official unions and their staff of superiors.

"The unwarranted increase in the unmber of assistant registrars and their recruitment from the lower ranks of revenue and clerical branches has tended to the distinct deterioration of the work of co-operation in this Province. One would also look in vain in the budget for a clear policy which should guide the movement. In spite of twenty years' working it is a pity we have not got beyond the mere money-lending side of co-operation leaving the other and the more eminently useful and educative branches of the movement unexplored. With the co-operative service unorganized, with honorary assistant registrars selected more for their political leanings than their fitness while the paid staff is going on increasing, and, with no clear policy laid down as to non-officialisation of the movement, it seems to me that we are simply crawling along a blind alley, which will lead us nowhere. The matter is important as a heavy responsibility lies on the shoulders of Government as people have invested their savings in this movement under the impression that Government is somehow responsible for the proper working of this movement.

III. Minister's Speech.

Mr. T. N. SIVAGNANAM PILLAI :—"Turning to co-operation, Mr. Abbas Ali Khan said that in no civilized country in the world do you come across the head of the co-operative credit department being separated from the head of the department of agriculture and that if only Baron Raiffeisen had known that in Madras the two departments were in charge of two separate officers, he was sure that he would have committed suicide. As to this, all that I can say is that, to the best of my belief, Baron Raiffeisen would have been much more likely to commit suicide if he had known that co-operation would be a Government department at all. Mr. Abbas Ali Khan's statements that the portfolios relating to Agriculture, Co-operation and Education should be held by one and the same Minister and that this is the practice in all the civilized countries are not founded on facts. I have taken the trouble to look up the Whitaker's Almanac during the luncheon interval and I see that in the United Kingdom, which is presumably a civilized country, there is a separate Minister for Agriculture and Fisheries and for Education. In France, there is a Minister for Education and another for Agriculture. Italy has a Minister for Public Instruction, one for Agriculture and another for Industries and Commerce. Japan has separat Ministers for Education and for Agriculture and Commerce. I need not say more on this point.

The rude are sometimes given to speaking better of us in private than one would imagine. The polite are often given to saying the rudest things behind one's back.

"On this subject of co-operation, Dr. Mathai and Mr. Vellingiri Gounder have both urged that Government should help the ryots to produce commodities and to sell them to advantage and also that Government, should provide long term loans to ryots to enable them to improve their lands. As regards the increase of produce, I may tell the Hon. Members of this House that, as the result of the experiements made by Mr. Parnell it has been now demonstrated that with the improved seeds, if the outturn had been 100 previously we shall now be able to get 112 to 116. If the experiments prove successful, we can expect more. As regards the question of long term loans, that is engaging our attention. We have under consideration a scheme of starting land mortgage banks in selected localities on which we hope it would be possible to make a beginning in the ensuing year. The scheme is somewhat too detailed for me to give a full description of it here, but the intention is that the banks issue debentures in order to get the necessary working capital, and that if these debentures remain unsold, Government should give a guarantee that they will take up half of them after half has been taken up by the general public. We have asked the Registrar to report the tracts in which such banks could be opened and we hope to make a beginning before long. Mr. Vellingiri Gounder says that there is no specific provision for this in the budget. The Finance department has assured us that 2 lakhs will be found from the provision under loans."

Mr. V. C. VELLINGIRI GOUNDER :—"Will the Government be pleased to publish all the information relating to the scheme for starting banks."

The hon. Diwan Bahadur T. N. SIVAGNANAM PILLAI :—"Most certainly The public will be taken into confidence."

Mr. C. RAMALINGA REDDI :—"How can you have a bank otherwise." (Laughter.)

The hon. Diwan Bahadur T. N. SIVAGNANAM PILLAI :—"In regard to the slow progress of non-credit agricultural societies in the co-operative department referred to by Mr. Ranganatha Mudaliyar, I can assure this House that the matter is engaging our earnest attention. It was recently discussed at the meeting of the Board of Agriculture and I hope that the

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No majority is in the right because it is a majority. The plain truth is that only those are in the right who are in the right whether they be in a majority or in a minority.

recommendations of the Board will be of considerable assistance to us in enabling us to make a move on. Mr. Ranganatha Mudaliar has said that there is no provision under the head of house-building advances in the present budget. I can only suggest a reference to page 244 of the budget where he will find that a provision of 6 lakhs for the next year has been made. Mr. Guruswami has asked that Honorary Assistant Registrars and Inspectors in the co-operative department should be appointed from the depressed classes. At present I find that there are two Honorary Assistant Registrars out of 85 and six Inspectors out of 339 who come from the depressed classes. We shall always be glad to increase these members as suitable candidates become available."

Mr. R. VEERIAN :—"May I point out there are several men, presidents as well as secretaries, running many societies. They are capable men for otherwise they could not run the societies so successfully as they do now. They have got a certain amount of influence. Why are their claims being ignored ?"

OUR PORTRAIT GALLERY.

I. SIR FREDRICK NICHOLSON.

When His Excellency the Governor of Madras in Council passed orders to place Sir F. A. Nicholson on special duty for the purpose of enquiring into the possibility of introducing into this Presidency a system of agriculture or other Land Banks in the year 1892, Lord Wenlock began a new chapter in the economic history of British India.

This appointment of Sir Frederick came about in a most interesting way. Mr. Nicholson, as he then was, held the position of Collector of Anantapur. He had been intensely interested in rural life in India and had worked and lived to help the ryot out of his many difficulties. He was one of those officers who had a real affection for the people among whom he sojourned and being a keen student of political economy and a lover of books he kept up a wide range of reading.

It was while on furlough in 1891 and spending a holiday in the Isle of Wight that an article appeared in Chamber's Journal on People's Banks. This article developed the thought already in his mind that such banks based on local conditions and able to supply local needs would be able to meet the wants of his people in India

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Despair we can all taste and that without help from anyone. The help we need is encouragement.

On his return journey to India he passed through Marseilles and whilst searching through a French Bookshop came across a copy of a French work on People's Banks. This was promptly bought, read, and considered and ideas began to crowd into his mind, that these Banks modified to suit an Eastern country, were the thing for the ryot and farmer of Madras. The idea of co-operation in banking among village people was a new thought, and new ideas take time to make an impression among farmers and traders in any country and specially so in India. The idea was also new to official India and it was not ordinarily to be expected that officers would be able to work out a new complex banking scheme when they were overburdened with other important duties in the high places of Government.

Pioneer work had to be done and so Sir Frederick wrote a series of articles on People's Banks, and the Editor of the Madras Mail must be credited with prophetic insight. After some correspondence he published several articles from the pen of Sir Frederick and so well were they written, and they seemed to have so much that was likely to be for the welfare of the Presidency that Lord Wenlock, the Governor of Madras of that period, wrote to the editor and asked the name of the writer.

It thus came about that Sir Frederick Nicholson was requested to go into the whole question of Land and Agricultural Banks in Western Countries and their suitability for South India, and so for several years the greater part of his time was spent in studying the subject of Co-operative Banks. He twice visited Germany. He went to Ireland and also studied the question in France. He found out what was being done in Spain and Italy. There was no Banking system of any importance in any country he did not study, if so be he might find something which would help the Indian Ryot.

As a result of his labours a Government Blue Book, containing 408 pages, full of facts and bristling with recommendations was published in 1895 and a second volume containing valuable information concerning Land Banks in continental Countries was printed the following year.

It is probably not correct to say that the idea of the Co-operative Banks as far as South India is concerned was born as a result of the article in Chamber's Journal as a reference to the report of the agricultural committee appointed by Lord Connemara as far back as 1888 contains this significant paragraph written by Sir Frederick who was the Secretary of that Committee.

It is more easy to train men to take life than it is to train them to preserve it.

"The final plan is that of Mutual associations, something on the above principle (i. e., social associations) but drawing their capital *ab extra*, probably from Government which would, thus grant its loans, not to individual ryots, but to associations of unlimited liability who would deal with individual borrowers, viz, the members of the association."

Here is the present Co-operative principle in embryo.

This Committee of which Sir Frederick was a prominent member had considered the best means of helping the ryot and one method was by starting some mutual association (the word co-operative or co operation had not then come into use), in which and through which they might obtain money on reasonable terms and save money, through thrift which was to be encouraged in the members.

The idea of a co-operative Bank had thus emerged in the mind of Sir Frederick so far back as 1888 and to him belongs the credit of making the first proposals for introducing the system into the Presidency of Madras.

It is now nearly 30 years since the Government Blue Book on Land Banks was published but a study of the volume reveals this fact that so thoroughly did Sir Freorick do his work that there are few princples acted upon in the carrying on of co-operative Banks to day, which were not recommended by him in 1895, and almost all the important details are also contained in his Report.

Sir Fredrick Nicholson is now living at Coonoor and though he is supposed to have retired from service, yet he is still devoting his time to important projects for the good of India.

No one knows more about the history of the Co-operative Movement in India or has done so much to bring it into being and the thanks of every Indian is due to him and is gladly given. The Co-operative Movement is still in its infancy, but it is capable of great development, and will yet do much to solve the problem and relieve the difficulties of the Ryot. We offer our gratitude to this Pioneer of Co-operation in India.

W. J. H.

I hope I shall never succumb to this modern shoddy democracy, which will not believe that a man possesses quality unless his name is printed frequently in the Newspapers and is familiarly known to the rabble.

GREETINGS TO THE BULLETIN.

(continued from p. 6)

[*As these greetings reached us by a latter date we had to print them separately as we have done.—Editor, Madras Bulletin of Co-operation.*

BRANTFORD, ONTARIO,
May 27th, 1924.

THE EDITOR,
MADRAS BULLETIN OF CO-OPERATION.

Dear Sir,

I heartily congratulate you upon the completion of the fifteenth year of publication of your interesting, instructive and ably conducted journal; which, for its quality, has a position in the front rank of international co-operative Journalism.

It is almost impossible, at this distance, to visualise the conditions under which co-operators work in India, or to understand the peculiar problems with which the Movement is confronted there. I would imagine, however, that nowhere' is co-operative philosophy more full of promise for the welfare of the people, or where it can be used to better advantage in promoting harmony and goodwill and in creating a community of interest among people who otherwise fundamentally differ from each other, than in India.

"The Madras Bulletin of Co-operation," by its educational and informational service, must be contributing in a large measure to the achievement of that ambition, and I hope that, as the years pass, it will continue to grow in influence and usefulness. I am not, of course, competent to give advice on conditions I do not understand, but I shall be safe in urging upon you the wisdom of seeking to educate the people to help themselves and each other in their co-operative activities with the minimum of State aid, or other external support, that circumstances will permit.

Yours faithfully,
GEORGE KEEN,
Editor of "The Canadian Co-operator."

NEW YORK CITY,
24th May, 1924.

THE EDITOR.
THE MADRAS BULLETIN OF CO-OPERATION.

Dear Fellow Co-operators,

Accept our congratulations upon the continued success of your excellent magazine. You are holding up a light for the illumination of your country. As the people come to understand Co-operation and to apply its principles a better state of civilization is brought about. In the United States we find that Co-operation not only gives the people better economic conditions and frees them from the ills of profit-making business, but it teaches the people to administer their own essential affairs and not to look to political government for help. The people of India are learning the same lesson. May the Madras Bulletin carry this light of Co-operation into all parts of your country.

With greetings and all good wishes,
The Executive Board
J. P. WARBASSE,
Chairman.
CEDRIC LONG,
Secretary.

MANCHESTER,
June 5th, 1924.

My Dear Co-operative Friend,

Unknown to each other, save through the introduction of the pen, your request falls on ready ears. I have very happy memories of trying to be of use to Indian students in Co-operation when over here in Manchester—M. D. Venkata Urs of Mysore; K. H. Vakil of Bombay; and just recently, S. M. Mehdi of Hyderabad, Deccan, and H. B. Huli of Bombay.

The test of honour is not what will you do for yourself, but what will you do for other men.

Message

My heart is with India. My hope is for her salvation through the principles of Co-operation. My faith is that education will make her free.

And towards that "consummation so devoutly to be wished" ***The Madras Bulletin of Co-operation*** is leading wisely and well. Its mission is well reflected in its covers of yellow which, in the language of blazonry, signifies faith, constancy, wisdom, and glory—faith in the Indian peoples, constancy of purpose, wisdom in policy, and all working for that glory that is to be.

The ***Bulletin*** is a golden co-operative link between you in the ancient East and us in the modern West. May its hold grow stronger, until the flag of Co-operation, which knows not creed, colour, or country, doth float indeed

"From Greenland's icy mountains,
To India's coral strand."

Sincerely and with all good wishes,
CHARLES E. TOMLINSON
Editor, Millgate Monthly.

[We publish with pleasure the following appeal to Women-Co-operators sent to us for publication by the Secretary of the International Co-operative Women's Committee.—Ed. Madras Bulletin of Co-operation.]

CO-OPERATIVE WOMEN-TO GHENT!

More and more as summer draws near the thoughts of Co-operators are turning towards Ghent and the great international gathering which promises to be a record one in Co-operative history, with its Exhibition, its Congress, its Women's Conference, its Bank Conference and many other social and educational events.

For Co-operative women the greatest interest centres in the Women's Conference, which will take place on August 29 and 30 under the auspices

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Put more into the common pool than you take out; anyone who is taking more from the common pool than he puts in is cheating both God and man.

of the International Co-operative Women's Committee. Three years of work since the Committee was started at the little informal meeting in Basle have quite transformed the position of Co-operative women internationally. Then there were only seven national organisations of Co-operative women, knowing little of one another and working out their own problems in isolation. Now there are ten national organisations affiliated to the Committee and by that means in constant communication with one another: another national fedaration has been formed, and is considering affiliation. The next Congress will probably see the formation of a national women's Guild, and from all over the world come enquiries and requests for advice from the leaders of the Movement as to how to organise the women.

For everywhere the Movement is waking up to the fact that its strength lies in the loyalty and understanding of its women. It is the women who decide where the family income shall be spent: it is their daily purchases that bring success to the Co operative store, and it is all important that they should be led there, not merely by dividend, or even by the low price and good quality for which the Movement stands, but by a real knowledge of the principles and purpose of Co-operation.

And when this understanding comes, when through their own Guilds they feel that they themselves have some voice in the great Co-operative democracy, what loyal members these Guilds women become! How keenly they will canvass to bring more trade to the Store; with what pride they will ask for (and insist on having!) their own Co-operative productions! How eagerly they will read and help to sell the Co-operative papers, and take collections for the co-operative Savings Banks.

For the Co-operative Movement means more to women even than to men. Men have so many channels through which they can take part in public life. The woman at home, absorbed in her housework, her shopping, her children, has so few. The co-operative movement provides just that link between the home and the greater world beyond which enables her to take her part in the latter without neglecting the former. There she begins to grow interested, she discusses co-operative and kindred problems with other women in her Guild meetings. "We get such an education in the Guild!" is a phrase one often hears.

What an inspiration will this gathering of co-operative women be to those who take part in it, who meet their co-operative sisters from all over the world and find them inspired by the same ideals, facing the same difficulties, sharing the same hopes! What a stimulus to be able to discuss the common problems and decide upon common action!

To make a production first-rate endless experiments are necessaay; endless, because out of thirty experiments possibly only two may prove of value.

Here is the program of the Conference proceedings: It will be opened with a song "The Mother's International", specially written for the occasion by a Guildswoman, and sung in Esperanto, for the Co-operative women quickly recognised that a common language was essential to real understanding. This will be followed by the President's address, discussion of the Committee's report, the adoption of the rules for the International Co-operative Women's Guild and the election of officers. In the afternoon there will be reports and discussion on "What Women can do for Co-operation." And what numbers of helpful suggestions ought to come out of an interchange of so many different experiences!

The second day will open with a paper on "What Co-operative women can do for Peace." For surely there can be nothing of more vital importance than Peace to the Co-operative Movement, united as it is throughout the world by all the complex ties of trade, and none to whom peace is so precious as to the Mothers. The second afternoon will be occupied by discussions on an international language and on the organisation of co-operative women in rural districts!

All women co-operators from every country are heartily invited to take part in these meetings. Already, ten countries have signified their intention of being represented, and at least five more will almost certainly participate in what promises to be the most representative gathering of working women ever held. It is hoped that many will be sent by their Unions or by individual Societies, many will attend on their own account, indeed many have been saving up for months to be able to make this their summer holiday.

Special arrangements are being made by the Belgian Co-operative Women to find accommodation as cheaply as possible for those who cannot afford hotel prices, but as the demand will be great those wishing to secure rooms through the International Committee should write at once to the Secretary, 29, Winchester Road, Hampstead, London, N. W. 3 X.

Co-operative Women of all lands come to Ghent! and help to make the "Mothers' International" the great movement that it promises to be for Co operation and Peace.

No man can construct anything unless love and charity predominate in his heart.

CO-OPERATION ABROAD-TIT-BITS.

Plymouth started a co-operative house-building society as early as 1881. It lent £ 324,000 for the purpose of house construction and 882 persons by paying weekly sums similar to the rent paid by others have become owners of the houses they now live in. The society allowed 25 years for repayment, and it has realized £297,000 of the amount lent. The number of houses built is 1,066.

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Mr. A. Barnes has Introduced a Bill in the House of Parliament about co-operative societies and it was accorded a second reading in the House of Commons without a division. The Bill, it is hoped, will prevent the misuse of the name co-operation by unscrupulous persons who exploit it at present.

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In a leading article The Co-operative News for March draws the special attention of all co-operators in England to the lack of loyalty on the part of the consumer to the articles produced by the C. W. S. Taking the statistics of actual production by the various factories owned by the C. W. S. one may think that everything goes on well; but when the fact is taken into acoount that the actual quantity produced is but a fraction of what these factories are capable of producing and that they do not produce to the maximum extent because there is no demand for their articles, we then see the other side of the picture. The individual members seem to look upon societies as their purchasing agents and want them to stock whatever articles they like and not exclusively the articles produced by the C. W. S. and its agencies. The article concludes thus: "It is not right that the societies should use the C. W. S. as an agent for the supplying of goods in competition with co-operative productions. It is not in the same relationship to societies as an ordinary wholesale house is to its customer's although it would seem as if some societies put it upon no other footing. Its chief purpose is to enable the consumers to bring the production of all their requirements under co-operative control. If societies agree with such a purpose they should not act as if they did not agree with it."

We in India are far behind England in this respect. Even though our stores are willing to act as purchasing agents for members and supply them with whatever articles they want and even though very few of them have begun to produce their own articles, still, members in India are not loyal to the societies and this is one of the chief causes for failure of stores in India.

A.E. is so closely connected with Economics, that a wit when asked the meaning of A.E. replied: "Agricultural Economist"

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Lady Byron or Anne Isabella Millbanke Byron, to give her full name, was a co-operator in her own days. After her separation from her husband in 1816 till her death in 1860, she was devoting her life for the amelioration of the miserable condition of the poor around her. Her good work is thus described by her grandson the late Earl of Lovelace, "Lady Byron wasted energy on useless, abortive or mischievous schemes and illusions—co-operation, education, phrenology, juvenile delinquents—and missed the good she might have done within her own natural circle."

No wonder Matthew Arnold called the English aristocrats barbarians. Dr. William King, one of the pioneers of the co-operative movement in England was her inspiring genius. The following extract from one of her letters shows her real Christian spirit.

"I am neither democratic nor aristocratic. I do not see those distinctions in looking at humanity; but I feel most strongly that for every advantage we have received we are bound to offer something to those who do not possess it."

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The three newly created Baltic States of Lithuania, Esthonia and Latavia had a conference of their prominent co-operators and they have suggested the formation of an International Co-operative Wholesale and an International Co-operative Bank—ideals which co-operators in other places also have placed before themselves and which we hope will before long become realized facts.

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Mr. Gide in an article about co-operation in Russia contributed to "Co-operation" New York, says that Russian co-operation is unrivalled for the place it occupies in the national life. It commands one-third of the home trade and it is the one export organization of Russia. The great political economist is of opinion that if the principles of co-operation be gradually absorbed and appreciated by a nation, a new order of things will come into existence without society going through any revolution or fire ordeal.

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Similarly we are told by another authority that the recently established Czechoslavokia also seems to have grasped the truth that its

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There is only one Truth, it may but be approached by many different paths.

"economic system cannot be better established than in the safe grouping of the powers of consumption and production under the inspiration of co-operative principles."

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The Parisian Federation of Co-operative Societies has taken the initative regarding the formation of co-opeeative societies for cheap houses. It is well known that housing accommodation is very insufficient in Paris and the object of the society is to apply in the matter of house constructing and owning those principles of co-operation which have proved so useful in the development of consumers' societies.

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Mr. Alexander M. Bing, one of the largest builders in New York, in opening an exhibition of co-operative housing, said that State aid in housing was necessary and that it was possible for the State or the Municipalities to embark on a programme of clearing of slums without losing money.

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One of the best examples of co-operative housing in America is the colony of Finns (Natives of Finland) in Bay Ridge, Brooklyn New York. The venture was started in 1916. To-day those wage earners co-operatively own houses sheltering 450 families or about 2,250 persons. The occupants there get three times the convenience which the rent they pay will command in other parts of the city.

Will the Indian co-operator turn his attention to this line of co-operative activity ?

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The extract given below from a state paper published by the Agricultural Department of the United States, gives an idea of how co-operation has been able to change the life of Denmark :

"Forty years ago farm women in Denmark did men's work in the field. To-day it is very unusual for Danish women to do any field work. I seldom see one of them milking cows. Co-operation has helped to make Danish farmers so prosperous that women no longer think of doing this work. Clothes are sent to the co-operative community laundry. Co-operative bakeries relieve the cooks of part of their daily tasks. Houses are becoming more comfortable and beautiful. There are many community clubs. Group singing is a regular feature of the neighbourhood meetings. Music and art are regular subjects in the schools. There are special schools for adults. Education is almost a passion with the Danes......... Co-operation has to a large extent ironed out class and social distinctions."

A prominent British writer stated recently that the world could supply its people with the necessities of life for two hours' work per day.

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The following extract from the speech of M. Habrman, Czechoslovakian Minister of Social Welfare, will give an idea of the interest taken by the Government of that State in the development of co-operation :

The Department over which I preside attaches the greatest importance to the co-operative movement in general and to consumers' co-operation and workers' productive co-operation in particular. It endeavours to give co-operation all the assistance which a State authority is in a position to give to an independent economic movement. For instance, by means of loans bearing no interest and of state guarantees to the co-operative societies, we have been able to improve the lot of home workers and of disabled ex-service men.

We have also endeavoured to remedy the housing crisis by means of loans on co-operative lines. Large credits are inserted in our Budget for meeting these requirements.

As a working class politician and consequently as one who was once associated with co-operative activities, I consider the realization of the co-operative ideal as being one of the most practical and efficient methods of arriving at a new economic order which will be fairer from the social point of view.

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The Agricultural Journal of Victoria and British Columbia gives an account of how farmers from different provinces met together and passed a resolution for the forming of a co-operative wholesale, because, they have come to realize that the development of collective buying and selling through a wholesale is economically more profitable.

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The same journal gives an interesting account of a pageant in which Canada, British Columbia and others take part and discuss their problems. They realize how useful the Women's Institute is. In fact the whole pageant is written by a member of the Women's Institute section in order to popularize that organization. How original this idea of a play-let appearing in an agricultural journal !

OUTSTANDING DATES OF CO-OPERATIVE HISTORY IN INDIA.

[We give below some outstanding dates in the History of the Co-operative Movement in the country. We are indebted to the Registrars of Co-operative Societies of the various Provinces and Native States for the information they kindly supplied to us in compliance with our request. There was one officer however who was pleased to reply "I regret that I cannot undertake to supply the information regarding the date of formation of the Co-operative Department etc, as asked by you:" and some others kept silent. We request such of the Registrars of Provinces and Native States as have either not received our letter or, having received it, have not replied, to be so good as to oblige us by sending us information regarding the movement in their parts of the country on the lines given below:—Ed. Madras Bulletin of Co-operation.]

The Year 1900 Organisation of Village Banks in the **United Provinces** by Mr. H. E. L. P. Dupernex.

The Year 1904—1905. Co-operative Department in **The Punjab** formed.

1904, 17th June. Co-operative Department in **Assam** formed.

„ **5th July**. The First Registrar of Co-operative Societies in **Madras**, appointed.

„ **30 August**. Registration of the First Co-operative Society in **Madras**—The Tirur Co-operative Credit Society

„ **3rd September.** Date of Registration of the first Co-operative Society in **Assam.**

„ **October**. Formation of the Co-operative Department in **Bengal.**

„ **3rd November.** Formation of the Co-operative Department in the **United Provinces.**

„ **December**. Appointment of the First Registrar of Co-operative Societies in **Burma.**

1905, 3rd January. Registration of the First Agricultural Credit Society in **Burma.**

1905, 19th January. Formation of the Co-operative Department in **Central Provinces and Behar.**

„ **22nd January**. Registration of the first Society in the **Punjab** the Shangarh Co-operative Credit Society, **Karnal.**

„ **12th May**. Registration of the First Co-operative Society in **Bengal**—The Premier Co-operative Credit Society.

„ **15th May**. Date of starting the First Primary Agricultural Society in **Behar and Orissa.**—**The** Manbhum Christian **Co-operative** Society.

„ **20th June**. Registration of the first Co-operative Society in the **Central Provinces and Behar.**

„ **28th July**. The starting of the first Non-Agricultural Society in **Behar and Orissa**—The Motihari Ministerial Officers's Urban Co-operative Society.

„ **21st August**. Registration of the first Non-Credit Society in **Madras**—The Triplicane Urban Co-operative Society.

„ **26th September.** Registration of the Madras Central Urban Bank.

„ **14th October**. Registration of the Burgarh Central Bank (Banda Dt.) in the **United Provinces.**

„ **4th December**. Registration of the first Non-Credit Society in the **United Provinces**—The Benares Co-operative Silk Weaving Association.

1907, 14th November. Registration of the first Non-Credit Society in **Burma**.

1908. Formation of the Co-operative Department in **Pudukottah State.**

„ **22nd September**. Registration of the first Co-operative Society at Karambakkudy in **Pudukottah State.**

„ **18th December**. Registration of the first Non-Credit Society in **Bengal**—The Barhenga Weavers' Bank—Pabner.

1909, 12th January. The Formation of the first Co-operative Union in **Bengal**—The Khelar Balarampur Union.

„ **17th February**. Registration of the first Central Bank in the **Punjab**—The Jallunder Central Co-operative Bank Ltd.,

„ **22nd May**. Registration of the first District Central Bank in **Burma.**

„ **21st December**. Registration of the first Central Bank in **Behar and Orissa**—The Rohika Central Co-operative Union Ltd.

„ **29th December.** Registration of the first Baking Union in the **Punjab**—The Madar Co-operative Union Bank Ltd., Madar.

1910, 3rd May. Registration of the first Guaranteeing Union in **Burma.**

„ **4th May**. Starting of the Pudukkottah Town Bank in **Pudukottah State.**

" **5th August**. Registration of the first Co-operative Union in **Madras**—The Uttiramerur Co-operative Union in Chingleput District.

" **15th August**. Formation of the first Non-Credit Society in **Assam**.

" **11th November**. Registration of the Provincial Co-operative Bank in **Burma**—under the name of the Upper Burma Central Co-operative Bank Ltd.

1911, 10th February. Registration of the first Livestock Insurance Society in **Burma**.

1912, 2nd April. Formation of the Provincial Bank in the **Central Provinces and Berar**.

" **30th September**. Formation of the first Non-Credit Society in **Central Provinces and Berar**.

1913, 20th March. Formation of the first Co-operative Union in **Assam**.

" **30th March**. Formation of the first Co-operative Union in the **Central Provinces and Berar**.

1914, 16th March. Establishment of the **Behar and Orissa** Provincial Co-operative Bank.

" **4th April**. Date of Passing the **Travancore** Co-operative Societies Regulation X of 1914.

" **18th September**. Establishment of the **Patna** Secretarial Co-operative Stores Ltd.

1915, August. Commencement of Co-operative work in **Travancore**.

" **26th August**. Registration of the Central Cattle Re-Insurance Society in **Burma**.

" **7th September**. Establishment of the Pakawmi—Damiad Co-operative Grain Society in **Behar and Orissa**.

" **23rd November**. Registration of the first Co-operative Society in **Travancore**—The Central Bank at **Trivandrum**.

" **31st December**. Formation of the first Non-Credit Society in **Travancore**—The Trivandrum Co-operative Distributive Society.

1916, 14th May. Starting of the first Non-Credit Society at **Alangudi** in **Pudukottah State**.

" **6th June**. Registration of the first District Agricultural and Co-operative Association in **Burma**.

1917, 7th February. Registration of the first Co-operative Union in the **United Provinces**—The Mustafabad Guaranteeing Union.

" **16th March**. Date of approval of the Reconstruction of the Madras Central Urban Bank into an Apex or Provincial Bank with Society Members.

" **19th March**. Establishment of the first Non-Credit Society in **Behar and Orissa**--Mahespur Guaranteeing Union.

1918, 19th February. Formation of the Provincial Co-operative Bank in Bengal.

" **25th February**. Establishment of the **Behar and Orissa** Co-operative Federation (for Audit and propaganda).

" **7th September**. Establishment of the Burma Co-operative Council.

" **1st October**. Creation of a Separate Department of Co-operative Societies and Industries in **Assam**.

1919, 12th December. Establishment of the first Agricultural Sale Society in **Behar and Orissa**—The Haladigarh Agricultural Co-operative Sale Society.

1920, 11th May. Conversion of the Madras Central Urban Bank into a Federation of Central Banks

" **13th July**. Registration of the first Consolidation of Holding Society in **Punjab**—The Ghazipur Co-operative Consolidation of Holdings Society, tehcil Jullunder.

1921 19th August. Formation of the Provincial Co-operative Bank in **Assam**.

" **16th December**. Establishment of Divisional Boards under **Behar and Orissa** Co-operative Federation.

1922, 2nd August. Registration of the first Co-operative Union in **Travancore**—The Mavelikara Co-operative Union.

1923, 23rd May. Creation of Divisional Development Boards by Government in **Behar and Orissa**.

" **4th June**. Starting of the Supervising Union at Vallanador in **Pudukottah State**.

" **20th October**. Creation of Standing Committee in Behar and Orissa (consisting of Members of Legislative Council).

CO-OPERATIVE PERIODICALS PUBLISHED IN INDIA.

[*We give below a list of Co-operative Periodicals Published in India. This list also, we were able to compile by circularising Registrars of various Provinces. We shall gladly include any name if it happens to be omitted by oversight.—Ed. Madras Bulletin of Co-operation.*]

Provinces.	Name of the Journal.	By whom Published.
1. Madras.	(i) “The Madras Bulletin of Co-operation” (English)	The Madras Provincial Co-operative Union Ltd. Royapettah, Madras.
	(ii) Do (Tamil)	Do
	(iii) “The Co-operator.” (Malayalm).	The Malabar District Co-operative Union Ltd., Perintalmana.
	(iv) “The Kannada Sahakar” (Canarese)	Sadananda Co-operative Printing Works Ltd. Kodlalbail, Mangalore.
	(v) “The Andhra Sahakar” (Telugu).	Masulipatam.
2. Bengal.	(i) “The Bengal, Behar and Orissa Co-operative Journal–(English).	The Bengal Co-operative Organisation Society Ltd. 6, Dacre's Lane, Calcutta.
	(ii) “The Bhandar” (in Bengali).	
3. Behar and Orissa	(i) “Co-operative” (in English).	The B & O Co-operative Federation Ltd. Patna.
	(ii) “Sahajog Samachar” (in Oriya)	The Orissa Divisional Federal Board.
4. Bombay.	(i) “The Bombay Co-operative Quarterly” (English)	The Bombay Central Co-operative Institute, Sardar Buildings, Apollo Street, Fort, Bombay.
	(ii) “The Bombay Co-operative News” (English)	
	(iii) The Sahakari Mitra (Marathi)	Do.
	(iv) The Sahakar Patrika (Gujarati)	Do.
	(v) The Karnatak Sahakari Mitra (Canarese)	Do.
	(vi) The Sind Co-operator (Sindhi)	Do.
5. Baroda.	“Kheti and Sahkarya.”	The Director of Agriculture Baroda.
6. Pudukkottah State.	“Krishikan” (Tamil)	The Farmers' Association Alangudi, Pudukkottah.

REVIEWS.

Report of the Mysore Co-operative Committee 1923.

By T. R. Srinivasa Ayyangar.

The Mysore co-operative committee appointed by the Government of His Highness the Maharajah of Mysore in November 1920 has issued its report in December 1923. The committee was presided over by the Honourable Mr. Lalubhai Samaldas C. I. E., Bombay, an eminent authority on matters relating to the co-operative movement who had the unique privilege of being a member of the Maclagan Committee on co-operation appointed by the Govt. of India in 1914. The other members of the committee were, Dr. Coleman, Director of Agriculture in Mysore, Mr. Balasundaram Ayyar, Inspector General of Education in Mysore, Mr. Zahiruddin Mecci, Deputy Commissioner, and Mr. R. Renga Rao, the Registrar of Co-operative Societies in Mysore (officials). besides Rao Bahadur M. Shama Rao M A., retired Inspector General of Education in Mysore, Mr. G. K. Devadhar M.A., Vice President, Servants of India Society, Poona, Mr. T. Adinarayana Chetty Bar-at-law, President, Salem District Bank, Mr. Karnick Krishnamuthy Rao of Bangalore and Mr. C. Subba Rao, Advocate, Shimoga.

It will thus be seen that the committee was fully representative of official and non-official interest including among the latter some eminent co-operators belonging to British India. The deliberations of the committee seem to have taken a pretty long time and their report touches on all problems connected with co-operation in the Mysore State. On the whole the report serves the same purpose for Mysore, as the Maclagan Committee's report does for British India. The terms of reference to the committee were to examine (*a*) the progress of co-operation in the state in all its aspects and stages; (*b*) the effect on agriculturists of the heavy indebtedness under which they now labour and the minute sub-divisions into which their holdings are sub-divided and the influence of the co-operative movement on these factors; (*c*) the organisation, constitution, management, audit and inspection of societies of all kinds, both primary and central; (*d*) the development of non-credit co-operation, more especially in connection with agriculture and the smaller industries; (*e*) the application of co-operative principles to house-building, cattle breeding and insurance, dairying and similar other purposes; (*f*) the disposal of co-operative disputes and (*g*) any other matter of fundamental importance to the movement. The committee met at different places in the state to examine a large number of witnesses and after obtaining such statistics and information as it required and visiting a number of places and institutions, has issued its report. The committee's questionaire was sent to a large number of individuals and institutions and the response they had from the general public was poor, possibly owing to the somewhat technical character of the questionaire and also to the lack of public interest in the co-operative movement. After dealing with the organisation of agricultural and rural credit in the State, the need for such credit and its characteristics, a reference is made by the committee to the attempts made to provide agricultural credit by the late Sir Seshadri Ayyar, as early as the year 1894, by the formation of agricultural banks throughout the State, thus in a way forestalling what Sir Frederick Nicholson sought to do for this Province by the publication of his monumental report 3 years later. The essence of the scheme promulgated by that eminent statesman is contained in the very first article thereof :—

"Every bank to be an association of landholders formed on strictly co-operative principles, not for the purpose of earning any profit divisible among its members but for the purpose of obtaining money by their own united credit and lending it among themselves, according to the actual requirements of each member, to the extent the others have confidence in him". An abstract of the scheme is given as an appendix to the report. For various reasons the movement set on foot by Sir Seshadri did not thrive and the Govt. of Mysore were compelled to order the winding up of these banks and the recovery of the outstanding loans. When later the Co-operative Credit Societies Act of 1904 was passed by the Govt. of Lord Curzon, the Govt. of Mysore passed the Mysore Co operative Societies Regulation, which was an improvement over the India Act, in that it was more comprehensive in its scope and provided for the formation not merely of credit societies but also of other kinds of societies. This regulation was further amended in 1918 with a view to bring it in a line with India Act 2 of 1912. During the past 18 years the co-operative movement has made considerable progress in the State, as will be seen from the fact that in the year 1905 there were only 5 societies as against 1,522 in the year 1921-22. The number of members, working capital and reserve fund of these societies has increased from Rs. 362, Rs. 14,243 and Rs.132 respectively to Rs.96,912, Rs 81,97,280 and Rs. 8,49,532 respectively. The committee then devotes thirteen chapters to deal with the problems connected with (1) Agricultural credit societies; (2) Non-Agricultural credit societies; (3) Non-credit co-operative societies: (*a*) Agricultural Co-operation, (*b*) Industrial co-operation; (4) Grain Banks; (5) Steres; (6) House building co-operative societies; (7) Central Banks; (8) Agricutural indebtedness and Land Mortgage Banks with special reference to Malnad; (9) Sub-division of holdings; (10) Liquidation proceedings; (11) Co-operative disputes; (12) Audit supervision and inspection of societies and (13) General. A summary of the committee's recommendations under each of the above heads will appear in the next issue of the Bulletin.

The Report of the Registrar of Co-operetive Societies, Cochin.

The report of the Registrar of C.S. Cochin, on the administration of his Dept. for the Malabar year 1098 (1922-23) is a record of steady progress. The policy of 'Festina Lenti' has been deliberately adopted and the Dept aimed at bringing "a few societies in different centres into model ones". We are surprised to learn that even in Cochin which from the point of view of literacy is the most advanced portion of the Indian Empire "the movement has not made its way owing to want of education and influential residents to undertake constructive work for the benefit of the rural populations". There has been a stready progress under all items, i.e. number of societies, number of members, the working capital of societies, etc. There was a slight fall in the total amount of loans granted which the registrar attributes to "the care and scrutiny bestowed by the Pancayats in sanctioning loans

There is little to be said about the non-credit side of the movement. The Kuthanpelly Weavers' society in spite of its having a working capital of over Rs. 12,000, incurred loss of over Rs.500 which the Registrar attributes partly to heavy fluctuations in the cotten-market and partly (perhaps the major part) to "serious factions among the members." We hope that the fall in the amount of non-members' deposit is a transient feature and that the movement will be able in virtue of the confidence it is capable of inspiring in the public mind, to attract more deposits from members and non-members alike. We echo the Registrar's sentiment that there is considerable scope for the extension of the movement among the fishermen and other depressed classes. We hope that the authorties will concentrate more and more of their attentions to these voiceless dumb masses and help them out of their wretched level of existence even though for doing so they may have to leave the lower middle classes to themselves for a while. Co-operation as a lever for social uplift is to be tested by what it is capable of accomplishing for the poor and the downtrodden.

Report of the Registrar of Co-operative Societies of Pudukottah.

The small state of Pudukottah has its own Co-operative Department, and the Registrar's report affords some interesting reading. When we remember that the whole department cost the state Rs. 2,491 only as contrasted with Rs. 6,19,254 of Madras we get an idea of the relative scale. There was general increase so far as statistics go. The loans granted by the Central Bank more than doubled itself. The Government have been accommodating the Central Bank with an overdraft of Rs 30,000 and further they have permitted the abkari contractors and others to have their security amounts deposited in the Central Bank. The farmer's association at Alangudi has been publishing a Tamil journal called *Pudukottah Krishikan* and it attempted some joint purchase. Salvation for the hardworking but ignorant peasant lies that way. Facilities should be provided for him as in Japan not only for joint purchase of seeds and manures but joint sale of his produce. He should not, as he is forced to do now, be allowed to sell his produce at a very low price to meet his demands; but should be accommodated with a temporary loan if need be on the security of his produce and that must be sold at a favourable season later on. "The true ideals of Co-operation have not been grasped by the public" and the Registrar hopes to carry on "an extensive educative propaganda" and we sympathise with him and wish him success.

Report of the Registrar of Co-operative Societies, Madras. (i)

The Report of the Registror, of C.S., for our Presidency for the year 1922-23 is a record of 'satisfactory increase under all heads'. The Government review is practically another version of the Minister's speech which we have considered at some length in our Notes and News. The following are the salient points in the report.

(1) The public have great confidence in the movement as is shown by the huge sums they have deposited in the Central Banks.

(2) Many of the Central Banks are not entirely depending on the Apex Bank but are able to get the finance they want.

(3) Collection of arrears and current dues was not quite satisfactery and there are as many as seven good reasons (pp. 9-10 of Registrar's report) why it is so.

(4) Consolidation rather than expansion has been the policy

(5) Supervising Unions are increasing in number and the amount of non-official superivision is considerably on the increase

(6) Joint sale was poor.

(7) Building societies are likely to thrive hereafter as the Government have sanctioned subsidies to them.

(8) Weavers' societies have not prospered at all.

(9) Labour societies and societies for the Depressed Classes show signs of healthy growth.

We are glad there has been progress all round and hope that the weak spots will gradually disappear.

[We hope to publish studies of the Registrar's report from various points of view and by various competent men. This is a bare summary of the salient points. Ed. Madras Bulletin of Co-operation.]

THE INTERNATIONAL CO-OPERATORS' DAY.

The City of Madras celebrated the International day in a grand manner. Sir. K. V. Reddy Naidu who was in charge of the Co-operative Department during the last Ministry occupied the chair at the public meeting held that evening. A detailed account of the celebration will be published soon by the Committee which was in charge of the celebration.

NOTES AND NEWS.

Ourselves

With this number the Bulletin enters on its 16th year of existence. We are therefore justified in designating this as the "coming-of-age number". The Shodasa Varsha or the sixteenth year is the period when a youth attains majority as the well known verse in Manu about the bringing up of a child says.* We hope the Bulletin will continue to be characterised by the same moderation, sobriety and seriousness that it had in its period of tutelage. We are very thankful to the gentlemen who have sent us their greetings.

It is interesting to contrast the Bulletin as it is with what it was 15 years ago when it was first started by the then Registrar of Co-operative Societies. We extract a few sentences from his business-like "Introductory" which ushered the Bulletin into existence.

"The number of societies in the Madras Presidency has risen to nearly 200 and will increase rapily month by month. Each society is leading a separate life and is unaware of what is being done and attempted to be done by other societies. I consider it advisable that a periodical bulletin of progress be published and circulated so that each society may understand what the other societies are doing, aud the backward societies may be stimulated into action.

In this Bulletin I propose to announce the registration of fresh societies, and amendments of by-laws. The salient features, if any, of the annual audit reports will be noted. Frequently I am asked several questions by societies or the general public; and they will be answered in the Bulletin. In the quantitative spread of progress,the vital principles of co-operation are likely to be forgotten, hence they will be explained in the Bulletin. A column will be devoted to Departmental instructions to Inspectors.

I invite contributions from societies and persons interested in co-operation."

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*A child ought to be treated like a king till the fifth year. For the next ten years he ought to be treated like a slave. On his attaining the sixteenth year he should be treated like a friend.

The Minister's speech at Guntur.

The address of the Hon'ble Minister in charge of the Development Department given at the Co-operative Conference at Guntur is remarkable in many ways. Firstly, that was the first occasion when he had an opportunity of saying anything in public about this Depatment committed to his care. Secondly, the budget discussion in the Legislative Council so far as it concerned the Co-operative Department was rather poor as our readers may see for themselves from the extracts we publish elsewhere* from the Proceedings of the Legislative Council. Hence the minister had then no opportunity to define his policy. He availed himself of this opportunity, to do so.

Reviewing the progress of the movement in the District of Guntur he gave out this dictum while dealing with arrears of interest and principal due. 'The aim and object of the co-operctive movement is the inculcation of thrift ; and if a co-operative society fails to collect its dues promptly from members, it is to that extent failing to teach them that great lesson'. While in no way belittling the importance of thrift and wise maxims worthy of the Poor Richard himself, we beg to point out that the movement is not merely economic, but has a broader spiritual basis, that it aims at reforming the man's character and thereby improving his finances also and that therefore we should fix our ideals sufficiently high if we do not want to be lost in statistics.

He then dealt with the progress made regarding the starting of Land Mortgage Banks, the question of non-officialising the movement and how far it has been carried out, the grave responibility of the Government on the matter, the recommendations of tee Board of Agriculture which recently met at Bangalore and lastly the desirability of co-ordinating the activities of the different Departments under his charge. We shall take them one after another

He has given us the assurance that with a view to inspire public confidence the Government have decided to take half the debentures floated if the public would subscribe for the other half. We are further told that the Registrar has been asked to choose four localities and start four land mortgage banks with a capital of a lakh of rupees each. The future of the movement will depend upon the successful working of these experimental banks. The Registrar's Administration report for the year 1922-23 becomes antiquated in the light of the Minister's speech for the Registrar says only this regarding the Land Mortgage Banks. "The question of forming land mortgage banks and of issuing land mortgage debentures was under discussion; but no decision was reached". Evidently the Minister has not been allowing the grass to grow under his feet and if there be any further delay in this matter we know where to fix the responsibility.

Then about the non-officialisation of the movement. The Minister was perfectly satisfied with the progress made along this line and he gave in proof thereof two signs; one, the existence of 247 supervising unions to to which over 6,500 societies are affiliated and their collectively spending over 1½ lakh of rupees or nearly a fourth of what the Government is spending on supervision; the second was the existence of 85 Honorary Assistant Registrars to whom peons have been restored so as to "enable them to render even more valuble services to the co-operative movement than they are doing at present". We shall take these tokens of good faith one after the other

It is true that during the last nine years the supervising unions have had a "very rapid development"; but what about the development of the official side of the Department during these nine years? The number of Assistant Registrars and Inspectors in 1913-14 and the same in 1922-23 and their cost to the Government are given below.

	1913—14	1922—23
Assistant Registrars....	4	22
Inspectors. ...	54	340
Cost. ...	1,20,036	6.19,254

Non-officialisation is only a relative process and its progress can be inferred from the above table. In the face of these facts something more than the mere existence of a number of unions with a large number of societies affiliated to them and the appointments of a number of Honorary Assistant Registrars would seem to be necesary to show the progress made in the non-officialisation of the movement.

We are prepared to agree with the minister when he says that definite progress has been achieved along four lines and future work also would be along these lines. (1) Preliminary investigations and organising new societies to be left to non-officials. (2) Recomendations of loans to go driect to Central Banks from the unions and not through the Assistant Registrar. (3) Arbitration suits are bing disposed of by Honorary Assistant Registrars and by members of the Governing Body of Unions appointed for the purpose from time to time. (4) Collection work is being done by union authorities. It would appear as though these four items of work are taken as constituting the non-officialisation of the movement or a substantial part of it. Does not non-officialisation comprise much more?

It is a pity that while we are in this happy mood of agreement we should stumble upon a sentence like this in the Minister's speech. "There

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* See p. 7 of this Bulletin.

is evidence that this demand for handing over the Co-operative Movement to non-official control receives much stronger support *from gentlemen outside the movement than from those actually in it*". (The Italics are ours) Now in the name of fairness, who are these outsiders that have been clamouring for this transfer? Our movement is not like the Tramway Men's Union or the Buckingham and Carnatic Mill Employees' Union that are organised and guided by outsiders with interested or disinterested motives. We have had men of ability amongst us from the very commencement of the movement and all non-officials while thanking the Government for the initiative they have taken in the matter and for the the moral and even financial support they have been rendering us, have been consistently telling the Government that it is their duty to train people and hand over the management of the movement into non-official hands. The Bureaucrat with his watchword of 'efficiency' will never say that the ward under his care is able to take care of himself and like the old grand mother will never allow the pet child to learn by committing mistakes. It is non-official co-operators with the full sense of responsibility that have asked for non-officialisation and not the outsider.

We are glad that the Minister realising his responsibility as the chosen representative of the people is prepared to forget the training of a life-time and tells us " It is the duty of the Minister in charge of the Department to see that the Bureaucratic tendencies are kept in check and that duty I shall do my best to fulfil."

It is again another sign of hope that the Minister is anxious to co-ordinate the work of the various Departments under him *i.e.*, Agriculture, Industries, Co-operation and Fisheries. We would suggest that the Hon'ble Ministers in charge of Education and the Development Departments also meet frequently and exchange thoughts and co-operate in putting their schemes into operation. The Educational Minister cannot have better agencies for doing propaganda work regarding Education than the Co-operative societies and the Development Minister cannot get better agents for doing propaganda work regarding his co-operative movement than schools and colleges.

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Do your mite.

As co-operators we appeal to all our readers and subscribers to do their mite to enhance the financial resources of the Bulletin. As it is, we are having not very many subscribers if we exclude the Government Officers for whom the various Provincial Governments subscribe. We want more and more non-official support. We want every important union and urban bank and big primary

societies consisting of highly educated members, like the Madras Government Servants' Co-operative Society, (which by the bye is a subscriber) to subscribe for a copy each and encourage us. We on our part undertake to give them forty pages of good readable co-operative matter. Will each subscriber get us a fresh one for this year? Let us wait and see and enjoy meanwhile the "Pleasures of Hope".

⁂

The Malabar Tenancy Legislation

As Co-operators we belong to no party in politics. Still it is necessary that we should show in what direction our sympathy lies regarding certain problems of the hour. Taking our stand upon the fundamentals of the Co-operative Movement, that it is mainly a poor man's movement, and that it is intended to bring about a better social arrangement, we have no hesitation in adding our humble support to Dewan Bahdur M. Krishnan Nair who is introducing his Malabar Tenancy Bill at the next session of the Local Legislative Council. The recent Presidential Address delivered by Sir K. V. Reddy Naidu at Badagara in Malabar analyses the situation in a masterly way and points out the lines on which legislation must proceed. "In no case should the cultivating tenant get less than one-third of the produce". We heartily endorse the view and hope when the measure is presented to the council the honourable members will see this minmum is saved to the hard working labourer.

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Valkom Satyagraha.

This is another problem of the hour with which we as co-operators have nothing directly to do. Further, a Travancorean has in a lengthy letter published in the Madras Dailies, advised the 'Ayengars and Goundars' this side of the Ghats to mind their own business. Yet the problem is neither purely local nor exclusively religious. The gospel of co-operation is 'All for Each and Each for all;' and this thoroughly democratic view is fundmentally inconsistent with 'thus far and no further' view. We therefore sympathise with the untouchables and unapproachables in their aspirations to claim equality of right. We however, express no opinion as to whether the Congress authorities were right in backing up this struggle and thus giving a political tinge to the movement.

⁂

A Suggestion.

The European Co-operators observe the excellent custom of exchanging visitors at national conferences. Page 318 of the proceedings of 55th Annual Congress of British Co-operators held at Edinborough contains a list of representatives that attended the Congress bringing fraternal greetings from their several countries such as Belgium, France, Finland etc. In this country we would do well to adopt this wholesome custom at least in the case of Provincial Conferences. How interesting and useful it would be if the Provincial Co-operative Union were to depute one or two representatives to Bengal or Bombay and receive in its turn the accredited representatives of our sister Provinces at our annual conferences. As it is we are satisfied with postal and telegraphic messages of greeting; but nothing to compare with the fraternal smile and the hearty shake of the hand a of brother co-operator who himself is the message of a sister Province. Shall we do it?

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Learn to Labour and to Wait.

We were anxious to have District news and wanted also to publish a sort of co-operative diary and programme, diary of past events and programme of events to come. With the object of enlisting the sympathies of leading co-operators of the mufassal we circularised all District Banks; but alas! we were favoured with replies only from two. We therefore are in blissful ignorance as to how the movement gets on from day to day in the different parts of the Province. We once more appeal to our readers to help us by sending notes on District News. We hope this our appeal would be better responded to than the previous one.

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Another Request to our Friends in the Muffassal.

We intend starting a series called "Place of co-operative interest in the Districts" There are a few people who are co-operation-mad and want to perform co-operative pilgrimages. There are others who go out occassionally into other Districts than their own (we are generally so immobile) and when there, they like to look up a few societies. Will our friends in the Districts make up lists of places co-operatively important and give geographical and topographical details so that an intending visitor could easily make up his itinerary for the District?

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Still another request.

Hope we are not taxing the patience of our muffssal co-operators. Appendix ten to the Registrar's annual report contains details about societies under liquidation. The English Poet has said

"Men may rise on stepping stones
Of their dead selves to higher things."

If that be true, as we all know it is, more information would be so valuable to co operators as to the causes of failure of different societies mentioned in the list. We know that it would be so difficult to find out the true causes and when we come to the question of apportioning the blame there will be no end to mutual recriminations; but it must be possible to take a dispassionate view of things with regard to societies dead long since. The fire of controversy must by this time be extinguished so that it might be possible to trace the history of its 'decline and fall' with the 'veracity of a historian.' Will our readers help us by sending up brief, colourless, impartial statements of facts so that future workers may be put on their guard and avoid these pitfalls?

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The International Co-operative Summer School.

We have great pleasure in announcing that along with the great Co-operative International Exhibition to be held at Ghent in the coming September there will be a short course of lectures on Co-operation conducted from the 23rd August to the 30th August. The lectures will be delivered in English, French and German and typed copies will be supplied to students beforehand so that the students may have time to ask questions and discuss matters with the lecturers. Lecturers include Dr. Faucherre of Basle, Prof. Hall of Manchester and many others of International Co-operative fame. The lectures would be in the mornings, and the afternoons will be taken up with excursion and visits to places of interest and there will be fraternal social gatherings in the evenings. Charges for the lectures only 10/- for the whole course.

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Co-operators' day.

We have received a copy of a pamphlet published by the English Co-perative Union, Manchester, about the celebration of the Co-operators' Day on Saturday, the 5th of July. The pamphlet gives a brief account of the celebration last year and suggests that the week ending with the 5th of July may be converted into a special Co-operative week. The Union recommends the organising of special processions, sports, games, tea parties, concerts, meetings etc. The subject was taken up in this country rather late. Still we hope co-operators all over India will celebrate the day fittingly and send us reports of the same.

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A note of warning to language enthusiasts.

Corresponding to the patriotic movement in India for a greater use of the vernacular language in the daily transactions of life, there is a very strong movement to substitute the ancient Gaelic language of Ireland for

English, which has been introduced into the country by Ireland's English conquerors. Mr. G. W. Russel, who has done his bit for the modern revival of Ireland and whose transparent patriotism, therefore, will not be questioned by any, has this to say about the Gaelic revival.

"Too many people think it enough to say Gaelic is the national language, therefore it must be preserved. But there is something deeper than nationality, and that is humanity itself with its gropings for light, for truth, and if the language enthusiasts concentrate on the letter and if the culture in that language is not intellectual, if the thought is outworn, if the complexities and subtleties of the spirit of man are not mirrored in it—not all the teachers or national boards in Ireland will make Gaelic the real language of the people of this country. The real language of a country is the language which people adopt when they are most intellectually eager, the language in which they can express most fully their thoughts, whether it be in economics, politics, psychology, religion literature, art or music: That is, people will speak a language developed to their intellectual stature just as a man will wear clothes cut to his size. We urge the fullest thought upon it. We believe this nation will justify itself intellectually by a renaissance of the Gaelic culture. But it must be married to modern thought or it will be sterile culture, and profession of affection for it will be, for most, hypocritical, national, window-dressing, people giving a superficial adhesion to it while their hearts cling to another culture and their minds are penetrated by its ideas—the ideas of the twentieth century. If the Gaelic culture dies it will be because of complete concentration on the letter and neglect of the spirit and intellect which should be in any culture. Our Gaelic friends must take this as a friendly warning, not at all as a hostile comment on their propaganda.

⁂

Theory and Practice.

A harmonious combination of the study of the principles of co-operation with some practical experience in the actual working of a society is absolutely necessary for all co-operators. If one were to confine oneself to study and read all books or to immerse himself in co-operative business and not care to read the latest literature upon the subject, one would be doing an injustice to the subject as a whole. The *Irish Statesman*, therefore, with its characteristic eloquence, pleads for "an earnest effort on the part of those engaged in co-operative practice, and of those who are contemplating the taking up of work of any kind in the movement, whether as teachers, organisers, managers, or assistants, to make a study of the principles of co-operation

as expounded by its best exponents and as practised by the most thorough-going and intelligent co-operators in various parts of the world."

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A housewife's Recipe!

Consumers' Co-operation: A Recipe for obtaining the Good Things of Life :—

Ingredients: 1. A fair amount of earnest, energetic Men and Women.

2. A goodly pinch of unselfishness.
3. A measure of level-headedness.
4. Just a dash of Vision, to raise the product from the commonplace.
5. Equal portions of the Will to serve and the Will to be served.
6. Plenty of modern expert management, to keep the mixture from "going stale."
7. Just enough money to start it. Not too much, lest money be used to make money instead of to make products for use.
8. No adulteration or substitutes for Purity are ever employed.
9. Nor is a desire to take advantage of others ever included in this recipe.

In every country of Europe and in many parts of the United States "Consumers' Co-operation" is a method that is being used by millions of people to enable them to obtain the "Good Things of Life", to get access to things they could hardly hope to get otherwise—the things they need to make life better.

⁂

A Hearty Welcome.

We beg to be excused for this late welcome extended to the *Bombay Co-operative News*. It is published by the Bombay Central Co-operative Institute, which has been publishing The Bombay Co-operative Quarterly. The new venture is a monthly and contains more news and 'light matter' than the Quarterly. We wish our new sister long, prosperous and useful life

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REGISTERED—No. M. 1284

The Madras Bulletin of Co-operation

Issued every month in two languages—English and Tamil.

"If the system of Co-operation can be introduced and utilised to the full I foresee a great & glorious future for the agricultural interests of the country"—
His Majesty's Reply to the Delhi Municipal Address, 13th December, 1911.—

Vol. XVI.] AUGUST 1924. [No. 2

PRINCIPAL CONTENTS.

(For Detailed Contents, Please see inside.)

Office of the

Madras Provincial Co-operative Union, Ltd.,

Royapettah, MADRAS.

Subscription per annum for individuals and non-affiliated Societies Rs. 4, and affiliated and contributor Societies free.

N.B.—Complaints of non-receipt of parts will not be attended to if not received within a fortnight after the due dates.

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THE MADRAS BULLETIN OF CO-OPERATION
P.C.U.
ALL FOR EACH and EACH FOR ALL

VOL. XVI.] AUGUST 1924. [No. 2

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.

PROGRESS OF CO-OPERATIVE BANKING IN INDIA.

BY OTTO ROTHFELD, B. A. (OXON), I. C. S.,

Lately member of the Bombay Legislative Council and Registrar of Co-operative Societies, Bombay.

The subject of banking, in other words the mechanism of the economic life of a nation, is so intimately connected with political, social, and national conditions that I feel myself obliged to take up your time for some minutes with remarks upon the recent development of India before I approach the subject of the paper more closely.

Within the last twenty-five years that I have myself served in India, that country, if I may call it so, that continent, to be more correct, has changed and is changing so rapidly and in such essential matters, that

"Cooperation means to so conduct yourself that others can work with you.

I find those who have left India only a few years ago are but too apt to fail to recognise the vastness of the alteration.

In a sense, of course, it is as foolish to speak of India as one country as it would be to speak of Europe in such terms. Seen from outside, the difference is as great between the Punjab and Madras as it can be between Sweden and Italy. The differences are not merely those of language; they strike deep into every root of social and economic life. At the same time it has got to be realised that in another sense India is now a united whole. In Europe we are barely conscious of that united life of European idea and custom which does undoubtedly prevail. We see the differences between countries because they are strange; we are blind for the unity because we are so habituated to it, and also perhaps because there is no equal power to set in opposition to its civilisation. There was a time when Europe, or, as it was then called, Christendom, stood for such an idea, but that was in ages when Christendom had to struggle against equal, if not superior, powers of different customs and different religions.

In India there is now such a feeling of national unity. Divergent though the inhabitant of Madras may be from the dweller in the Punjab in every detail of his daily life, yet both of them feel themselves to be in the great sense, men of one country, men of one nation. drawn up in line against opposing powers. There is, therefore, a national India in a very real living sense at this date, though twenty-five years ago such an attribute could not possibly have been predicated. That is the first great change we have to note.

The second great change is more narrowly limited to economic life. For good or for evil it has to be recognised that India has now been drawn into the general economic polity of the world. Twenty-five years ago the Indian district might still be regarded, with some slight exaggeration, as an isolated unit for economic purposes. Within that unit, the people were to a large extent self-subsistent. They produced what they required for their own consumption, and they sold the balance within their district. They depended for comparatively little upon exports from outside. When the rains failed they were subjected to famine, and they often died. Prices being so largely fixed by local conditions varied to an extent which is now almost incredible.

These conditions no longer remain. In India prices are fixed, like the prices of other countries, in the great markets of New York, Liverpool and London. Crops are grown to a preponderating extent for sale in the international market. Cultivation for subsistence is more and more going into desuetude. Since the war we know in Europe how the interest of each one of us is affected by the raids and rapacities of international finance and international commerce. The recent fall and rise of the franc in France supplies an instance in which every man and woman in the country in respect of his or her daily food finds himself successively impoverished or enriched by international capitalist intrigues and conditions entirely beyond his control or that of the mass of the people.

Strange though it may seem, co-operation is something more than an utopiaan dream. For seventy-five years co-operative societies have been growing steadily without permanent setback.

Similarly in India nowadays the livelihood of the humblest peasant is affected by the various moves upon the international chessboard of finance. In that respect, as in respect of internal conditions also, for good or evil, India has become capitalised.

The Presidency of India which has been most rapidly and most completely absorbed into the industrial and capitalist system is undoubtedly that of Bombay. From my own experience I can quote in particular that part of the Presidency which is known as the province of Gujerat. In that province less than twenty-five years ago, on the occasion of a severe famine, the people were still economically so backward that they would not even sell their cattle and that they refused to move a few miles in search of work. It is now an everyday occurrence for the cultivators of that province to take the train to Bombay in order to sell their cotton themselves in the best market; to no inconsiderable extent they speculate in shares; and they watch with eagerness the telegrams from the exchanges of New York and London.

The process is one which in varying degree is going on throughout India. In one part it is less acute, and in another more acute, but the metabolism is taking place everywhere and remedial measures have to be found.

The real question for the statesman and the administrator in modern India is how, given the inevitable capitalisation of the country, the people are to be prepared and protected so that they can enter with success, or at least without too much devastation, into the world of modern economic conditions. The problem is one that touches every branch of Government.

If you will spare a minute every half hour to the eyes they may be spared to you many years in consequence.

A well known occulist declares that nothing gives eyes such complete rest as the habit of closing them occasionally for a minute or two. In threatened cases of eye-strain, he has sometimes advised no other cure, and the patient has recovered his normal sight.

Into the other aspects of the question, however, the problem, for instance, of how to deal with the congestion of the great cities; the problem of how to secure a sufficient standard of education in so vast a continent without overwhelming taxation and too great a waste of time; the problem of undertaking legislation more or less socialistic, it is not the purpose of this paper to enter.

The figures of illiteracy and the really dreadful figures of infant mortality, which in the city of Bombay rise as high as 630 per 1,000, give some measure of the actual situation, and the difficulties that have to be faced. It is undoubtedly true that for various reasons, for all of which the Government of India cannot be blamed, the development departments in the country have lagged far behind, and that India is in consequence handicapped to an extent far greater than was necessary.

This paper, however, is concerned only with that part of development and that side of the problem which deals with the provision of credit and in particular with its provision through and by the co-operative movement in India.

In the widest sense, of course, co-operative banking includes the provision of credit to rural societies and their members. In a sense every society that works in every village and that distributes deposits obtained from members and loans obtained from other institutions among the members for the purposes of cultivation is to that extent a bank, and certainly performs an extremely useful purpose. The object of this paper, however, is not to dwell upon the achievements of the village credit society as such. My intention is rather to present some picture of what has been done by the co-operative movement in the narrower sphere of real banking and especially with the application of co-operation to deposit banking in the modern sense.

Great as is the utility of co-operative credit in the village, managed and governed by the villagers themselves, valuable as it is morally and socially, yet I am inclined to think that in the actual conditions of the more advanced province at least, the extension of banking in a more techinical sense in the co-operative movement is of a greater importance and of a more lasting value.

To grasp exactly what is being done by co-operative banking, it is necessary to consider first how joint-stock banking stands in India. It is hardly an exaggeration to say that twenty years ago banking of any sort simply did not exist in India outside of the Presidency towns. Even today joint-stock banks outside of those towns exist only in the most insignificant numbers and carry a weight so slight that it can hardly be termed perceptible.

Co-operation is a much used, much abused word.

The latest statistical tables relating to banks in India which I have been able to obtain were published in 1922 and are concerned with banks during the year 1920. These tables, which are published by the Government of India, divide joint-stock banks in two classes; those, namely, that have a paid-up capital and reserve of 5 lacs*and over, and those of a paid-up capital and reserve between 1 lac and 5 lacs. The banks that fall into the first class are mainly the Presidency banks, now absorbed in the Imperial Bank, and the Exchange banks.

Exchange banks do a business which hardly touches the average Indian at all. Their main business is the financing of exports and imports and dealing in exchange. The Presidency banks do valuable work for the nation as a whole by acting as treasuries for the Government, but they are so limited and restricted by rules, which are necessary for the safe performance of their primary duties, that they are of little avail to the local trader and still less to the local cultivator.

In the year 1920, including those banks, there were 58 banks in all in the whole vast continent of India. Part of those—the former class of Exchange banks and the Presidency Banks—with a few others, held nearly 11 crores in capital and reserve and 71 crores as deposits.

The second class. which alone can be of real utility to the people of India as a whole, held less than I crore in capital and reserve and 2½ crores as deposits.

Without at all touching upon the question of how far the joint stock banks, which fall within the second class, can be considered to be institutions that are fitted to command and deserve confidence, it will at least be obvious that their scanty number, their dispersal, and the smallness of their capital make them practically uselesss for any purposes of national regeneration or for any influence upon the economic life of the people as a whole.

Apart from these banks, and even including them, it may be asked what conception of banking in practice has found its way among the people. Twenty years ago it may be said that the mere conception of money in the modern sense hardly existed. Even now in most parts of India, and by most Indians, the idea of what s meant by money is held only in the vaguest form. Twenty years ago,

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We are being brought more and more into the vortex of International production and distribution and we have to bestir ourselves lest we should be left far behind in the Race of Life.

to the vast majority of Indians money meant simply coins, either in gold or silver. The conception has not been greatly enlarged even to-day, but gradually the promise to pay, endorsed by the Government of India upon paper in the shape of bank notes, has come to be recognised as money of a different form. Even this promise to pay, however, is almost invariably understood to be a promise to give actual coin in exchange when it is required. The underlying conception is that of a Goverement hoarding vast treasuries of gold and silver coins in boxes, stored upon some remote hill-top, from which when necessary, coins may be drawn to pay the possessor of a bank note.

The fact that money is simply a promise to perform certain services, and a promise drawn upon the capacity for work of the whole nation within a period of years not beyond recognisable limits, and realised when necessary by the imposition of taxation as far as Government is concerned, has hardly yet dawned upon the mentality even of the politician.

It has sometimes been suggested that the money-lender or savkar plays a part in India such as is played by banks in all European countries. This is, however, not the case. He plays no part in regulating industry or commerce, such as is played by the modern banking system in all European countries. Really he corresponds only to the usurer of the 13th and 14th centuries in Europe, and performs much the same service. He lends actual coins at high interest and recovers in coin or in kind. He never looks to the utility or productivity of the loan. He has no wish to direct his finance to any useful purpose. When he is a man of considerable affairs, he also arranges for the transmission of credits by hundi or bill of exchange, usually at high rates of discount. But he does even this by rule of thumb and with little understanding of what actually is happening in the process. And he has always worked with the Government treasury behind him from which, in case of need, he can obtain coined money to meet his promises. It is the Government, or what amounts to the same thing, the Presidency banks acting on remunerative terms as agents for Government which arrange at great expense for the actual transmission of coin.

With your permission I should like here to quote one of my own circulars, which to the best of my knowledge, summarises the actual position :—

Temperance consists not merely in abstaining from getting drunk but in choosing to abstain from getting drunk. There is no temperance except where it is open to a man to get drunk and he deliberately refuses to do so. (Lord Hugh Cecil)

"Economically the greatest evils that India suffers from are insufficient banking and want of proper organisation of capital. Most of the large sums of money absorbed each year by India are hoarded and buried in the ground. By being withdrawn from circulation, these moneys do no good to the country and are even positively harmful. What remains in circulation is centralised to an unhealthy extent in cities like Bombay and Calcutta. The results are that industries and even ordinary trade outside of those centres languish and are starved, while what industry there is, is over-stimulated and congested in two or three cities. . . . . . .

"Furthermore, joint-stock banking has had a slow and halting growth. There are still very many districts in the Presidency in which there is not a single bank in existence. Economic conditions remain mediæval and are more worthy of the times of the Pindari raids than of a civilised country with organized finance. Cheques are not used because they cannot be cashed. Even notes are not yet used sufficiently. One sees constantly a picture, which would be laughable if it were not tragic in its portrayal of national impotence, of the merchant who carries his chests of silver or gold coin with him in a train or steamer in order to pay his customers in some wretched district which is left without a bank."

It will, therefore, I think, be readily admitted that a first condition for any adequate progress in national prosperity must be a rapid and vast extension of banking within the country. The question that remains is whether it should be left to the enterprise of joint-stock companies to institute such banking, or whether the co-operative movement as such can undertake the task and should be encouraged so to do.

Under the joint-stock system it is clear that all the profit and all the management rests with capital. It is not those who bring business to the bank who profit from its successful working and from their own custom; it is those who have put money into the bank in the form of shares.

Under the co-operative system the opposite is the case. The co-operative method is for members to associate themselves for the advantageous use of the commodities in which they deal—in the case of a bank, the advantageous use of credit—and the co-operative method for securing that the advantage obtained by such combination should be shared by the members according to their own contributions to this advantage, is by having a rule that whatever surplus remains to the society after the payment of its

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It would be better for all of us if we took some time to laugh so often. The gloomy things of life come fast enough of their accord; we should be looking for the funny things all the time.

necessary expenses, should be divided among the members in proportion to the business they have done with the Society. This is the co-operative rule which is freely applied in the case of trading societies such as those to which we are best accustomed in England.

In the case of credit societies or banks it has not been easy to apply the rule, but the principle is at least followed of limiting strictly the profits that go to capital, or, in other words, to shareholders. It would also seem to be reasonable that, as the business of the Society has been made by its borrowers and depositors, a proportionate rebate should be given to borrowers, and a proportionate bonus to depositors. It must, however, be confessed that the practice and legislation of various countries has not been consistent on this point.

A bill in the United States legislature makes this distribution of bonuses to depositors cumpulsory to all credit societies. In France, however, legislation expressly excludes depositors from sharing in the profits while making rebates to borrowers obligatory.

In India the practice has not yet been embodied in law with regard to any class of society. In the case of the Bombay Presidency, however, such a by-law has been included in the model devised for all societies and banks of this type, and is being largely followed. To whatever extent, however, such a rule may or may not be followed at the present moment, it is clear at least that the co-operative bank in all circumstances secures that capital shall have only a limited profit and that the management shall rest with the members who make use of the bank and who, therefore, will take care to insist that its working shall be to their own best interest as customers. This is an advantage at once gained by the co-operative bank over the joint-stock bank.

The greater security of co-operative banks, supervised as they are by Government officers and working as they do under strict rule, is another advantage which hardly needs to be emphasised. The constant failures of joint-stock banks in India enforce the lesson But there is more to be said than that. The existing banking institutions have not been able to develop their business to any appreciable extent even in district towns, and hardly any attempts have been made to provide banking facilities for talukas and their trade centres. Moreover, banks which already command sufficient and extensive business on present lines are disinclined to undertake a banking business with modest beginnings and modest customers in such centres. Moreover, with their centralised machinery, it is doubtful whether they could do so successfully or whether it would be possible for them to buy credit from or give it to small merchants, craftsmen or artisans.

If you want to have a look at Mars, watch it on August 22nd, when it will be only 34,500,000 miles away, the closest for 120 years. It is sometimes 63,000,000 miles distant. Some of our wireless enthusiasts will be trying to get in touch.

Yet small banking facilities are a primary need of advancing India. The co-operative movement seems predestined to undertake the duty of supplying such facilities and can do so successfully. Co operative people's banks are admirably suited for tapping local capital and stimulating the free circulation of money and of those rights to action and rights to service which are called credit, for developing local trade and fostering local industries.

The success with which this has been done in Italy is known to all the world. It is less known perhaps that in France also similar success is being achieved by co-operation. Although the law which constituted such banks in France was promulgated as late as 1917, there were already by the end of 1920, 77 such banks in the country with a working capital of about one and a half million sterling.

Such examples are an encouragement to co-operative banking in India. The progress of co-operative people's banks in the technical sense of the word has been most marked in the Bombay Presidency, and I trust you will allow me here to quote remarks made by the late Governor of Bombay, Sir George Lloyd, to whose stimulus and support co-operative banking owes so much. In addressing the Co-operative Conference in 1921 Sir George Lloyd said :—"If co-operators can succeed in establishing institutions of this class honestly working, deliberately seeking to foster the trade and craftsmanship of their towns, and introducing into the humbler homes of the people those banking practices upon which the credit and industry of Western countries is mainly built up, they will, I can assure them, have accomplished a step for the progress and prosperity of India for which a parallel would have to be sought in the first growth of Scottish banking in the 18th century. If they accomplish such a task, I feel certain they will multiply the wealth of the country and increase the comfort of the individual citizen to an extent which perhaps none of us can imagine."

In the previous year, speaking at another Co-operative Conference, Sir George Lloyd had already said that "these urban banks have an increasingly important part to play. As they grow and extend they bring new promises of progress and prosperity to artisans, to the smaller merchants

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Where everything is done through the bureaucracy, nothing to which the bureaucracy is adverse can be done at all-John Stuart Mill.

and to local industry, but their utility is by no means confined to the assistance they can directly give to these classes by way of loans and support. A bigger task lies before them. At the present moment, outside of Bombay city, it may be said almost without exaggeration that no banking facilities whatever exist, nor is there any great likelihood that the joint-stock banks will take up mofussil banking to any considerable extent in the near future. The co-operative movement has, therefore, lying before it a virgin field, and I see no reason why co-operative banks of the Luzzati type should not penetrate the whole field and take up the work of supplying this Presidency with the banking facilities which are obviously required for its prosperity."

What I should now desire to do, were it possible, would be to trace in detail the progress made by co-operative banks of this class, namely, true people's banks or urban banks, throughout India. Unfortunately the form in which the statistics and reports of the co-operative movement in India are drawn up, makes it impossible to do so with any accuracy. The statistical tables group banks of this order along with every kind of co-operative society which deals with persons other than cultivators, and it is not possible to disentangle from the tables to what extent the figures represent banking operations conducted by real co-operative banks.

From individual reports of some of the registrars of some of the Presidencies, information is, however, available. In the case of the Bombay Presidency for instance, for the last three or four years information has been given in full detail in a separate statement. For the other Presidencies it is known that co-operative banking of this class has been most successfull in Burma and least successful in the Punjab. It also appears from an analysis of the general statement, that the banks in the Bombay Presidency have more than one-third of the working capital of such societies and banks throughout India, and that their transactions in this class amount to about one-third of the total transactions in India.

It is allowed by all critics that no portion of the co-operative movement in the Bombay Presidency has been more satisfactory than the urban co-operative banking movement. I venture, therefore, to trouble you with some detailed figures for that Presidency.

This is My Duty.

To use what gifts I have as best as I may;
To help some weaker brother where I can,
To be as blameless at the close of day
As where the duties of the day began;
To do without complaint what must be done;
To grant my rival all that may be just;
To win through kindliness all that may be won,
To fight with knightly valour when I must.

In that Presidency societies are classed as urban banks when they have a working capital of over 50,000 rupees and submit financial quarterly statements to Government. Of such banks there are now 31 in the Bombay Presidency. Of these, 15 are pure people's banks of the Luzzati type, open to all persons of every class and caste in the area, and undertaking every form of popular banking. The other 16, although otherwise working as banks, are confined either to a particular community or to persons in a particular kind of employment.

The share capital of these urban banks amounted, at the end of March 1923, to 18½ lacs and the reserve funds to nearly 4½ lacs. Several banks had to refuse deposits as they could not utilise further funds within their area. In spite of this fact, members deposits rose to 70 lacs, while another 16½ lacs were held for non-members ; 103 lacs were lent during the course of the year ; 91 lacs were repaid, and 98½ lacs in all were outstanding at the end of the year. Overdues were 5½ per cent of the working capital.

These figures, taken as a whole, I think, are distinctly promising and shew the importance already achieved by co-operative banking of this class. It may be noted, however, that the turnover in most cases is not sufficiently rapid, while another point that is open to criticism is the insufficiency and underpayment of the staff in many cases. It seems to be difficult for Indian gentlemen to grasp that big business must imply an efficient, honest and contented office establishment. But there are institutions among those banks which, in my opinion, can face comparison with any similar institution in any part of the world. I know at least one such bank in which I am unable to discover any point in which its working is not equal to any Luzzati bank in any Italian city of equal size and importance. These banks are more and more going to use the provincial co-operative bank as a clearing house, and the importance of the provincial bank to the movement as a whole can hardly be overestimated.

Mention of the provincial bank brings me naturally to the second section of co-operative banking, a section perhaps more urgent at this actual moment to a larger number of people but less important probably in the near future and less interesting intrinsically. I refer by this to the

Do not waste your time on social questions. What is the matter with the poor is poverty. What is the matter with the rich is uselessness. G. B. Shaw.

system of agricultural banking which is worked by the district central co-operative banks and the provincial co-operative bank at their head.

These banks lend to societies and not to individuals. In general they lend for a period of one year and sometimes up to periods of five years. In the Bombay Presidency, under a system recently inaugurated, they may even give loans out of funds provided by Government and sanctioned in conjunction with a Government official up to a period of twenty years for permanent land improvements. The loans are always secured on the unlimited liability of all the members of the society which receives the loan. Ultimately the real security is that of the land belonging to the cultivator. The business is, therefore, one of a kind essentially steady and conservative. Their turnover is apt to be slow, their profits can never be large.

The work they do is, however, invaluable, in 1922 there were 473 banks of this class, including provincial banks, in India with a working capital just under 10 crores and a share capital of 1⅛ crores. It must, however, be remembered that the figures for working capital are inflated, since moneys lent by the provincial banks to district banks appear in both balance sheets.

For India as a whole the turnover was very slow indeed, less than half of the total working capital being lent in the course of the year, and only a little more than one third being recovered. In the Bombay Presidency, where the working of the district banks and the provincial bank follows more closely than elsewhere the working of similar banks in France under the Office Nationale de Credit Agricole, the figures shew greater banking ability and progress. At the end of March, 1923, there were 20 such banks, including the provincial bank. Including the provincial bank again, the figures of loans made were I crore and 48 lacs; their recoveries were I crore and 37 lacs; and the outstandings were just under I crore of rupees.

These figures shew considerable banking stability in the totals and outstandings as compared with the loans made during the year, and the recoveries received may. I think, compare favourably with most parts of India. They certainly shew that the primary purpose of agricultural banks is being kept well in view.

Excluding the provincial bank, the share capital of district banks in Bombay amounted to 13 lacs in all, and they held 55 lacs in deposit from individuals, and 9 lacs from societies. The provincial bank itself had a

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"The ideal of co-operation is indeed, a noble one, for it mean the transformation of human life," says Bishop Stubbs.

working capital of 85 lacs, made up of 18 lacs of non-withdrawable and long-term capital, and 67 lacs of with-drawable capital,

Before leaving the subject of co-operative banking, a few words appear to be desirable in regard to the expansion in the use of cheques and the transactions in bills of exchange conducted by and through the co operative movement. I believe, though I am not certain, that these branches of banking within the co-operative movement are so far confined to the Bombay Presidency, and it is only in the last three years in that Presidency that they have attained any considerable extension.

I must confess that the figures given cannot be relied upon as being absolutely accurate because of some misunderstandings on the part of banks in filling up their returns. The figures may, however, be relied upon as approximately representing the total transactions. Thirteen thousand cheques appear to have been drawn on or by central banks within the last year to an aggregate value of nearly 5 crores. Urban banks drew or cashed another 5,300 cheques to an aggregate value of I crore. Of these there were drawn by individuals against their own accounts cheques to amounts aggregating 29 lacs. In addition some 150 agricultural village societies were reported as having had cheque transactions, the total number of cheques used by them being 4,800 to an aggregate value of 23½ lacs.

The totals in that class of bank and society amounted to 23,000 cheques to an aggregate value of 6¼ crores. Further encouragement to the easy use of cheques has now been given by a concession of Government exempting cheques of members of societies from stamp duty up to a value of 20 rupees. In addition, transactions were reported in bills of exchange amounting to another 14,000 in all for amounts aggregating 1 crore and 80 lacs.

Compared with countries like the United States or even the British Isles, where deposit banking and the use of cheques have been familiar for generations, these figures will, of course, appear insignificant. They do, however, represent substantial progress in increasing the money in circulation in the country, and furthering the wealth available at any moment, and they represent also an imponderable advance towards greater familiarity with the meaning of banking deposits and business methods. In the past, with the absence of banks and the practice of hoarding, with

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Fresh green vegetable soon lose their distinctive flavour if packed closely and transported over a long distance. So far as possible buy vegetables from men who grow, or those who live near the retail markets.

the difficulties encountered in the transmission of money and the ignorance of its value and meaning, one rupee in India hardly did the work even of half a rupee. With the freer use of cheques, as now being introduced among the humbler classes of the propulation, it may be hoped that before long each rupee will, in the course of the day, perform, as in other countries, the work of two or three rupees in adding to the circulating wealth of the country.

I trust the paper I have just read may have been adequate to give some idea of the possibilities of co-operative banking in the great dependency of India, and some idea of what already in the last few years has been attained. What has been attained goes, I think, beyond even what appears from the figures. The encouragement given by urban banks to small traders and artisans can only be measured on the spot, but experience shews that it has restored hope where too often there had only been despondency before.

I can cite, for instance, the community of tailors in the Bombay Presidency as a particular instance. Their caste seized with particular avidity upon the idea of co-operative credit, and has made a beneficial use of it, which has improved their spirit and morale and brought back, to their homes many families who had already had to seek refuge and employment in the larger towns. With increased knowledge, the hope of saving and of depositing is fast growing, and a thriftless class is being turned into a class of small capitalists.

The influence of the banks in reducing rates of interest, even among money-lenders, has been openly acknowledged, though it is difficult to chart, especially when world conditions have too often had a counter-acting effect. But excessive rates of interest, demanded and obtained in India, imposed a burden almost intolerable upon improved cultivation and upon craftsmanship, and the value of co-operative banks in lowering such rates, not only for their own members, but in the surrounding country-side by their influence, is of immense value for the prosperity of the land.

Most important of all in my opinion is it that, with co-operative banking, we have at least started a system by which the powers of finance with all that they contain of potentialities for good or evil, may be used by the people, for the people and through the people.

The work that remains to be done is still enormous, and the number of workers is still too few, but with the growing spirit of national feeling and the corresponding gain in self-respect and self-sacrifice, that number, especially among young men who are prepared to devote energy to the task and to perform it with full reliability, is noticeably increasing.

It has been said that every people gets the Jews that it deserves. It is at least as certain that no people can have a co-operative movement which it has not deserved. Unfortunately, even within the limits of the co-operative movement in India, the standard of integrity has occasionly been lower than one would have desired. But I cannot but think, that the prospects for the future are bright, that integrity is increasing and that the desire for national renaissance is providing a stimulus which will urge co-operative banking, like other forms of development in India forward to a successful career.

RURAL RECONSTRUCTION

That India's progress depends largely on the reconstruction of her rural life has been more often stressed in recent years than before, and needs little argument.

Any programme for rural reconstruction cannot be adequate if it does not recognize the need for the improvement of land and agriculture. The cultivation of the soil and the production of food form the most important and absolutely essential needs of life. Yet, one has to wonder why centuries of agricultural practice has not tended to improvement in its methods. The reason is not far to seek. While many of our villages, have given to the nation thinkers and workers, nationalists and politicans, they have failed to hold men of keen brain and intellect. The tendency of the educated man is to move to the town, leaving the tilling of the soil to the ignorant and the poor. The manual labour which the industry involves is no attraction to the educated man. He that is perforce left at the farmstead is one who is ill-equipped for his task, with no adequate knowledge to enable him to fight through. The ryot is an ignored man left to follow the dictates of his forefathers and tradition, and not the prescriptions of modern science. The land does not receive the attention of trained intelligence and keen brain, and consequently the yield is poor.

With regard to the financing of his profession the average ryot is always at his wit's end. The poor results of his labour cannot help him to build a sound financial system for himself. The commercial banks in

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The story of Art is the story of Man's Evolution. The story of Co-operation is the story of Human Progress.

To train up the boys and girls friendly to the labour movement and to hate war is the purpose of the newly formed National Council for child development. Organisation for working class children to take the place of boy scouts, girls guides are to be started in every State.

the towns, depending, as they do, for their resources on the short-term deposits of their constituents, cannot afford to meet his needs, which are generally for long-term loans, running over periods of different duration according to the nature of the crops raised. Helpless in financial crises, he is inevitably driven to the moneylender, whose usury is the ryot's ruin. In course of time, when all the produce of his land, except perhaps a mere subsistence allowance, must invetably be the share of the moneylender, there can be little incentive to strenuous work, and the ultimate result is, land unimproved in quality yielding poor out-turns. The co-operative movement is slowly coming to his aid, and, divested of unnecessary hard-ships, it is sure to become a veritable boon to the small holder and the petty trader. Granted a satisfactory organized credit and acquisition of improved knowledge, the financial side of the rural problem should be of easy solution. The ryot will then be able to get the most out of his and improve it as never before, intelligently adjusting himself to the prevailing conditions and vagaries of the seasons.

In ancient India the village was self-contained, and was not dependent for its life on any outside agency. It produced its own food, clothes and other necessaries. The disintegration that has come about should be deliberately checked by a revival of the other industries. There is a plentiful growth of cotton in the country. The villager must be taught to spin and weave for his own needs, though not for export. There are in every village enough materials which can be used for one cottage industry or another Leaves of the palmyra, the cocoanut and the date palms, aloe and plantain fibres, kora grass, bamboo and horn are ever avilable to be turned to profitable use. Hand spining, handloom weaving, basket making, rattan and bamboo work; button and toy making, poultry farming, butter and ghee making, are easy occupations for the spare time and the off-season, tending to economic progress.

To stamp out illiteracy and general ignorance, a night school for adults, a village library and reading room are indispensable at every rural centre in addition to efforts at adult education to spread abroad a round knowledge in rural economics, sanitation, hygiene and temperence, through the cinema, the theatre, lantern shows and well-organized exhibitions. Their possibilities, coupled with the development of business ability, will bring to the villager a knowledge at once practical and beneficial. Village

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Courage.

Nothing is lightly won;
Nothing won is lost.
Every good deed nobly done
Will repay the cost.

panchayats and arbitration courts, while trying cases for a nominal cost, can gradually help to remove the causes that lead to litigation, for which the ryot has a proverbial taste.

Only a scheme that is comprehensive enough can be calculated to bring about the needed reconstruction. It is no good developing one side of rural life and losing sight of the rest. It is harmonious development that should be aimed at.

I have yet to see a ryot who is not dissatisfied and grumbling at something else, instead of searching for defects in his own methods. He deplores the defectiveness of the soil, blames the seasons, and is distressed at the falling of the prices just at the time he gathers harvest. He does not look farther to realize that other industries have calamities peculiar to them, and that the character of his land cannot be anything better than what his effort has made it. Industry on his part was, no doubt, lacking, but he has not had the knowledge and ability to labour in the right direction and to use his finance judiciously. The source of his wealth is not so much in his material resources as in well-directed energy and initiative. Little progress can be made, therefore, if the solution of his problems were not made to lie very much in his own hands. His progress, however, is hindered by the emigration of the educated young men to the town and the town-dwellers' lack of interest in rural welfare. This fact has removed his confidence in them, and their pious precepts he is sure to resent. Instead of imparting to the village boy, therefore, a knowledge which he cannot use on the land in his after life, an education which will fit him to the soil must be definitely promoted. The knowledge acquired in a village school has no effective relation to rural life and the consequent town-ward tendency into the high school and a government clerkship is inevitable. On the other hand, the village school fails to attract boys who wish to stay on in the farm to follow the profession of their fathers. Its curriculum, then, needs drastic change, and has to be so adapted as

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President Coolidge has inaugurated a new system of handling the large number of visitors who go to the White House to meet the chief executive. He has decided that the old hand shaking system is so much wear and tear on the human frame.

Nowadays he sits at his desk and proceeds with his work while his secretary ushers the group of visitors through his office. They have an opportunity to take a good look at their president and see him as he really is at work. Press reports indicate that the new step is a quite a success. The visitors seem satisfied and the President is saved a good deal of physical strain.

to appeal to the rural parent, guaranteeing attention to the practical side of the life lived just outside its walls.

Labouring under difficulties such as these, the village is incapable of producing intelligent leadership for its people. Thanks to the co-operative movement which has come to stay, it stimulates the business instinct of the villager, provides an effective education in rural economics, and promotes the growth of community feeling, on which it is itself based. The community standpoint which it demands is deliberately evoking the claim of DHARMA, which lies hidden deep down in his heart, and this indeed is a real asset in rural reconstruction. Co-operation has brought to the fore men of character and capacity, and has, in a way, placed them in positions of leadership to enjoy the confidence of their fellows over wide rural areas. But there is not in them a bit of the requisite technical knowledge to plan and accomplish the necessary readjustment. Is not this dire need a clear challenge to the social servant and the rural worker to effectively link them with the trained expert? The not uncommon tendency of the worker, however, to attempt extensive work with a view to publicity and support, should vanish in favour of concentration. Scientific agriculture, the use of modern farm implements and machinery, the intelligent handling of the live stock and fodder, the employment of the spare time and the off-season in useful cottage industries, successful poultry farming and sheep breeding, the benefits of village panchayats and arbitration courts, and the advantages of co-operative purchase and sale, should be zealously demonstrated at his very door, to get the villager to change his mind and methods in order that he may keep pace with the onward march of nations to progress. Service, such as this, backed, as it should be, by a strong religious life, is what every lover of the country should help to render. It should not for a moment be delayed. The villager is just emerging from the forgotten sphere to compel the interest of the politicians and the leaders of the country at large. Under the new reforms the ultimate political power rests with the rural voter, and the aspirants who desire his suffrage have to satisfy him of their genuine interest in rural welfare and their capacity to help him live "happily, contented on the land,"

J. N. JAYAKARAN.

The crimes of history may be summed up in the words—abuse of power. The teaching of history is that power is always abused.
—(John Stuart Blackie.)

CO-OPERATIVE PROPAGANDA

The perusal of an article with this heading by Mr. T. Srinivasa Mudaliar, B. A., B. L., Hon. Assistant Registrar, Erode. prompted me to place my experiences before the co-operators and readers of this magazine. It need not be stated that Mr. Mudaliar has devoted an anxious thought over the defects in the working of the movement and possibilities of it in future and has suggested ways and means for the better working of the societies. The propaganda work is unsatisfactory and ignorance and inertia of the villager, his superstition, want of the spirit of self-reliance, the presence of the village sowkar to whom he sticks in spite of our efforts, factions in the village, wants of proper leaders, want of mutual trust are the most important obstacles to be contended against. Such is the wailing of this eminent co-operator and one has to admit that he has almost exhausted the list of disabilities. Yet it would not be fruitless labour if we carry our investigations a little further and see whether the system of organisation itself is not to blame. I shall explain myself by my experiences in two instances which opened my eyes. A number of societies for fishermen had been started by the Fisheries Department and similarly now a number of Panchama societies are started by the labour officer and the management and control of these have been or are then transferred to the Co-operative Department. They die out after an ephemeral existence and one or the other Department is held responsible for their short life. An epitaph has to be written on them. "Here lies the society dead and buried started by Mr. So and So, but neglected by Mr. So and So and strangled by Mr. So and So." Such is their life history which gives room for thought at the system of organisation. One member of such a moribund society had an occasion to meet me—he was a fisherman—and he knew that I was only a teacher (though a government servant) and I drew him out to talk about his caste organisation and caste funds. I learnt from him that the hamlet or Patna as it is called here, had Rs. 2000 from collections by the caste people. It was invested at 12½ per cent in the shape of loans to the community members. Every year they met and disbursed this amount in their Kootas or general meetings among the members and next year on koota day they had to settle the

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We live our lives within such a small circle of activity that anything which happens to them in the outside is as foreign to us as if it had taken place in Zanzibar. We travel that circle daily, eat sleep, work and then again sleep. Sometimes we leave out the work, but then in such cases we can fill the vacancy with, think; which is more profitable in the long run; not to go out of work but to work to some point.

accounts. The general meeting cast up the accounts and in cases where time had to be granted for repayments such questions were decided then and there. Out of the profit a certain amount was set apart to be offered to their Guru at Barkur. Out of the remainder, grants-inaid of their local temple, fees for the clerk who cast their accounts and doles to indigent and deserving poor of the community were disbursed. The savings or net profit was added to the general fund and fresh loans were granted. The social boycott was rigorously enforced against defaulters. The notice for the general meeting was communicated by a peculiar but effective method. A cocoanut palm leaf was tied to every boat on the shore which meant a prohibitory order for boats not to put to sea. There were no complaints or lawsuits to enforce the order of the panchayat which consisted of the Gurikars or the hereditary headman of the community. Here was a crude primitive but effectively working co-operative society which could have been improved upon. We neglected it and started our own thrift societies which compelled each member to pay his share capital by monthly instalments and the collected money was distributed among members. We were nervous that large amounts cannot be ventured on the community when really honesty and trustworthiness formed the characteristic of this uncivilized community. The collected money never satisfied the needs of members and the management was not often in the hands of hereditary Gurikars but so called educated few, who had forgotten much of their primitive honesty. The result was obvious. Most of the societies are in a moribund condition or in a condition of trance:

Similarly there is one Panchama premier society which is also in a state of lethargy. Here some of the members had formed among themselves a separate unregistered society which collected money by compulsory deposits and lent to members as well as non-members. When the latter had to be financed one of the members had to stand surety. The recalcitrancy of members or borrowers was guarded against by obtaining a bond in the labourer's contract form and in case of recalcitrancy the bond was transferred to petty cooly contractors who collected the amount by means of a threat of prosecution. This was the most objectionable feature in it. The members were asked why they would not work the registered society. The suretyship affairs was the rock on which the ship of their frail co-operative society split. The 2 sureties had to be approved

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First Maid - "How did you like working for that college professor?"

Second Maid - " Aw it was a rotten job. He was all the time quarrelling with his wife, and they kept me busy running from the keyhole to the dictionary."

even for a loan of Rs 4 or 5 and the principal borrowers and sureties had to wait for the pleasure of the Panchayat which was not selected out of their heriditary Mookaris but sometimes non-panchamas owing to their education were enlisted as Panchayat members. The rules did not provide for loan on members' own assurance bond unless it was signed by the sureties. These instances would show we had not improved existing institutions and tried to bring them under a system. We had our own conceptions about what the societies should be, we carved out our own models which were looked with suspicion by many and which did not help them and planted them as rivals or which were treated as rivals by the country. These cannot be considered as solitary instances. The caste societies, where they are started, should have formed the superstructure on the existing crude though useful institutions. I am afraid our want of confidence in them to manage their affairs rather than their ignorance and superstition prevented us from giving a lifting hand to them.

This brings me to the question of human material detailed out to organise these institutions. The organisation by the government departments reminds me of the fruit yielded by the mango stone within half an hour in the presence of a large number of spectators to the tune of the magician's pipe and in obedience to his wand and to the beat of his drum. The play is over and the mangostone alone remains which goes back to the magician's basket, to be exhibited again at the next show.

The complaint about itteris (village roads) shows us another mentality. It has to be admitted that the gulf between the educated man and the uneducated villager is wide and cannot be bridged over easily by the tiny creeper rope woven by the present day non-official propagandist who has more often than not taken this work as a hobby or a pastime. A living faith in the movement, a sort of missionary spirit is necessary to bridge this wide gulf. Else, the tiny creeper rope will go on sagging and give way in the middle and the man that attempts to cross will only hang above the chasm clutching for very life to the ends of the broken rope. I once had the misfortune of attending a bankers' conference in Madras and a number of Deputy Collectors and Assistant Registrars had attended it. A large number of co-operators of the Presidency, both of the town and suburbs, the pith of the movement, had attended it. The picture created a depression in my mind which I have not even now shaken off probably due to my bad nerves. The Assistant Registrars were sitting in groups and were discussing in whispers the latest G. O.

Art is a spiritual triumph. Co-operation is a triumph over materialism.

Re. the revision of the provincial services ; the few that were close to the chair were discussing in an undertone the question of return journey, and other engagements in town. The Sir Oracle, the departmental head in the chair, was turning over file after file and speaking on all the important questions and giving his own views and criticisms which none seemed to attend. But the tiffin at the interval was really sumptuous and I have not even now forgotten it because I had not to pay for it.

"Can we make any bricks out of such straw" was the question I put to myself and I have not yet been able to find a solution. I mean this in no carping spirit. The attention concentrated more on dividends than on the real moral side of the movement shows that most of us had not time enough to look beyond our nose and to peep into the distant future and picture to ourselves the immense possibilities of the movement. Have we got missionaries to undertake this noble task of ameliorating the condition of the poor with the help of such a movement ?

A dreamer.

LADY PROPAGANDIST.

With reference to the resolution on the above subject passed by the Provincial Co-operative Union the following note appears in the June number of the the *co-operator* Calicut. 'One of the successful stores in this District is the Perintalmana Co-operative purchase society. We know that the one reason for its success is the active support and Co-operation of the wives of the members of the society. When any defect in weight, measure or quality of the articles sent from thestore is noted by the women they would at once send them back to the store and the management will rectify the mistake immediately. By this reason a public opinion was created that the store articles are superior to the bazaar articles. So even if occasionaly the store price was higher than the market rate the women of the family insisted on buying from the store as the quality, weight and measure are superior. So if the stores are to become successful it is enough if the management would satisfy the wives and the women relatives of the members that the conveniences referred to in this note are available in a co-operative institution. In the result every one of these women will turn out in fact to be a propogandist. No women would be available for propaganda work alone and there is no necessity for it. All sales in Perintalmana are for cash and invariably at market rate.

At Elaine (Victoria) a constable prosecuted his wife for not having his child vaccinated. The wife was fined 10s which the husband paid.

THE PALAMCOTTAH LADIES' CO-OPERATIVE SOCIETY.

1. This Society was started on 24. 8. 23. (24th August 1923) being the second of the kind in the Presidency. (There is one in the Salem District).

2. 62 members have been admitted. No. of Shares. 95.

3. Paid up share capital Re. 934.

4. 35 Loans amounting to Rs. 1950 have been disbursed.

5. The Board consists of 5 members, a President, a Secretary and 3 Directors.

6. The monthly instalment of loans and Share capital as far as possible being collected regularly and the loan applications from members are considered with great care in the Directors' meetings after obtaining the opinion of the V. M. and other local gentlemen.

7. The Society has made a good beginning and is expanding its transaction.

THE WORKING OF SEED UNIONS AND THE CONDITIONS THAT CONTRIBUTE TO THEIR SUCCESS.

Origin of Seed Unions.—So far back as 1913, it was felt that some improvement over the existing lines of Agriculture could be realised by explaining and demonstrating the improved lines in some of ryots' lands all over the Presidency. But the help offered by the Agricultural Department was in no way commensurate with the requirements of the ryots because of the prodigious demand of funds which could not be spared. Further it was found that the progress was very slow to get through with the agency of the Departmental officers alone. When population and export were treading on the heels of production and even overtaking it, the little increase of yield could not ease the situation. It was therefore thought essential that some other means should be introduced to hasten the progress. The imminent work of the Department then on hand in the southern circles was the spread in Tinnevelly tract of cotton seed of some strains of undeniable repute for which the Departmental hands and funds were in no way sufficient. The ryots were thus shown a valuable thing and advised to benefit themselves through it by self-help and co-operation and that was by means of seed unions.

Co-operation acts independently of the State. It relies on the people's efforts to carry on for themselves through co-operation those usual functions which are now performed by profit-business or the political state.

The object and principle of work of the seed unions.—By this a body of ryots or gentry form a union in a well constituted manner, take members into it with a small sum of entrance fee and annual subscription and distribute the pure cotton seed of the improved strain amongst the members so that they may grow the crop pure and hand back the kappas to the unions. The cotton is ginned co-operatively, the lint sold at high premium, the pure seed is again distributed among the members and outsiders as well, and the cost of produce with profit is distributed to the members. All this is done by the union. Thus purity of seed is maintained and the particular valuable seed distributed abroad. This work could be done with other seeds as well. Though called a seed union, the executive may extend their activities if they care, to other spheres of Agricultural improvements such as supply of improved implements, machinery, concentrated manures and even demonstration of better methods of agriculture in their lands to the benefit of other ryots.

The relation of the seed union to the Agricultural Department.—To one in close touch with the working of the Agricultural Department, it well be within easy reach to understand that the work of the seed unions does not materially differ from the principle of work of the former which is confined in any one centre and conducted by a demonstrator holding an office with maistries and messengers and above all supervised by an officer of no less a grade than Gazetted rank. In other words when the seed unions were started the Departmental activities confined till then to small areas were transferred as it were to the hands of the public by putting them in the way to co-operate and help themselves.

Commentary.—Having given the origin and the principle of work of the seed unions and their relation with the Agricultural Department, I now briefly deal with the existing affairs, a study of which will reflect the conditions that contribute to their success. Several seed unions were started in the southern circles. Some are working fairly and some unsatisfactorily. The seed unions started in the north, at any rate, in the 3rd circle, are only existing for name sake. All this is due not because the principle is wrong, nor the ryots unwilling to follow the improved lines, but because there are no men with the required knowledge to conduct the work, and the willingness to sacrifice their time and energy for the sake of the seed unions. If men of required knowledge and willingness are easily available the improvements that are aimed at by the department could be easily rushed through quickly and cheaply. Inasmuch as I have pointed out that the work of the seed unions is more or less akin to the work of the Agricultural Department confined in any one locality, I do not mean that Agricultural Deplomats are required for the working of the seed unions, firstly, because the work is limited and confined to a small area with certain objects in view and secondly, the Agricultural Departmental Officers are ever ready to guide and advise them. All the same, it requires men of some little training to conduct the work of the seed unions. Even though the Agricultural Officers are helping the seed unions with regard to their working, the second drawback i. e. want of willingness to do the work at the sacrifice of one's own time, earnings and energy is quite common in our daily experience. None can question this drawback in humanity. Most people do honorary work extremely well in the beginning, but by experience it is found that that enthusiasm is but, temporary. This is the cause why such institutions either fail or work unsatisfactorily. It would be vain to endeavour to try and work these seed unions as they stand now. They must be worked on sound business principles. Then only can the work of the Agricultural Department be relieved.

Happy are the unpretentious lovers of peace for they alone can inaugurate a social order of harmony when in possession of the requisite knowledge of technic and skill for its actualisation.

Suggestion:—Supposing some men are specially trained for working the seed unions either through the Agricultural Department or Co-operative Department, taken into Government service on some fixed pay, lent for a few years free of cost wherever the seed unions are started till they are put on sound financial basis and good working order and then taken back to some other seed union; I make bold to say that they would work quite successfully which means relief to the Agricultural Department. When once the seed union is put in good working order and sound financial basis, ii would be able to employ a paid secretary from among the candidates that were trained for the purpose. Only then can there be some control on what is called duty. When these unions work successfully and from occular demonstrations, there can be no taluk or firka without a seed union. Thus there can be no wanting of posts for these trained men when seed unions are wanted to each taluk or firka. To secure the right sort of men for training in seed unions work, it is not a difficult matter provided we make a rule that the training is mostly in vernacular and the records and correspondence of the union is to be purely in vernacular.

Vitamines are substances in our food which make life possible. Without them we could not live or grow. There are five kinds of vitamines and they are to be found in all kinds of food.

It may soon be that we will be walking around with a tablet of compound vitamines in our pocket instead of having costly dinner at a restaurant!

Now we consider the scheme from a financial point of view. The Agricultural Department is spending several thousands if, not lacs, of rupees for propganda and demonstration. In course of time, this has to be increased more and more because the staff at present is extremely insufficient to cover the area under cultivation. All the same the progress happens to be slow as it is at present in places where the departmental officers, alone are working. Side by side if we place the cost of the scheme suggested above and compare the works or good turned out, in both cases for a unit value, I am of opinion that the seed unions scheme of work will prove beneficial. If these seed unions were to be a success, the spirit of co-operation would permeate in every walk of life and the Co-operative Department should necessarily have an easy walk over in its aims. To the best of my knowledge from all points of view, this seems to be the only possible conclusion that could be arrived at. I now leave the matter for better men—heads of sections—to give their full deliberation to this question and do something to ameliorate the condition of the poor ryots of this Presidency.

REVIEWS.

LABOUR IN INDIA

By Janet Harvey Kelman

(Research Fellow, Sally Oakes College,) London : George Allen and Unwin Ltd. 10/6 *Net.*

It is with peculiar pleasure that we welcome this most interesting study of the conditions of labour in Indian Industry, (chiefly cotton and jute mills) at the present day. The author is an American lady who naturally felt interested in the condition of her Indian sisters working in the mills, and came out to India with this primary object. But her observations led on to the general conditions of labour as affecting both men and women and also children, so that we have a complete introduction to the entire problem in India.

Modern Industry in India is but in its infant stage. But already great strides have been taken and greater efforts are bound to follow. There is a class of people who view this advent of Industry with its accompaniments of bustle, wearisome many evils that follow in its train, thea,ef'diclentsnenoa g dd with suspicion if not abhorrence. They regard this as a baneful onslaught on the placid, contented, agricultural village life of the Indians. Miss Kelman recognises the great contrast in the industrialism of the West to that in the East generally. Whereas in the West it grew up suddenly and extended over a wide area, it has been deliberately introduced as a piece of imitation in the East where its progress has been comparatively slow. But our author realises that in this as in most matters, India can hardly expect or afford to lead an isolated existence. The world is knit in bonds of closer union now than half a century ago.

It is, indeed, with such consciousness and in the full hope that the solution of some of India's industrial problems, which are of world-wide significance, will lead to better social and international relationships, that the author has approached the subject. In doing so, what is most surprisingly striking is the wonderful power of sympathy and appreciation that she has brought to bear on Indian life—particularly village life and on Indian spirit and genius. The two opening chapters are faithful, and, withal, charming pen-pictures of Indian life and thought, drawn with the intimacy of inner knowledge and experience. The succeeding chapters deal with the introduction of modern industry (chiefly cotton and jute), and starting with an interesting description of the mills and their working, the several processes of the industries, deal with the problems of hours of work, wages and methods of payment, condition within the mills, housing, health, standard of living--in fact, with all the problems connected with labour and its welfare. Facts are related with dispassion and without exaggeration, the difficulties of employers on the one hand and the disabilities of the work-people on the other are set down with clear impartiality, and illuminating suggestions for the improvement of conditions are thrown in at intervals. It is recognised that the employer and the wage-earner are not necessarily antagonistic, but stress is laid on the solution of problems so as to advance the interests of both. The closing chapters on Trade Unions, Legislation and Co-operation, show the possibilities of these instruments of organisation for the betterment of human living and standard. Throughout there is a plea for right understanding and for sincere sympathy. There is an unmistakeable undercurrent of suspicion against the political agitator poking his nose into these problems. "The attitude of many educated Indians towards the illiterate is not of a kind to inspire confidence." But the discrimination and restraint charactersing this opinion hardly leaves any doubt as to its honesty. There is a fine appreciation of the work that organisations like the Servants of India Society, The Seva Sadan, The Social Service Leagues, etc., are doing for the betterment of the people concerned. Though not loaded with "facts and figures" which, in our opinion, is a pleasing feature, the book is neverthless sufficiently full of detailed information and references to stimulate in the social

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The leaders forget their duty to the mob and very often are in terms of 'Hail-fellow-well-met' with the mob. The result is the mob is growing fatter and sillier year by year, and has bred an impertinence so gross and despicable that it dares to give an opinion which is called public opinion.

"Oh, he's not a bad chap. At any rate, he throws himself into any job he undertakes."

"Then I wish he'd dig a well."

The Llano Colonist. Apr. 26, 1924.

worker and patriot a deep interest in the question of Industrial advance. Herein lies the value of the book. The fundamental basis of such study is clearly expressed in the Introduction thus: "There is a fashion of speaking of the Industrial advance of a country as if it consisted in production and export." "It is almost forgotten that the object of development is the welfare of a certain race or community of human beings."

REPORT OF THE MYSORE CO-OPERATIVE COMMITTEE, of 1923.

II

SUMMARY OF RECOMMENDATIONS.

AGRICUTURAL CREDIT SOCIETIES.

(1) **Territorial Distribution**. After dealing with the progress made from year to year by the Agricultural Credit Societies in the several districts of the state, the Committee accounts for the uneven territorial distribution of such Societies and for this purpose divides the whole state into 3 divisions :—(1) the east and south, (2) the west and (3) the northern districts. The first of these, it opines, satisfies all the conditions conducive to the growth of the co-operative movement, while the second which is mountainous, with excessive rainfall, unhealthy climate and inadequate means of communication, presents difficulties for the development of the movement and as such the "Malanad" is still backward from the co-operative point of view. The third division has a healthy climate and intelligent and hard-working inhabitants, while its rainfall is scanty and irrigation facilities limited. The Committee recommends that special propaganda work will have to be done and greater facilities for credit given to make the movement more popular there.

(2) **Organisation Work**. After dealing with existing machinery for organization work in the state and the initial handicap that societies had owing to want of proper training of the Honorary non-official agency, the Committee points out the necessity for providing facilities for giving proper training to the Members of Co-operative Societies and others engaged in co-operative work. They state that while the holding of provincial, district and taluk conferences is useful in its own way in arousing public interest, such conferences do not provide the continuous and systematic instruction that is wanted, and devote a special chapter for suggesting improvements in this respect.

(3) **Bad Societies**. As regards the necessity for weeding out bad societies they recommend that, while realizing the difficulties in the way of a wholesale cancellation of such societies, where there are no immediate prospects of their being revived, steps should be taken to cancel them at once. Otherwise "Skeleton" societies which figure largely in the annual returns cannot be satisfactorily dealt with. They also recommend that unless a society shows signs of vitality within a reasonable time after its registration, it should be cancelled and that the Registrar should, before registration of new societies, satisfy himself, after due enquiry, that the applicants for registration understand the principles of co-operation and see that before a society is registered, it satisfies the 6 conditions laid down for the purpose by the Maclagan Committee. They further observe that the second and the last points mentioned therein, viz., redemption of prior debts on an extensive scale and want of suitable men to manage societies, have really been the cause of several societies turning out bad in Mysore.

(5) **Non-official agency.** Dealing with non-official workers they state that the movement has not so far been able to enlist the sympathy and active support of the educated classes and that there has been a general lack of interest amongst non-officials in the movement. They recommend that proper steps should be taken to appeal to the generous instincts of non-officials to assist the co-operative department as co-workers and sufficient inducements should be offered to them to take up co-operative work in the form of suitable travelling allowances, recognition of special work by means of certificates, titles and other marks of appreciation and distinction and by giving them powers to take the initiative in chalking out new lines of activity.

(5) **Area of Work.** As regards the area of work, they are of opinion that the golden rule of one society for one village and one village for one society should be taken as the guiding principle, making due allowances for exceptions in towns and large villages, where the existence of different classes of people with different requirements may call for special treatment.

(6) **Average Membership.** As regards average Membership the Committee fix the limit for Mysore at about 60, as against one hundred fixed for British India by the Maclagan Committee, for the reason that societies in Mysore take up for the most part the work of liquidating prior indebtedness

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*See Page 39 of Bulletin for July for the 1st Part.

Co-operation is not Socialism. Socialism looks to the State to take over private industries and to have all industry carried on for the people by the Government.

What is the law of nature? Is it to know that my security and that of my family, all my amusements and pleasures, are purchased at the expense of misery, deprivations and sufferings to thousands of human beings- by the terror of gallows; by the misfortune of thousands stifling within prison walls; by the fears inspired by millions of soldiers and guardians of civilisation, torn from their home and besotted by discipline, to protect our pleasures with loaded revolvers against the interferences of the famishing? Is it to purchase every fragment of bread that I put in my mouth and the mouths of my children by the numberless privations that are necessary to procure my abundance? Or is it to be certain that my piece of bread belongs to me only when I know that every one else has a share, and that no one starves while I eat?(Tolstoi) of their members which requires that the capital of these societies should be larger and their Membership more restricted than elsewhere. They deplore that as yet, only 5 per cent of the total population of the state has been brought into the co-operative fold and that a great deal of work has yet to be done to extend the benefits of the movement to all the people of the state.

(7) **Management.** As regards the management of societies the committee remark that there was a tendency in several societies for the same board to continue for years without any change and suggest that at the time of general meetings, attempts should be made to explain to the members of societies that if the same management continues the mistakes committed by it are likely of remain undetected and there would not be sufficient facilities for the training to a large number of men in the management of societies. The sound management of societies, they say depends primarily upon the extent to which the Secretary and Board of Management understand and discharge their duties and to a certain extent upon the nature of supervision exercised by the general body over the board of management. As the work of the board of management is purely honorary and honorary workers are unfortunately frequently under the impression that they are not answerable for the proper discharge of their duties to the same extent as paid workers, the danger involved in all honorary work has to be minimised and to this end the inspection of the department should be more adequate. They decry the system of one man being made the virtual master of the society and for this reason recommend that the committee of management should not entrust any of its functions or duties to any one or two of them or allow them to appropriate such duties. The Commitee lays down the dictum that the smaller the Board the more efficient it is likely to be and while hesitating to fix a definite number for the Board of Management, they think that ordinarily a committee consisting of 7 to 9 individuals will be ample and in no case should it exceed 10 members.

(8) **Boards of Supervision.** After carefully considering the question of having boards of supervision to watch the work of the Boards of management they come to the conclusion that the introduction of such boards is not possible in Mysore, as in British India, at present.

(9) **Liability of members.** The Committee observes that although most of the agricultural credit societies in Mysore have adopted unlimited liability, owing to a lack of knowledge of co-operative principles, the obligations involved in the system of unlimited liability are occasionally not well understood.

(10) **Shares and Dividends** Shares form a large part of the working capital of most primary agricultural societies in Mysore, nearly 50 per cent of such capital being made up of shares. Although sufficient safeguards against dividend hunting, such as fixing a maximum limit for share capital and the dividend, have been provided, still this has the effect of preventing societies from building up their reserve funds. A recent rule issued by the Government of Mysore prohibits societies from distributing dividends without the special sanction of the Registrar and the Committee is of opinion that this restriction is wholesome and efficient.

(11) **Working Capital.** Societies in Mysore show a distinct disinclination to raise funds by borrowing from central banks, and as far as possible prefer to raise their capital locally. Although theoretically the position is quite sound, in practice it has resulted in stagnation in the development of several societies and practical starvation in the case of a few others. The average working capital of most of the societies is Rs. 1,500 while taking Rs 100 as the minimum requirement of a ryot for his current agricultural operations and fixing the average Membership at 45, the average working capital of a society would work at Rs. 4,500. Very few societies in Mysore reach up to this limit and very few again have sought the assistance of Central Banks for financing them. Most of such loans have been raised for the paying of the prior debts of Members more than for meeting their demands for agricultural operations. This tendency seems to be due to the idea that societies would develop a sense of self-reliance by not going to central banks. Another reason why they do not do so seems to be that no society could get its loan in time from a central bank. In the earlier stages of the movement a preference seems to have been unfotunately given to redemption work over current agricultural needs, and as societies were not adequately equipped for this task, they were not able to render the necessary assistance to to their members. Debt redemption work can be undertaken by co-operative societies only when they have a command over huge funds and for long periods. This requires a special kind of financing agency, namely, Land Mortgage Banks.

(12) **Maximum Borrowing Limit.** The Committee recommends that a maximum borrowing limit should be introduced in the Bye-Laws of societies on lines similar to what obtains in British India.

(13) **Loan Applications.** The investigation of loan applications now prevalent in Mysore seems to be quite a tedious business and involves considerable delay in the disposal of such applications. The Committee point out that instead of undertaking the investigation after a loan application is received, such work should be undertaken at the time of the formation of the society or as soon after it as possible and recommend the procedure that obtains in British India for this purpose.

(14) **Reserve Fund.** The reserve fund of societies in Mysore is utilised as part of their working capital. The Committee recommends no change at present but emphasises the need for every society to keep a sufficient portion of it in a fluid shape to meet emergencies.

(15) **Security for Loans.** The system of granting loans on the security of shares is prevalent in Mysore. The Committee recommends that this

"Liberalism in America is hindered because of fear of violent revolution, because teachers, journalists and parsons are not unionized but dependent upon the wealthy" Bertrand Russell.

Co-operation does not give you something in return for nothing.

system should be discontinued and if the management is satisfied about the trustworthiness of the borrower such loans may be granted without the security of shares.

(16) **Rate of Interest.** The rate of interest charged by primary societies in Mysore ranges from 11 to 12 per cent and the penal rate is generally ½ as much as the ordinary rate. In some localities the rates are much below the market rates. The Committee recommends that in such cases the difference between the two may, if necessary, be further reduced.

(17) **Purposes of Loans.** As regards the purposes for which loans are granted the Committee remarks that loan applications are not scrutinised with sufficient care nor is a proper watch kept over the borrower to see if he utilises the loan for the purposes for which he takes it. The Committee recommends that members of managing committees should realise their responsibility in this matter and satisfy themselves about the utilisation of loans for the purposes for which they were given and that departmental officers should keep close watch over this important matter during their inspection.

(18) **Investigation of the Economic Conditions of Members**: The Committee then deal with the investigation undertaken by the department since 1918 of the economic condition of the various primary societies and that at least a part of the increase in the value of the assets of members is due to improvements effected out of funds supplied by the societies and that although there is no decrease in the total indebtedness of members, there has been a saving to the extent of at least 6 per cent in the rate of interest paid by the debtors to co-operative societies.

T. R. SRINIVASA AYYANGAR.

THE FIRST ANNUAL REPORT OF THE DEVADHAR MALABAR RECONSTRUCTION TRUST.

Close upon the Relief activities of the Servants of India, Society during the period of rebellion in Malabar, they took up intensive rural work with a view to raise the average level of culture and character in the Malabat society. This is the first of its kind, having been started as an indigenous agency embracing all kinds of social and eductional activities. To co-operators the report of the Devadhar Reconstruction Trust has a value in a special sense in the fact that it will greatly broaden their outlook as regards rural work.

When an asssciation, whether of business or government, has passed the point where the mind of a single individual can encompass its complexity of functions, efficiency wanes. When the number of human units associated in an enterprise, runs into thousands, the valuable personal equation is bound to be lost, or submerged to some extent. At this juncture carelessness steps across the threshold of the co-operative just as it does in the bureaucracy of government and big business.

There is another aspect to the work conducted by the Trust, and that is its great contribution to the psychology of adult education. The Servants of India Society have chosen Tanur as the centre for social work. A sociological and an economic survey has been made of the locality with a view to broadbase the activities on the actual needs. From the point of view of sociology the centre chosen is of great value. Tanur was one of the deeply affected centres during the period of the Moplah rebellion. The Khilaphat propaganda has created a deep impression in the minds of the Moplahs. Close to Tamur are two other villages of weavers who have suffered not a little during the rebellion. When the centre was opened there was an actual fear in the minds of the Moplahs that the Servants of India Society have come to propagate Hinduism like the Arya Samajists, and convert them. The weaver communities terrified by the Military and the Police Raj carried the terror in their minds towards all well-dressed people. long after the rebellion was over. Add to this also the fact that rank superstition and communal aloofness were inherent in the communities inhabiting the area, and one can understand the large problems that awaited solution at the hands of the Trust.

The Night Schools started by the Trust were distrusted at the start a great deal by the Moplahs as a bait for the propagation of a new faith, and by the weavers, because they disliked their boys being taught by a teacher of the untouchable class, during a festival month. But one year's hard work has borne rich fruit. Local enthusiasm has been awakened by the night schools at 3 centres and the adolescents at Tanur have themselves started a debating society. Three Peoples' Clubs meet each thrice a week and by means of talks they have imparted to the adults a secular outlook of self-respected living and self-confident pursuit of material gains. With the aid of the Agricultural Department new methods of improved agriculture are being introduced in the area. With the aid of the Industries Department improved weaving appliances are being used. With the aid of the Co-operative Department 2 weaver societies have been organized. The small medical relief given in the area is warmly taken advantage of by the people. The Night Schools are giving the benefits of education to the weaver youths who, being employed in the day time in helping their parents in the weaving industry, have no opportunity of attending a day school.

The Y.M.C,A. at Areakode also work under the Trust, and it tried its hands in the development of domestic industries such as making tapes, coir, rattan baskets and furniture, and weaving. Sericulture is being successfully tried at Tirurangadi.

We congratulate the workers of the Trust, Mr. M.S. Madhava Rao, Secretary, Mr. T.C. Venkataramia, Welfare Worker, Tanur, and Mr. I. N. Jacobi, Y.M.C.A. Worker, Areakode, for the years's successful work, whose value

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In spite of the fact that self-preservation is the first law of nature about 15,000 persons in the United States took their own lives in 1923.

lies mainly in creating a freshness of outlook and a newness of enthusiasm in mutually distrusting and ignorant communities.

Success is assured for this new venture in so far as the Trust has a funded capital of Rs. 35,000 invested in the Malabar District Co-operative Bank as a fixed deposit, which can fetch an interest of Rs. 2,100. The actuals of last year ending 31st March 1924 show an expense of Rs. 5,000 while the collections have amounted to Rs. 600. We trust that the deficit of Rs. 2,500, which is sure to occur if annual contributions are not stimulated, will be made up by generous donations of public-spirited men and women.

The Y. M. C. A. RURAL RECONSTRUCTION CENTRE, RAMANADHAPURAM

Another venture of a similar character, with the same aims and methods of approach, has been begun last year, by Mr. J. N. Jayakaran our Secretary of the Coinbatore Co-opetative Union. Readers of the Bulletin must surely be aware that Mr. Jayakaran is in charge of the rural department of the Y.M.C.A in Tamil Districts. The National Council of the Y.M.C.A accepted the idea of intensive work in the middle of the year 1923, and Mr. Jayakaran, after consulting Mr. H. A. Popley, Y.M.C.A Regional Secretary of this Presidency, started the Ramanad-bapuarm rural centre embracing a group of 6 villages. A programme of work was formulated on the lines chalked out in the pamphlet on Adult Education by Mr. K. T. Paul.

We would like to lay down here some principles of work which guide the activities at this centre.

Firstly, it has been frankly recognised that any work should conserve the best elements in the ancient folk-institutions of the village. Secondly, economic amelioration should be taken up in a definite manner. Thirdly, illiteracy should be banished by short but effective courses conducted through adult schools.

The Centre is located in a hired building, but it has been largely improved to accommodate various activities. A Theatre has been put up, land has been made ready for demonstrating improved methods of cultivation, poultry farming equipments have been fitted up, and a new breed is being cultivated, while a weaving school has also been attached to the centre. Exhibitions are also arranged at the nearest market centres. In reviewing the Report of this Centre, we take the opportunity of congratulating Mr Jayakaran, our Co-operator brother, in introducing a new life and a fresh energy into the rural life at Rama-nadhapuram. It was an ennobling sight to see, on the occasion of the Y.M.C.A Rural Conference in April last, the Adi-Dravida mill hands inhabiting the area (of that centre) enacting the play of Nandanar in a most realistic and attractive manner which indicates thereby, without doubt, that creative powers yearn for expression in the rural labour community.

The year's work has closed with a deficit of Rs. 170. The future pro-gramme of work needs a large investment of capital. We trust that the public will come to the aid of this new type of social work.

Never be rough with a child, for to do so is to risk provoking a sentiment of fear accompanied by sullenness and even hate.

NOTES AND NEWS.

The International Co-operators' Day. We are very glad to note that the celebration of the Co-operators'. Day on the 5th of July last was a great success throughout the Presidency. It is very gratifying to note that in spite of the very short notice, Co-operative Societies all over the Presidency rose equal to the occasion and celebrated the day in a worthy manner. The Committee in charge of the celebrations in the City of Madras and the Madras Provincial Co-operative Union have together published a report of the celebration and we recommend all co-operators to get a copy of the same * and realise how successful the function was. 24 urban centres and over 50 rural centres besides Madras took part in the celebrations. It is a good beginning and we hope that next year a very much larger number of societies will take part in the celebration and thus link themselves with their brother co-operators all over the world.

In Madras the celebration was a grand success. The committee in charge of arrangements went about collecting donations from individuals and Co-operative Societies. They issued bulletins in the Press and circulated leaflets explaining the significance of the day and the necessity for celebrating it. They issued handbills in very large numbers calling upon all co-operators in the City to muster strong at the public meeting which was held in the Wesley College Hall at Royapettah. The members were treated to a social before the meeting which was presided over by Sir K. V. Reddy B.A., B.L., M.L.C., who was the Minister in charge of the Co-operative Department in the last Ministry. Messages were sent by the Governor of the Presidency, the Minister in charge of Development Departments, the Registrar and a number of other individuals. Societies sent

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* Copies of the Report can be had at the Provincial Co-operative Union Office, Royapettah, Madras. The cost including postage is only 5 annas per copy.

their greetings and there were some very good speeches made of which we venture to make special mention of the speech of Mrs. M. E Cousins of Adyar who spoke upon what women can do to promote the movement. On the whole the celebration in Madras was a grand success and we hope it will be still butter next year.

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Flood relief and Co-operation.

The recent floods in the Cauvery have committed indescribable havoc in the Districts of Tanjore and Trichinopoly; and the loss of property owing to floods in Malabar and S. Kanara seems to have been much more than during the Moplah Rebellion period. Portions of Salem and Coimbatore also have been seriously affected. We have yet to get accurate facts and figures regarding the loss of property and the newspaper reports generally exaggerate whereas the official reports of Government Officers have a general tendency to underestimate. But on this occasion all are unanimous in their estimate about the extent of loss. Here is a splendid opportunity for co-operative organizations all over the Province, especially the co-operative societies in the districts affected, to put forth their best efforts and to enable the distressed peasants to regain their lost position. We are pained to heart that vast tracts of land ordinarily under paddy cultivation have been covered with sand in certain place's to a depth of 5 ft. Cattle have died, the grain and seed already stored have been washed away in many places, and many agriculturists have been rendered absolutely helpless. They want money to clear the land, to buy seeds, money to keep body and soul together till the next harvest is ready, money for everything.

We hope that the co-operative societies in the villages affected will lend liberally to members and that they in turn will be liberally financed by the District Banks concerned. Fresh societies have to be started in villages where there is none, and existing societies have to be considerably strengthened. We are proud to announce that the venerable President of the Provincial Co-operative Union in spite of his age and incidental disabilities has circularised all the District Banks concerned about the matter and has offered his personal services in the matter of organisation of new societies etc. if they are needed. We are also glad to state that one of the joint secretaries of the Provincial Co-operative Union has gone to some of the affected districts with a view to personally survey and ascertain the extent of loss and suffering caused by the floods.

Wanted a Co-operative Survey.

The Second Malabar District Co-operative Conference passed a resolution that a systematic co-operative survey on definite lines should be undertaken by the Provincial Co-operative Union with the financial aid of Government.

We think the resolution is very important at the present stage of the movement, and we would, therefore, like to support the resolution with all the strength and conviction we command.

The first part of the resolution points out that there is no complete survey of how far the economic resources in the Presidency can be conserved on the co-operative basis. This is necessitated by the fact that the organization of societies at present is done in a haphazard manner. A large number of our co-operator friends have referred to this point in the Notes submitted by them to the last Provincial Co-operative Conference. We would refer those who would like to get an insight into the subject to page 40 of the Provincial Conference Notes. The needs of the several areas differ according to the geographical conditions, and where a water-lift, or cultivatton by joint owning of implements, or the installation of a power pump, or the maintenance of irrigation channels and tanks, form the ryots' need, the organization of a mere credit society cannot solve it. Again, there are areas in which economic marketing is a more pressing need than credit facilities. Again, the problem has not been studied whether co-operation can increase the earning capacity through the introduction of cottage industries. It should also be remembered that rural and urban labour will be greatly helped if instead of giving them credit, their very labour is organized to yield better wages for them Craftsmen societies can be formed for metal and wood workers in some areas.

We do not mean by this cataloguing that no attempts have been made to conserve economic wealth to the primary producer by any of the co-operative officers. In fact many ventures have been called into being on the suggestive advice of many Assistant Registrars, but there is no well-organized programme of organization based on the study of South Indian resources. The survey, such as that proposed in the resolution, will be an eye-opener to many an enthusiastic co-operator and give him light and

"Two things are going to save the country if any thing can save it; co-operation and conservation of resources, including labour banking."

knowledge in the organization of new ventures. It has to be noted that the subject of how far the best return can be conserved for the producer and the consumer in the different occupations can be studied in a detailed and thorough manner only with the financial help of Government.

The resolution also adduces another argument in support of the survey that there are social and economic obstacles to co-operative progress, and therefore, any survey should first consider remedies for their removal before it proposes any constructive work. For instance, where the rent collection from tenants is done by a number of middlemen, and where it is paid in kind and not in money there is hardly any repaying capacity for the member, and till there is a fixity of rent, co-operative credit cannot easily be operated in that area. Or, for instance, where the major population in a district are tenants without any security of tenure and the inducements for agricultural improvements, co-operative credit cannot safely be distributed. Where, for instance, people are largely illiterate and do not have that self-confidence, as a result of their subjection to the vicissitudes of monsoons, to run co-operative institutions, the latter easily degenerate into an instrument for the aggrandisement of the clever few. The question therefore has also to be considered as to how far the spread of general education through adult schools, rural libraries, extension lectures, and so on, can be done with the aid of c-operative societies. Again the location of liquor shops in the areas of societies reduces the number of those who can be considered fit to be their members, as a result of the loss of their self-respect and esteem and of the desire to lead a better life, through the drink habit. Even if there is the desire to conduct better farming, better business and better living the drink shop always affects the weaker members, and produces the phenomenon of co-operative money being utlized for purposes of drink. There are also the obstacles of untouchability and unapproachability which have to be removed in the interest of the co-operative movement and a definite programme of work should be chalked out by the Department as regards this line of activity. We have also to remember that after all the co-operative method is only intended for the agriculturist in the better pursuit of his profession and not the agriculturist for the co-operative method. Unless the co-operative staff maintained by the Government possess also an insight into agricultural methods and unless the various processes in agriculture are studied with a view to improve them with the aid of co-operation, the latter may fail to hold the beneficent results which are expected to accrue from them to the small-holder.

The resolution gives as the third argument for making this survey, that the idea of making co-operation a people's movement by the gradual transference of official control and guidance is possible of fulfilment, only when there is a true valuation of non-official co-operative capacity and when definite steps are undertaken on that basis to train non-officials in running their own institutions. This means that a definite survey should be undertaken of the human resources in the movement to-day in societies, unions and district banks. How far the non-official organizations are faithfully discharging the task, how new recruits can be discovered for the movement, what kind of co-operative education should be given, and how the non-official staff should be trained, with a view to improve the present working of co-operative institutions, what methods should be adopted to instil non-official responsibility—these are the various questions which need consideration and settlement, if at all the movement is not to drift but gain in non-official strength.

More than all, the resolution strengthens its advocacy of the survey by emphasising the need for taking stock of the development of the movement in this Presidency. There are a number of problems which need immediate solution. The formation of banking unions in Taluk centres is felt in some quarters as a matter of practical necessity. The question of fitting up central banks with the necessary financial strength for the issue of long term loans is another. How far central banks can be directly manned by societies is a problem on which there should be definite policy. The existence of a large number of Loss societies demands an enquiry. The building up of owned capital in primary societies, the improvement of unions and their staff, the relationship of the Department and the non-official agencies as regards supervision and administration, are some of the questions on which there should be a well-regulated programme. In fact a survey into the present working of the institutions will reveal how far they are co-operative and how much they need to be made so. The movement has worked for a certain number of years, a large number of societies have been liquidated and it is time enough to study the causes of liquidation. More than all, the vital subject in relation to the movement, namely, the improvements that can be made in the policy of the Department with a view to strengthen the non-official management can hardly tolerate any further delay.

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Sanction of Honorariums:

The North Arcot District Co-operative Conference has passed a resolution that the Assistant Registrars "can interfere and withhold sanction (of honorariums to Panchayats) on sufficient reasons."

We are afraid that the resolution runs counter to the spirit in which the Department works, or is expected to work with the non-officials. We do not know the exact meaning which the framers of the resolution wanted to convey. Perhaps they wanted to say that general honorariums to rural Panchayatdars should be sanctioned on the approval of unions, while in special cases the Assistant Registrar, in the interest of the good working of the movement, might stop them. The resolution takes it for granted that the co-operative institutions are subordinate agencies to the Department. The question of sanction arises only in those services which are controlled by a higher authority which alone is empowered to sanction pay and allowance to them. But we would like to remind our readers that at least in this Presidency the relationship of the Department to co-operative societies has become very defined, as a result of the early policy of the former Registrars. It has been the policy, and now too followed, or expected to be followed, that the right of initiative and final decision on all questions should rest with the societies, while the right of approval is given to the Department. In other words, the departmental officers are not, like those of other departments, empowered to carry out their will in the societies, but are merely advisers who should be able to persuade the societies to do things in the proper manner. The words "interfere" and "sanction" smack of official control, which is hardly provided in the Act, or the rules or the by-laws. Even in regard to the definitely-imposed duty of audit, the Department is greatly handicapped for want of penal provisions to bring to book a recalcitrant society. The powers of registration are no doubt valuable; but in the administrative conduct of societies the power given to the Department is more advisory than statutory and can be worked only in a spirit of goodwill. The resolution as it stands is a reflection on both the non-officials and the Department; on the non-officials, because they want to run the societies as subordinate agencies of Government and not on the basis of the will of the general body as the ultimate authority, and the officials, because it presumes that their object is not guidance of societies but control.

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Mutual Distrust in India: Sir K. V. Reddi Kt., B.A., B.L., M.L.C., as the president of the meeting on the International Co-operators' Day, 5th July 1924, was straight in his admission that the movement is no doubt officialised; but he said that he was willing to face that fact because we could not help it. He said that there is mutual distrust in this country and it was only the official supervision that kept the people straight in their dealings. He gave also some examples of dishonest trade dealings in this country.

We fear he has shot beyond the mark, and has depreciated himself and his country to an extent of which there is no need. If by mutual distrust he meant the deceits of competition in trade, they are to be found to a larger extent in the West than in the East. In fact scores, nay hundreds, of bogus co-operatives have been started in America and the ignorant labourer duped. The evils of competition are more to be found in the West than here. It is no doubt true that we are learning the trade but we are not so much up to the mark in this soulless and feverish pursuit after profit as the West. It is the reverse quality that is to be found among our agriculturists. In the ordinary village societies of to-day, one can find a large number of time-barred loans which the members may refuse to pay, taking refuge under the protection of the law; but the moral aspect of debt appeals to our villager more than its legal aspect. A son is willing to pay the debt of his father and there are unsophisticated villagers who feel and realise that unpaid debt follows them even after death.

If by mutual distrust is meant absence of the spirit for joint endeavour, it is the result of ignorance and diffidence and we come again to the old proposition that propaganda which wants to draw out the soul in a man, and give a freshness of outlook and enthusiasm, can hardly flourish under official guidance. Co-operation is religion and religion requires for its propaganda missionaries and not officers.

We think that what Mr. Reddi intended was that the official audit prevents the exploitation of societies by the clever few and thus insures the rights of the ignorant rural member. Every one should endorse that view.

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Honorary Assistant Registrars: Mr. Reddi when defending the recruitment of Honorary Assistant Registrars laid great stress on what is called equality of opportunity, meaning thereby special scope for communties, who did not get it before.

We believe that communal efficiency alone will lead to national efficiency. And this great principle formulated by Dr. T.M. Nair is one of the fundamental laws of social ethics. In a country like India, where the inqualities of development are marked to a degree, greatest equality of opportunity should be giyen to communities lesser in intelligence and culture with a view to level up inequalities and thus raise the average national character. But the principle requires to be worked out in respect of various opportunities in different departments of activity. Where, for instance, the holding of high posts in certain departments gives scope for training in administrative capacity, and in the shaping of policies, certainly there should be a reservation of seats for those who have been prevented from obtaining them. But where communal efficiency has to be quickened by a programme of social work, the reservation of posts may delay it. It is all right in those departments of activity where the scope and the salary are not far distant, but where a post commands no salary, and for which we require the best men, in the interest of communal efficiency, reservations for communities will fail to achieve the object in view. In the one opportunity gives self-improvement; in the other it is intended to have more social workers to improve others. The question here is not one of equality of opportunity, but of stimulating the self-sacrificing few in all communities to come forward for the building up of weaker communities. Here is no preferment, or a grant of some privilege. Here is a call for sacrifice, and in the choice the guiding motive should be to utilize the services of honorary workers irrespective of communities. If the best men who are willing to give their all, as they have been doing before for co-operative work, are not encouraged by State financial help, the result is, unless they are made of an extraordinary calibre, they lose their enthusiasm for the work and it is the weaker communities that suffer.

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The Registrar and Co-operation. Mr. S. Satyamurthi in his lecture delivered on the International Co-operators' Day, 5th of July, at the Wesley College Hall, Royapettah, cavilled at the movement because every matter of controversy in the societies is being refered to the Registrar for final settlement. We believe there is some confusion of thought beneath the statement. There are no doubt points of dispute which could be settled by co-operative central supervisory and propaganda organisations. In these cases, we can very well understand the Assistant Registrar sitting with the District Federation and deciding the question; but till such organisations are strengthened, the societies have to refer all their common matters to some central authority. Interpretations as to meaning of by-laws have to be made, and such work may be handed over to the Provincial Union, the Registrar occupying the place of its adviser. But for a certain time the Registrar will have to be the ultimate authority.

The utmost that can be said against the Department may be that they have not begun even now to train up and equip non-official organisations to settle disputes of co-operative societies relating to their administration and the interpretation of by-laws.

REGISTERED—No. M. 1284

The Madras Bulletin of Co-operation

Issued every month in two languages—English and Tamil.

" If the system of Co-operation can be introduced and utilised to the full I foresee a great & glorious future for the agricultural interests of the country"—
His Majesty's Reply to the Delhi Municipal Address, 13th December, 1911.—

Vol. XVI.] SEPTEMBER 1924. [No. 3

PRINCIPAL CONTENTS.

(For Detailed Contents, Please see inside.)

Office of the
Madras Provincial Co-operative Union, Ltd.,
Royapettah, MADRAS.

Subscription per annum for individuals and non-affiliated Societies Rs. 4, and affiliated and contributor Societies free.

N.B.—Complaints of non-receipt of parts will not be attended to if not received within a fortnight after the due dates.

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THE MADRAS BULLETIN OF CO-OPERATION
P.C.U.
ALL FOR EACH and EACH FOR ALL

VOL. XVI.] SEPTEMBER 1924. [No. 3

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.

MAHATMA GANDHI ON CO-OPERATION.

THE MORAL BASIS OF CO-OPERATION.

(Extracts from a paper introduced by Mahatma Gandhi at the 1917 Session of the Co-operative Conference held at Bombay.)

The only claim I have on your indulgence is that some months ago I attended with Mr. Ewbank a meeting of millhands to whom he wanted to explain the principles of co-operation. . . . . My knowledge of the technicality of co-operation is next to nothing. My brother Devadhar has made the subject his own. Whatever he does, naturally attracts me and predisposes me to think that there must be something good in it and the handling of it must be fairly difficult. . . I am an enthusiast myself, but twenty-five years of experimenting and experience have made me a cautious and discriminating enthusiast. Workers in a cause necessarily, though quite unconsciously, exaggerate its merits and often succeed in turning its very defects into advantages. . .

With Sir Daniel Hamilton co-operation has become a religion. On the 12th January last he addressed the students of the Scottish Churches College, and in order to point a moral he instanced Scotland's poverty of two hundred years ago and showed how that great country was raised from a condition of poverty to plenty. " There were two powers," he said, " which raised her, the Scottish Church and the Scottish banks. The Church manufactured the men and the banks manufactured the money to give the men a start in life. . . Men were trained to believe in God and in themselves and on the trustworthy character so created the Scottish banking system was built." Sir Daniel then shows that it was possible to build up the marvellous Scottish banking system only on the character so built. So far there can only be perfect agreement with Sir Daniel, for without character there is no co-operation is a sound maxim. But he would have us go much further. He thus waxes eloquent on co-operation : " Whatever may be your day dreams of India's future never forget this that it is to weld India ino one, and so enable her to take her rightful place in the world, that the British Government is here ; and the welding hammer in the hand of the Government is the co-operative movement " In his opinion it is the panacea of all the evils that afflict India at the present moment.

Mark his peroration :

" Credit, which is only Trust and Faith, is becoming more and more the money power of the world, and in the parchment bullet into which is impressed the faith which removes mountains, India will find victory and peace." Here there is evident confusion of thought. The credit which is becoming the money power of the world has little moral basis and is not synonym for Trust or Faith which are purely moral qualities. After twenty years' experience of hundreds of men, who had dealings with banks in South Africa, the opinion I had so often heard expressed has become firmly rooted in me that the greater the rascal the greater the credit he enjoys with his banks. The banks do not pry into his moral character ; they are satisfied that he meets his overdrafts and promissory notes punctually. The credit system has encircled this beautiful globe of ours like a serpent's coil, and if we do not mind, it bids fair to crush us out of breath. I have witnessed the ruin of many a home through the system, and it has made no difference whether the credit was labelled co-operative or otherwise. The deadly coil has made possible the devastating spectacle in Europe which we are helplessly looking on. It was perhaps never so true as it is to-day that as in law so in war the longest purse finally wins. I have ventured to give prominence to the current belief about credit system in order to emphasize the point **that the co-operative movement will be a blessing to India only to the extent that it is a moral movement strictly directed by men fired with religious fervour**. It follows, therefore that co-operation should be confined to men wishing to be morally right but failing to do so, because of grinding poverty or of the grip of the Mahajan. Facility for obtaining loans at fair rates will not make immoral or unmoral men moral. But the wisdom of the State or philanthropists demands that they should help, on the onward path, men struggling to be good.

Too often do we believe that material prosperity means moral growth. It is necessary that a movement which is fraught with so much good to India should not degenerate into one for merely advancing cheap loans. I was therefore delighted to read the recommendation in the Report of the Committee on Co-operation in India, that they wish clearly to express their opinion that **it is to true co-operation alone, that is, to a co-operation which recognises the moral aspect of the question, that Government must look for the amelioration of the masses and not to a pseudo-co-operative edifice, however imposing, which is built in ignorance of co-operative principles. With this standard before us, we will not measure the success of the movement by the number of co-operative societies formed but by the moral condition of the co-operators**. The Registrars will in that event ensure the moral growth of existing societies before multiplying them. And the Government will make their promotion conditional not upon the number of societies they have registered, but the moral success of the existing institutions. This will mean tracing the cousre of every pie lent to the members. Those responsible for the proper conduct of co-operative societies will see to it that the money advanced does not find its way into the toddy-sellers,' till or into the pockets of the keepers of gambling dens. I would excuse the rapacity of the Mahajan if it has succeeded in keeping the gambling dens or toddy from the ryot's home.

"Co-operation," says Professor Charles Gide, the well-known French Economist, " is an association tending towards the abolition of profits."

Uncle Sam appears to be in earnest in trying to enforce prohibition. One of the latest acts is for Congress to vote 14,000,000 dollars for destroyers and fast motor boats to catch smugglers.

* * * * Let us be sure of our ideal. We shall ever fail to realize it, but we should never cease to strive for it. Then there need be no fear of "Co-operation of scoundrels" that Ruskin so rightly dreaded.

MESSAGE OF THE PROVINCIAL CO-OPERATIVE UNION.

Dear Sir:

You ask us for a message to be read at the meeting of the City Co-operators on the International Co-operators' Day and we avail ourselves of this opportunity to lay emphasis on two aspects only of the question, one general and the other local.

It is the misfortune of this country that the co-operative movement is not a spontaneous growth but something imposed upon the people by a benign Government with the best of intentions. A result of this feature of co-operation in this country is, it has acquired a certain amount of official importance and bears only those marks imposed upon it by its sponsors. That it is a movement intended to benefit the peasant economically by giving him cheap credit aud by supplying him with facilities for economic purchase of his requirements and profitable sale of his produce, that it is an organization intended to encourage in the peasant the habit of thrift, all these are emphasised upon. But the broader and the more spiritual view of co-operation, that it is an earnest attempt to reconstruct society on a more equitable economic basis by lessening the rigour of competition and by eliminating the chances of the economically weak from being exploited for their own benefit by the economically stronger section of the society, that it promotes brotherhood and strengthens the invisible bond, the "organic filament," as Carlyle calls it, that unites man to man, that it is the precursor of a new economic order of things where our ideal of "All for each and each for all" will not merely be a distant ideal to be laboriously worked up to but the working principle of every day life, these higher aspects are seldom emphasised upon. But on an occasion like this when we join hands with our brethren all over the world and take part in a pan-world celebration it is desirable we realize the deeper significance of the movement.

WATER INSIDE AND OUT.

Nothing in this wide world is so indispensable to human life as water. Even food is of lesser importance, for a person can live for some time on water alone, but deprived of this precious liquid he cannot exist for long. The reason is that two-thirds of body solids and four-fifths of the blood are water, so it is plain that the system cannot operate without such an important food.

Another aspect we should like to emphasise upon, though this is pitched in a minor key, is the necessity for our land developing the movement along lines required by our environment, social and economic, and not to try to import wholesale some foreign model. Very often the criticism is hurled at us that we have been developing only along the lines of credit and that the non-credit side is neglected. While in no way disparaging the non-credit side let us remember that our conditions are very different from those obtaining in a country like England. She produces only a portion of the food she requires and has to depend entirely upon Australia, Canada, India and other far-off countries for many an article of necessity for food. Naturally the English consumer, realizing the existence of quite an army of middlemen between him and the producer of the commodity he requires in a distant portion of the globe, and being painfully aware of the large profit these middlemen make, wanted to help himself in getting his food as cheap as possible. Consumer's co-operation was the line along which the movement developed in that country. In our country where over 90 per cent of our population are agriculturists and therefore produce the food they consume (making of course due allowance for the necessary exchange of commodities), the problem is not to help the consumer to get cheap food but help the agriculturist to free himself from the clutches of the moneylender and to enable him to save a greater fraction than he does now of the result of his hard work. Credit and joint purchase and sale more than any other branch are what we want and let us realize that definitely and work strenuously to give the required credit accommodation to the needy villager. We in this Presidency boast of our 8,443 credit societies covering 11,236 villages and 530,291 people as members; but when we realize that the number of villages in this Presidency is over 35,000 and our population as over 42 millions, we see that even the credit movement has touched but the fringe of our population. We ought not and shall not rest till every village in our land has a co-operative Bank of its own, of which all the villagers are members, the rich as depositors and the poor as borrowers each being the supplement and support of the other. We shall not rest till the professional moneylender becomes what Mr. Strickland says he has already become in many a village in the Punjab, "a fragrant memory."

We wish that on this auspicious occasion the co-operators assembled will lay to heart these two aspects of the problem and work definitely to promote credit and joint purchase and sale among the villagers with that

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To be seventy years young is sometimes far more cheerful and hopeful than to be forty years old. - O. W. Holmes.

higher and spiritual ideal of our being forerunners of a new and better age of the world when the modern soul-cramping motive of individual profit will be replaced by the grand ideal of service taught by all the great prophets of the world like Buddha and Christ.

CO-OPERATION AND FLOOD RELIEF.

AN APPEAL.

(I)

BY RAO BAHADUR A. VEDACHALA IYER AVL.,

President, The Madras Provincial Co-operative Union, Ltd.

Sir:

I wish to put before you some ideas about the use of the co-operative machinery for giving relief to the people affected by the flood damages.

Excluding from our consideration those people who have to be maintained by the distribution of doles until labour is made available (and these people have to be given relief from the funds of the committees organized for the purpose), there is a large number of agricultturists, tenants, artisans, weavers, etc., in the affected parts, who require immediate financial help and who can be expected to be restored to the normal state with the help of credit accommodation through short and long term loans. This kind of help can be easily secured through the co-operative organizations and financing banks. In villages affected by the floods, co-operative societies should be started without delay where there are no such organisations now in existence, and credit made available to them through the co-operative Central Banks of Malabar, Salem, Coimbatore, Trichinopoly and Tanjore. The Madras Central Urban Bank will be in a position to set free large sums of its unutilized surplus and if more is wanted, Government can be approached to grant loans through co-operative organizations, and the Madras Branch of the Imperial Bank can be asked to give additional overdraft accommodation.

The Co-operative Department would, I am sure, be in a position to tell off a number of experienced and capable inspectors to organize rapidly co-operative societies in the affected parts, and the Assistant Registrars can be expected to register such societies as rapidly as possible. Non-official co-operators of the districts concerned, especially the Honorary Assistant Registrars, will, I am confident, assist the Co-operative Department in this work, which has to be urgently done over a wide area. I am addressing this communication to the Registrar with the hope that he will take suitable arrangements in the directions indicated and in such other directions as he and his subordinates may think necessary. He can recruit a number of non-officials acquainted with the work of organization of co-operative societies. If the Registrar feels that the help of outside agency will be required the Provincial Union will attempt to secure men for work in the various districts from outside the districts concerned. The Provincial Union would have attempted the work on its own initative, but unfortunately, it has very scanty funds.

WHAT THE POT CALLED THE KETTLE.

The janitor's little boy, very black, was nicknamed "Midnight" by his white friends. He did not mind their calling him that, but when one day one of his own race exclaimed, "Hello, Midnight!" he retorted indignantly: "You is jes about quarter to twelve yo'self."—Exchange.

As one of the co-operators in this Presidency I am prepared to serve the public in the task of organizing societies in some of the affected parts especially in the districts of Coimbatore, Trichinopoly and Salem, with which I was directly connected as Assistant Registrar of Co-operation. The Secretary of the Provincial Union, Mr. K. G. Sivaswami Iyer, is going out for the work as a member of the Servants of India Society.

I am trying to secure some more men to take up such work, if their services are needed by the Department and by the relief committees.

(II)

BY THE MADRAS PROVINCIAL CO-OPERATIVE UNION, LTD

50,000 houses in Malabar, 6,000 in Coimbatore, 3,000 in Tanjore District. many villages in two other Taluks of Tanjore Dirtrict, and a large number of houses in Trichy District have been destroyed by floods, and rural labour population is homeless and destitute. If you are a Co-operator send your help immediately to the Provincial Co-operative Union.

Dear Sir,

Villages on the banks of the Cauvery and Bhavani in the Districts of Coimbatore, Salem, Trichy and Tanjore, and a portion of South Arcot for a distance of about 400 miles covering an area of 2 furlongs breadthwise on each side of the bank have been affected by the recent floods in the latter half of July. Also the major portion of South Kanara, Cochin and Malabar have been subject to disastrous floods as a result of

With us Govenment is come to be a trade and is managed solely on commercial principles. A man plunges into politics to make his fortune and only cares that the world should last his day. Emerson writing in 1835.

incessant rains. The distress has been aggravated by the fact that these two rivers have not only brought water over these areas but also covered the fields with mud and sand. The rural labour population, who live in huts and cultivate the lands, have been rendered homeless and destitute. The tenants under the landlords have practically no work.

Not to speak of the havoc wrought on roads, bridges, culverts and anicuts, which it is the duty of the Government to repair and rebuild, there is before us the elementary duty of giving immediate relief to the distressed population and also starting them in life again. In this humanitarian task we hope the co-operative societies will not fail to realise their responsibilities towards their brothers.

Here is an opportunity for all the co-operative societies in the Presidency to show their sympathy to their brother co-operators in the affected areas and to express the humanitarian aspect of the movement that it stands for the relief of suffering in times of crisis.

The District Banks may liberate a portion of their common good fund for assisting the destitute and the poorest classes in the flood affected areas. Urban Banks may do the same. Unlimited societies in rural areas, which have been able to build up some common good fund, may also help. Societies which have no fund may raise voluntary subscriptions from individual members. Co-operators attached to each organization in other districts, may voluntarily ask the institutions concerned to pay a portion of their dividends.

We trust that this appeal will be responded to generously by our co-operators and societies. The amount may be remitted either by cheque or in cash to the Office of the Madras Provincial Co-operative Union, Ltd., Royapettah, which will distribute it for the relief of the distressed population.

Yours sincerely,
Rao Bahadur A. VEDACHALA IYER,
Rao Sahib T. SRINIVASA RAO,
A. RAJABADAR MULALIAR,
A. SIVARAMA MENON,
K. G. SIVASWAMI.

ROYAPETTAH,
MADRAS.
Dated 21st August, 1924.

Members of the Governing Body,
The Madras Provincial Co-operative
Union Ltd., Royapettah.

In Co-operation there is a natural selection and union of all social elements capable of a vital creative activity.

THE PLACE OF CO-OPERATION IN FLOOD RELIEF.

The large amount of space so generousley devoted by the Dailies every day to bring home to the people of this country, the woes brought by the floods on thousands of homes, has already had the immediate effect of rousing good people everywhere into organising relief committees for mitigating the distress of the poor. The Government is also bestirring itself and is sure to render a great deal of help in directions which have been so freely brought to its notice as deserving of consideration.

But there is one direction in which alone help can be expected to produce lasting goood. Self-help is like no other help. God's hand in this calamity can be seen in the immense opportunity that has come for the advance of co-operation among the stricken people. Tens of thousands have been rendered poor and weak. But co-operation helps to make the weak strong. Once the strength of union is felt, then there will be no further cause for weakness. People will have been prepared not only to tide over their present difficulties, overwhelming as they seem, but also to acquit themselves courageously in the battle of life in future.

All sorts of societies can be started—labour unions, distribuive societies or stores, agricultural societies, building societies, more popular banks, irrigation societies and many others. There is scope for all and any number of them started will have plenty of work to do for a long time to come. In the end there will be permanent benefit to co-operation, and, more than getting over present difficulties, the future will be rendered secure.

The idea is no doubt not new. Mr. G. K. Devadhar of the Servants of India Society sought to mitigate the evil of Malabar disturbances by founding a number of co-operative societies. After the recent fioods in the Tamraparni, co-operative societies played a great part in the provision of houses and funds for agricultural operations. There ought to be more instances of co-operation having helped in similar circumstances. But there is no reason why insistence should not be laid on the necessity for great and immediate work in the present situation.

Labour unions:—The first and perhaps most useful work that will have to be undertaken will be the co-operative mobilisation of labour. Thousands of wretched people, having lost their all, with their houses washed

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A Good Stimulant - Hot milk, heated to as high a temperature as it can be drunk, is a most refreshing stimulant in cases of cold or overfatigue. The effect of hot milk is far more beneficial and lasting than that of alcohol. It gives real strength as well as acting as a fillip.

away, are left destitute and starving. Food stuffs, clothing, and money are required to keep them from death. Charitable organisations have scope for work. Let the charitable organisations try and combine business with charity. Having fed a hundred or a thousand of them, they may help to mobilise them into a labour force for work, first, if necessary, on their own land. Good prospect of wages for people that unite to work can be promised from the very collection made for purposes of charity. Self-reliance may be taught from the beginning and necessity for earning their food brought prominently before them. Charity has always the tendency to beget laziness and dependence. More, the transition to self-reliance and hard work is even rendered distateful and difficult. Let, therefore, insistence be laid on the necessity for work, discriminating charity having its scope only in the beginning.

It may be said that labour will have no tendency to unite. It will have enough and more to do on its own land and house. But the necessity to unite and achieve, not only the cultivation of labourer's land and the building of his house, but the rehabilitation of the whole village and even the sparing of the necessary energy for other work beyond the limits of the village will be possible by union and there is no more opportune moment to impress this idea on the people than the present, when urgently wanted help readily given has delivered the poor man from the grim prospect of famine. Once united, it will be possible to demonstrate the usefulness of combination and labour unions are sure to become a feature of the land.

Co-operative Distribution has even more scope for growth, for here, even those that are a bit better off will be willing to combine with others in their desire to procure cheap and better provisions. In this connection it will be well to prominently notice the factors that will lead to success in the matter of starting stores. The number of members joining together even for the starting of an organisation should be sufficently large—not less than two or three hundred. When operations commence, there should be sufficient work to justify the the employment of an efficient manager. It is this fatal defect of starting small societies with few members, with insiginificant share capital, and want of funds or prospect of work sufficient to employ a trained full-timed business man that has led to disaster in the past. Big stores with hundreds of members are quite as successful in our country as elsewhere. If one village cannot afford to have a store, three or four contiguous villages can join together. There are many of them now without a grocery shop even, and the residents in such villages have to go to the nearest shop in the neighbourhood. Arrangements can also be made to form central agencies for the purpose. It is the want of the necessary expert knowledge to buy cheaply that has greatly reduced the profits of many such institutions.

It was pointed out that in the affected areas merchants had freely resorted to profiteering and gone on raising the prices of food grains and necessaries to an undue height. Generous minded people contributed freely for relief. They and many others could certainly be induced to subscribe larger sums to form the capital for the starting of big central stores in towns which will not only supply their necessities but also serve as central organisations from which village stores, affiliated as members, can have their demands met. The charity organisations will also purchase their needs from them, and, in towns like Tanjore, Kumbakonam, Mayavaram, and Trichinopoly for instance, great distributive societies likely to be of permanent benefit not only to the towns but to the adjoining country side could be organised. In course of time, the village societies may be converted into branches and the central organisations made to rival the Triplicane stores, the premier organisation in the Presidency.

Agricultural societies:—In spite of the fact that a number of agricultural societies lie scattered in the province, very few people are aware of what the functions of such a society are and what great necessity there is for a country like ours in which 95 per cent of the population is dependant, directly or indirectly, on land, to foster such institutions.

To quote an author of some repute among co-operators, "the co-operative agricultural society is structurally similar to and in most cases intimately connected with the co-operative credit society. The society provides for its members a common channel for the supply of materials to be made use of by them as individuals. or for the disposal of produce already individually raised." All land requires manure, implement, seed and live-stock. These are days of scientific agriculture. India should be made to come into line with the rest of the world in this respect. It is a fact alas! too true that the Agricultural Department, in spite of the excellent work that it is possibly doing, is not known to most agriculturists. May I point out that it is so because there is very little connection between it

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Mr. Walter De Voe says that he has been financing the inventor of a machine which is intended to give electric charge to the atmosphere around garden plants, the effect of which would be to make them grow better and quicker. He assures us that the experiment has met with complete success.

Experience is the thing we learn from, and if we are not different at the end of an experience we have not learned at all.

and co-operation? In Germany, it was the Raiffeisen Banks—rural credit societies—that first undertook the organisation of agricultural supplies, although, later, others also took up this function and the supply of the materials of agriculture, which "was in the hands of an army of middlemen, at once ignorant and dishonest," passed into the hands of co-operatively organised farmers, and the National business federation "has united societies in national opposition to the nationally organised 'Kartel' of non-co-operative industry"

To this have been added, as time passed, co-operative production and co-operative sale, subjects on which I am tempted to dwell, but which I refrain from for the present. But it must be added that German agricultural societies have grown into the great Imperial Union, "under which is practically ranged the whole of German agricultural co-operation, an army of heterogeneous squadrons in different stages of advance over different routes professing allegiance to the gospel that, more than sixty years ago, uttered its promise of rescue to the usury-ridden peasants of a lonely village by the Rhine".

From the above it can be seen what kind of work awaits the organiser of agricultural societies and what great promise of a glorious future awaits the missionary that toils on carrying the gospel of co-operation among the people of the afflicted areas. The supply of agricultural implements, seeds and manure to begin with, to be combined later with co-operative sale, and where possible, with co-operative production, should be the aim.

Building societies. There is likely to be a very great demand for building societies. Reports from the flood area say that whole villages and very large numbers of houses in the affected towns have been destroyed. While our sympathies naturally go with these people, it will be well if organised effort on rebuilding concentrates not only on the supply of capital and material, but pays particular attention to the planning of blocks of houses and streets on a carefully considered plan with an eye to sanitation, beauty of the locality, suitability of types and so on. The houses built by the South Indian Railway Company for its employees provide types that deserve careful consideration in this connection. Government should set apart a much larger sum than they budgeted for

While the Co-operative Movement adequately organized effects economies for consumers in production and distribution and insures the purity and quality of merchandise, it is also the natural protector of the whole consuming public against profiteering oppression and inequitable and unjust taxation.

and this money will have to be lent direct or through unions and federations of building societies. If lent through Central Banks, a special provision should be made that they should not charge more than 1/4 or at the most ½ per cent for the collection. In any case, the money that ultimately comes to the member of the building society should on no account bear interest exceeding 7½ per cent per annum and the repayment can well be distributed over thirty years. Advance contribution of ¼ the cost of construction need not be insisted on, although the prospective owner may be asked to insure his life for that proportion of his loan, so that in the event of his death, that sum may be made payable to the society and liability to that extent diminished.

More popular banks or credit societies. While co-operation of this type has made a great advance in this country, it must be acknowledged that there is still a very large amount of work to do in this direction. The ideal of "one village--one society," is not an impossible ideal and when on such an occasion as this, people would require ready credit to meet their thousand and one wants, it should be the duty of every co-operator to see that hundreds of societies spring up to relieve the poor villager and save him from falling into the hands of the rapacious money lender. Again the people's banks offer the easiest means of educating them co-operatively and if other co-operative concerns have to be introduced on any scale in this country, the credit society will be a useful precursor.

There are the large landholders whose losses must have come on them with crushing weight. A belated half-hearted experiment to provide credit for them is proposed to be tried by the establishment of land mortgage banks in four chosen areas.

In Germany provision of credit for this class preceded co-operation of any other kind. The first Landschaft was established by Frederick the the Great in 1769 by a simple fiat. The subject is vast and deserves separate consideration.

I now come to the human element. The organisation of co-operation on such a scale would be vast and would require an army of missionaries. The officers of the Co-operative Department are likely to have their hands full of the work of audit and inspection. They were intended only for normal work and cannot be expected to cope with abnormal situations.

TEST IN ENGLISH.

Teacher - "William" what three words are most used in the English language ?"

William - " I don't know."

Teacher - "Correct."

Nor can the few honorary assistant registrars be expected to turn out much work even where they possess the necessary leisure and enthusiasm.

What is wanted is a band—a very large band—of enthusiasts who should work in collaboration in many cases with relief parties and go on attending rapidly to the work of organisation. It will be all the better if the organisers are given a short preliminary training and the provincial union can easily do that. Great selfsacrifice will be required, but the government, or, if possible, the Provincial Union with funds specially collected for the purpose, should try and meet the bare expenses of such workers. Facilities should be given for rapid registration and funds unstintingly provided to start work immediately. Thus can the woes of a people that have suffered greatly, be not only mitigated but also turned to be of immense benefit to them in future.

C. S. RANGASWAMI,

Villupuram.

WHAT MALABAR CO-OPERATORS HAVE DONE FOR FLOOD RELIEF

Steps have already been taken for organising new societies in places affected by the floods and affording relief to members of affected societies. The Assistant Registrar has been touring in the affected areas during the last 20 days and a Special Officer has been appointed by the District Union for organising relief measures and for avoiding unnecessary delay in distributing loans to societies. Two societies in the urban area of Calicut, viz. Calicut Urban Bank, Ltd., and Kallai Society Ltd., have ear-marked Rs. 25,000 and 5,000 respectively for lending to members whose houses have been destroyed by floods. A sum of Rs 17,000 have already been allotted to societies under Valapad and Chowghat Unions and the Special Officer appointed by the District Union has already begun to distribute the amount. Resources of the District Bank, however, are not sufficient, at present, for affording adequate relief to members of affected societies. But steps are being taken for increasing the share capital of the Bank and thereby its borrowing power. A special loan of Rs. 25,000 has been applied for by this Bank from the Madras Central Urban Bank. It is hoped that in the course of a month the Bank will be able to raise about a lakh of Rupees for the benefit of suffering members of societies affected by floods.

The essential justification of authority is its recognition.

REPORT ON THE FLOOD-AFFECTED AREAS IN COIMBATORE DISTRICT.

[We publish below an account of inspection of the flood affected areas in Coimbatore District conducted Messrs. J. N. Jayakaran, Y. M. C. A., and K. G. Sivaswami of the Servants of India Society. We should be glad to get such accurate and full reports about other Districts.—Ed. M. B. of C.]

The Bhavani Taluq is crossed through by the Cauvery from north to south and by the Bhavani from east to west. The former river runs through a distance of 45 miles and the latter through a distance of 16 miles. The north western portion of the Taluq is surrounded by mountains and mostly comprises forest reserves. The population becomes thinner northwards, while it is dense on the Banks of the Bhavani.

The Floods:—The floods in the Bhavani rose on the 16th July and in the Cauvery twice on the 18th and 25th July. Many places were under the floods for a period of one to four days.

The Economic Divisions:—For a proper understanding of the floods it is necessary one should know the different economic areas of the Taluq adjoining the river banks. The Cauvery area may be divided into two, the hilly and the dry crop area. The former extends for a distance of 18 miles from Nerinjipettai northwards; the latter comprises the area of dry crops cultivated under garden wells and the rains. During the last 2 years want of rain has scorched the growth of kambu and ragi in these two economic divisions. When one passes through these areas, one will find to his surprise that, while on the one hand the lands closely adjoining the river bank have been damaged by the heavy deposits of sand, within no long distance, are crops dried up for want of rains. Want of fodder for the cattle during the last two years has compelled many to sell them away. One should note that north of Nerinjipettai darkhast land has been given as a conditional grant to cultivators on the express understanding that they are alienable by the Government at any time without any notice. No agricultural loans have been given by the Government in the whole of this area, after the year 1895, as, from that time, the Mettur irrigation project has been pending construction. Mettur is 25 miles north of Bhavani and the proposal is to construct a dam at that place and store water. The lands north of Mettur will thereby become a reservoir when the project is realised and that is the main reason for the conditional grant of darkhast lands.

In a co-operative society the chief place is occupied by the individual and not by the capital.

The lands too are not very fertile in this hilly area. There are a few garden wells and a general enquiry at Kaveripuram showed that the yield was very poor. It was said that Punja lands could be obtained for prices between Rs. 25 and 50 per acre and garden lands between Rs. 400 and 500. The fact is that in this hilly area the people could use the Cauvery water only for drinking purposes and not for cultivation of lands. In normal years, if there is good rain, a net income of Rs. 40 to 50 per acre in garden lands and Rs. 15 to 25 in other lands could be expected. During the last two years cultivation has been pursued more in the hope that proper rains will fertilize the lands in future than as a profitable occupation. Want of rains during one or two seasons brings down the value of the land largely. Further there are large inam lands in this part, whose owners are not very particular about the yields, as they give very large areas for cultivation by tenants. Also the conditional grant of darkhast lands temporarily to the cultivators has taken away the little remaining value of the lands. The following statement from an actual cultivator of 2 acres of garden lands and 50 acres of dry crop land as to the yields from his lands during the last year and in normal years will bear out the truth of the above statements:

The garden land yielded a net income of Rs. 9 per month. The dry lands did not give any produce except dried up stalks for the fodder of the bullocks. In the 12 acres of garden land sesamum, kambu, ragi, chillies and varagu were sown. The kamba crop gave a produce to the value of Rs. 120, the ragi crop Rs. 190, chillies Rs. 200, sesamum Rs. 150 and varagu Rs. 22. He has spent Rs. 240 as payment to four farm servants, Rs. 20 on the sesamum crop, Rs. 20 on kambu, Rs. 40 on ragi, Rs. 40 on chillies, Rs. 5 on varagu, Rs. 100 for the feeding of cattle and repair to leather tubs and another sum of Rs. 100 as a 6th share of the gross produce to the farm servants. In all the income amounted to Rs. 682 and the expenses to Rs. 575. In this calculation no payment has been estimated for the manager as the cultivator of the farm and for the depreciation and interest charges for the bullocks.

The question may be asked why cultivation is pursued under such depressing circumstances. As already mentioned, the hope inextinguishable that with better rains he can get a larger produce, carries on the cultivator.

During a normal year, if rain falls at the proper season, the feeding of the bullocks will cost nothing as there will be enough fodder from the

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Sluggish liver is due to want of exercise; too much tea and coffee, and improper feeding as well.

dry lands and the expenses for the cultivation of the garden lands will amount to Rs. 515. The gross income on ragi will be Rs. 315 under kambu, Rs. 200 under chillies, Rs. 300 under sesamum, Rs. 200, and under varagu Rs. 25, amounting in all to Rs. 1,040. Deducting expenses a net income of Rs. 525 or Rs. 45 per acre may be expected. This is the actual situation as regards the cultivation of the best lands.

Some relief measures suggested:—When one considers these various circumstances, it would not at all be possible to suggest the methods of agricultural loans or co-operative loans in the tract north of Nerinjipettai, except under special circumstances and conditions to individual rich landowners and inamdars.

As regards the poorest classes whose houses have fallen down, free grants of money would amply help them provided there is proper supervision to see that the money is expended only on the building of the houses.

There are two types of these thatched houses, the one Kutchiveedu and the other Anganaveedu. The former type has its roof of a conical shape with a circular wall. It is the cheapest form of house and will cost at the least Rs. 20. It is the Oddar community that builds the mud houses for the poorest classes. The wall costs Rs. 5. bamboos Rs. 4, leaves, Rs. 4 and props for the bamboos Rs. 2. Ten wooden log pieces are also required. costing Rs. 2/8 and another Rs, 2/8 as carpenter's wages.

The latter type of houses costs Rs. 50, being of a rectangular shape with small wooden cross-piecies running below the ceiling and among the poor this is considered the costly type. It seems that the Government is freely supplying the materials for building. Even then, in the case of the conical houses there will be an expense of Rs. 8 to 10 which should be freely distributed also, to the poorest classes. At no time can they be expected to save this amount, addicted as they are to drink and living on daily wages.

As regards house-sites for the poorest classes, Government should be requested to quickly move in the matter. Some false ideas are entertained by the labouring classes that private lands would be confiscated by the Government and appropriated for house-sites for rural labourers. The Government can do something in the matter of acquirement of lands for house sites and this can be done only by a special officer, who

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Racing is evidently a very profitable industry in Australia. The imported stallion Valois at auction in Sydney brought 14,400 guineas, the Australian record. Carbine was sold for 13,000 guineas.

should be appointed in the flood affected areas for the quick selection of sites on darkhast lands, and where these are not available for their outright purchase from private land owners. The rules under the Land Acquisition Act may not permit of speedy appropriation of private lands, and they should be relaxed to the utmost possible extent by special amendments for the purchase of house-sites in the flood affected areas. Rural labour has been largely affected and the earlier the housing question is solved the better would it be for the agricultural prosperity of the Taluq. We saw that immediate steps are being taken for speedy land acquisition in Bhavani and Satyamangalam and we hope they will be adopted also in rural areas. It is quite possible that inamdars and rich land-owners may be willing to give free lands for house-sites in their own interest, lest they should suffer for want of agricultural labour. Such acts of generosity also should be stimulated and fostered with a view the early starting of the poorest classes in life again.

The Dry Crop Area:—We should now deal with the dry crop area. In the hilly area as well there are dry crops raised, but they are so poor in yield and quality that we choose to call it the hilly tract. We have chosen the name dry crop area for the extent of land between Nerinjipettai and Bhavani, because these crops are better here. Garden cultivation yields a reasonable income and dry crops dependent on rains also give a good income, if only the rains do not fail. Lands are given to tenants in this area but generally speaking the tenant population is smaller than in the Bhavani area. At Kesarimangalam, Singampettai, and Ammapettai garden cultivation is quite good, and it is highly necessary that in these areas loans should be freely granted to the propertied classes for the clearance of lands and wells, purchase of seeds and cultivation purposes. The Kambu crop has been lost while ragi plant has been damaged. There is a strong demand for credit and it is urgent that this demand should be supplied without any loss of time. Any delay in the matter will only drive our agriculturists to a worse position than they are in now. The demoralising effect of poverty is already beginning to be felt. Where people have been poor, in the sense that the agricultural incomes have not always covered the occupational and domestic expenses, the flood has had no new effect. To them the disaster of the floods on the lands is only one of the series of vagaries of Nature, to which they have been subject from time immemorial. But to those who have been trying, and been able to make both ends meet by simple and frugal living, industrious character and a competent income from lands, the floods have proved a serious disaster not only in the sense of the material loss but in the demoralising effect on them as a result of their being thrown below the poverty line. An unconquerable circumstance in the case of a man just on the brink of poverty brings him down. There is a large class of rural labour in whom ideas of self-respect and self-will to improve themselves are yet to be ingrained. There is already a middle class who may also join this rural labour as a result of such unprecedented accident of Nature. Whether the Government authorities and the non-officials are going to permit an inflow into it by lending some easy props, which will give hope and courage to the middle-class cultivator to pull on with his land: that is the problem to be solved. And these middle-class ryots can be made to help themselves. Already two years of scarcity of rains have demoralised the cultivator in these parts. The richer middle-class, who have been affected by the floods, may also fall into the class of ryots just mentioned unless the Government and the non officials take immediate steps for their being lifted up to their former position. The weeks we are passing through are the transitional weeks, when vast changes in the human society may occur or be prevented from occurring. Individual transformations of the rich into the poor and vice versa may not be felt in the society as a whole; but when large masses of agriculturists are about to slip into the class of labourers as a result of the depreciation in land capital, the evil should be arrested then and there.

Who can be helped with Loans?:—It is here that the agricultural Loans Act and the Co-operative Bank can greatly help. We are quite sensible of the fact that either the Government or the District Bank can lend only to those who have the repaying capacity and would return the loans within a reasonable period of time. Repaying capacity varies with the quantity of the land owned. Where the ryot possesses less acres but requires a large amount of loan, it will have to be spread over a longer period with a view to make the repayment instalment consistent with the

We can be and should be master of events and not their mere play-things.

A soldier who sleeps on outpost duty and thereby endangers the life of his fellows and the cause of his country is shot. Yet the private citizen, the voter, can sleep on outpost duty and thereby bring even greater dangers to his country. He not only goes unpunished but feels himself entitled to become cynical when corruption becomes evident. Only by a closer watch upon the men who represent you in the official life, and a greater trust in them, can you hope to achieve the kind of Government for which presumably you stand - Newton D. Baker.

income. In the case of larger farmers the period may be from one to five years. The garden lands will never stand unreclaimed because the Co-operative Banks or the Government do not come forth with immediate help. The local money lenders living at rural centres will surely supply the demand at a higher rate of interest and thus increase the load of indebtedness in the rural area and the stimulus to improve one's land will become all the more deadened owing to the increasing difficulty to pay back the loans at heavy rates of interest.

If any help is to be given to landlords by way of loans either by the Government or the Co-operative District Banks, it would be done immediately. The Government may lend under the Agricultural Loans Act in the case of ryots with smaller repaying capacity, as their loans extend over a longer period of time at lower rates of interest. The District Banks may lend to landlords having garden cultivation in this area, as they have a larger repaying capacity and sometimes lease their lands to tenants.

The following statement taken from a landowning cultivator at Singampettai will clearly show that no loss will occur to the District Bank by giving loans to this class of people.

Income and expenditure of cultivation of 9¼ acres of garden lands in which several crops are grown in rotation :

Income.

Acres of, crops grown during the year.			Value in Rs.
4½ acres of kambu	...	...	256
1 acre of chillies	...	...	250
3 acres of cotton	...	...	900
¾ acre of tobacco	...	...	130
		Total Rs.	1,536

Expenditure.

Pay of farm servants	...	...	360
Kambu seeds	...	...	2
Labour for cotton	...	...	10
			372
Net income	...	...	1,164
Net Produce for one acre.		...	180

If in co-operation individual personality has to be guided by moral and peaceful principles it is clear that co-operation does not rely upon the class struggle as a factor in social progress.

It should be noted that the land owner here is the direct cultivator. He never pays any cooly charges, as the families of the farm servants work in the fields. He maintains four pairs of bullocks, never purchases manure, as the domestic manure is quite sufficient for his lands.

A tenant pays a rent of Rs. 50 to 75 for garden lands and it may be taken that the net produce per acre in this area ranges between Rs. 100 and 150. We may define the area on the Bhavani Banks for a distance of 9 miles as the turmeric area. This tract is the richest in the Bhavani Taluq. The garden cultivation yields a larger produce. Paddy is also raised in some of the lands. The water of the Bhavani is used on the banks for garden cultivation, and a water tax of Rs. 2 and land tax of Rs. 1/6 per acre is paid to the Government in this area. Turmeric, kambu and ragi are the usual crops raised. On the other side of the river cotton is also cultivated. There is a larger tenant population living in this area. This class of people increases as we go westwards into the Gobi Taluq. It is they that will suffer and are suffering as a result of damage to crops and produce. They cannot have an employment unless many of the lands are cleared. And this latter work falls mainly on the landlords. The latter, whatever may be the extent of land owned by them, have hardly enough actual cash in their hands to pay the wages.

In the tract round Jambai and Dalavaipet tenants pay a rent of Rs. 80 to 150 per acre to the landlords. The following actual estimate of the net income in this tract will indicate the richness of the soil. It was taken as a statement from half a dozen land owning cultivators from Thinnapulioor at a distance of three miles from Bhavani.

Estimate of produce in half an acre of Garden Land watered by the Bhavani.

				Rs.
Ragi	...	...	...	35
Kambu	...	...	...	26
Turmeric	...	...	...	320
Samai	...	...	...	12
			Total	393

N. B. In years of good rains paddy may also be cultivated as a second crop, but this is not taken into account in this estimate

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Co-operation actually brings into practice not only the principles of self-help and mutual aid but also the higher principles of mutual responsibility and solidarity.

Expenses:—

		Rs.	
Ragi seeds...		1	
Plantiong ...		2	
Removal of weeds		2	
Manure ...		5	
	Total	10	
Kambu seeds and weeds removal		2	
Turmeric:—			
Seeds ...		80	
Weeds removal		8	
Manure ...		7	
Cooly ...		12	
Manufacture		10	
	Total	117	Rs. 129
Net income			„ 264

How Co-operative Societies may help:—

Co-operative Societies may be utilised in this area for large grants of immediate loans for purposes of land improvement and well repairs. The existing societies should be quickened in their work and more societies should be immediately organised. The Co-operative Department should be asked to depute the Assistant Registrar of the Section for immediate organisation and registration of societies and for the preparation of property statements and loan applications for the immediate sanction of the District Bank. The work of the Department in the Tinnevelly section during this year in the months of January and February in the flood affected areas encourages one to think that the co-operative machinery can render great help in times of crisis, if only quickly and resourcefully utilised. The District Bank should however reserve a certain amount of loans to the flood affected taluqs. In case the Department finds it difficult to give the services of the Assistant Registrar, the Bank may appoint a special organiser with, of course, the moral support of the Department that the societies organised by that organiser will be immediately registered.

The question may be asked what amount of loans will be required. It was found that no standard for each purpose could be fixed as the loan requirements varied in different places. In some areas the removal of the sand will cost only about Rs. 15 per acre, in others it may cost Rs. 200. Similarly in the case of wells, some may be repaired for 50 to 100 Rs, while for others Rs. 500 may be required. There will also be the need for short term loans for the purchase of seeds and domestic requirements. The loan purposes may be scrutinised and the amount sanctioned according to the repaying capacity of the agriculturist. Loans also will be required for repairing the damages in wells and in Thulais. As regards wells the exact amount cannot be stated as it varies in different places from Rs. 50 to 200. In the case of a few agriculturists loans may be given for house building purposes for periods extending from 2 to 5 years.

It is also necessary that immediate steps should be taken to see that each family which lost its house during the recent floods is restarted in life with its house rebuilt as early as possible.

The method of housing rural labourers has been already dealt with.

House-building Societies:—

In a big town like Bhavani, where there is rich middle class of traders and commission agents, it may be quite possible to help them under the present rules of house-building societies, namely, that the society should raise one-fourth of the loan granted by the Government, as share capital from its members; but there are cases of agriculturists just on the brink of poverty, who are neither of the class of rural labourers, who have lost their houses nor of the richer middle class, who can pay the instalment of the share capital. It would be good if some charitable organisation were to find the money for these people to pay as share capital. The Government should be requested that in the case of these people the share capital should be remitted by them and only three-fourths of the amount of the loan should be realised in a series of years ranging from ten to twenty according to the general repaying capacity of the members in a society. In case the Government cannot see its way to do this help the charitable organisations should distribute the share capital free. The weaver classes who are not engaged in agriculture may be asked to form house-building societies; but the question will be raised whether honest and capable Panchayats can be found in villages for the collection of the instalments due to the Government even when the share capital is raised for them by philanthropic agencies. It is necessary here that the rules should be changed so as to permit such organisations and private gentle-

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Boy ——"Father, can you sign your name with your eyes shut?"

Father—— "Certainly."

Boy——"Well, then, please shut your eyes and sign my progress report card."----------

Boy's Magazine.

Germany has learned by bitter experience that very little is gained by the distribution among people of books even though they be best books; the all important thing is for the right book to get into the right hand at the right moment.

men to become members of this class of house-building societies with a view to supervise its working and the proper disbursement of the loan, the proper utilisation of the loan in house-building only and the prompt repayment. The local unions should be asked to take up the moral responsibility for intense supervision in the case of these societies with a view to see that the Government loan is properly returned.

Employment created by the floods:—

One other question remains, and that is whether and how far the floods have created unemployment in the Bhavani Taluk. Generally speaking, if only the land-owners are helped with immediate loans, there will be a large amount of work to be done by the labourers. The floods have only created the demand for employment; it is the absence of credit that delays its immediate satisfaction. Lands have to be reclaimed, houses rebuilt, wells dug and repaired and new crops cultivated: but all this cannot be done unless the land-owners get the credit with which to improve their lands. The construction of roads and bridges will also give ample work. Relief in the shape of grain doles may be necessary during the floodtime when people fled from their homes, and had to cease their normal avocations. Now no one is prevented from settling into life in these tracts by any accident of Nature. The relief during the time of floods is also limited by the fact that floods do not continue to inundate an area for a long period of time.

In this connection we cannot but thank the Ramakrishna Mission for the immediate relief they are giving by way of grain doles to the poorest in this Taluk.

"THE DISCUSSION THAT FOLLOWED MR. OTTO ROTHFELDS' PAPER."

[In continuation of the paper read by Mr. Otto Rothfeld published in the Bulletin for the month of August we give below an abstract of the discussion that followed the reading of the said paper. As the persons, who took part in the discussion, were men of great light and leading, whose opinions are entitled to great weight, we attempt to give a short summary of the discussion: E. M. B. C.]

Lord Lamington (a former Governor of Bombay) who presided over the occasion, said that when he was in India the co-operative movement was just started. He was glad to note that Indians were now so far changing their character as to realize to some extent the benefits of co-operation, although formerly each man regarded his own possession as a talent to be buried in the earth, and this was a remarkable change indeed.

Character is higher than intellect; it guides the intellect in the right direction; it makes men reliable; it is the chief factor in man's success or failure, which comes just like apples or thistles, by law and not by chance.

The Right Honourable Lord Olivier, K.C.M.G., C.B., the Secretary of State for India, said that the author of the paper approached the subject from the established and the orthodox point of view. He himself on the other hand regarded it rather from the point of view of the people, whose needs gave rise to some system of co-operative banking. He would like to know in what proportion the joint stock banks and other large banks in India were employed in financing Indian commerce, and in what proportion they were employed out of the country. In Jamaica he had heard the complaint that such banks were more anxious to receive deposits than to employ money for the development of proper banking facilities in the island. That was a complaint which might in the present disposition of the Indian people be made against European banks in India, with what truth he did not know, but he would like to have some information on the point. He added that by application of the co-operative principles the peasant in Jamaica was emancipated from the produce buyer. There was another side of co-operation about which he had not heard anything that afternoon. On the one side was the producing and the obtaining of facilities for producing. On the other side there was co-operative marketing, and he wanted to know something more about this latter. He was of opinion that it was more difficult to get into the general mind the idea of co-operative marketing than the idea of co-operative banking.

Mr. H. W. Wolff gave a brief account of the origin of Co-operative Movement in India and the part he had played in inaugurating the Movement. He deprecated State help, and said the Co-operative Movement should be the peoples' own affair, governed eventualy by themselves, and dependent virtually upon their own resources with the Government aid in money at the start got down to a minimum. He was of opinion that India stood foremost in respect of rapid development, and the attainment of good results. In Germany, in Italy and other places progress had been very much slower. He was glad to note that this movement had a stimulating effect in causing co-operators to turn to other forms of co-operation, especially in agriculture. The Agricultural Authorities had become the allies of Co-operation and this worked to the best advantage for

Co-operation in agriculture enables the peasants to unite in associations for the purchase of seeds, fertilizers and machinery, while co-operative credit societies loan them money to make these purchases.

the country. Lately people interested in Co-operation had taken to travelling abroad and seeing things in other lands. He thought the time had come when India ought to be content with its own system, for that system had its own distinctive features specially suited to the country. The Co-operative Movement in India had a great future before it. Given the well-paid artisan in India as in England the Co-operative Movement could be made as flourishing there as here. And he looked forward to the time, if the movement proceeded on the lines on which it had begun when what an Indian Registrar wrote about a decade ago would be seen to be an actual fact that is, "Co-operation is the best gift India has yet received from its rulers."

Mr. A. Fremantle I.C.S. Retired U. P. (brother of Mr. Fremantle, the Registrar) uttered a note of warning and said that if one were to permit the organization of district bank to get into the hands of politicians, it would be unfair to the original persons who financed these banks. That was a great difficulty in banking in his part of India. One would of course like to de-officilize everything as much as possible; but one was up against the clever lawyer politician who did not care what became of the money, and there was a great possibility of the money being misused and misapplied and the bank in districts going to utter ruin.

Mr. Saklatwalla, the former India M.P., said that, though Mr. Wolff had pointed out that the banks must not be made into State concerns yet the state money in a country like India was also people's money. While there was a sort of understanding if not a rule that the Government money should be held in such and such proportion in the Presidency Banks or even in exchange banks, the same principle might be applied with even greater justification to the Co-operative Bank, in which the Government might hold some of its surplus revenue. It was unreasonable to expect the people who needed the Co-operative system most to build up the co-operative bank unaided.

Mr. J. M. Mitra, Registrar of Co-operative Societies, Bengal, said that one aspect of the banking movement had not been touched upon, namely, the immense possibilities of the movement in bringing the financing of trade and commerce into direct touch with agriculture. It was only through the Co-operative Movement that financing of trade and commerce had been brought face to face with the financing of agriculture. The Exchange and Imperial Banks had so far stood apart from the financing of agriculture. Now they found that by lending their surplus money in times of stress they could get the surplus funds of agriculture in times of abundance. This aspect of the progress of co-operative banking demanded some attention. It was as a part of this progress that the financing of trade and commerce had been linked with the financing of agriculture.

Mr. Rothfeld in his reply drew attention to the inherent difficulty of standardising the requirements of all provinces. On the administrative side, said he, leaving aside the political question, in connection with a thing like co-operative banking, much harm was done by grouping together every province and making them submit statements in the same form and generally dealing with the matter in a fashion which was quite intolerable. With regard to the Co-operative Banks serving as public treasuries in districts not already served by the Presidency Bank, this principle had been more or less vaguely accepted by the Government and by the Co-operative Movement; but the difficulty was at present that no co-operative bank at least in Bombay was so far in a position to volunteer and guarantee proper performance of service. He agreed with Mr. Wolff that they should not be in such a hurry, but the point about India was that they had no time to waste. The country had been left very far behind the needs of the modern, industrial, capitalized world, and if they did not hurry up as far as they could with safety, it was going to be left behind hopelessly. He urged what appeared to him to be the primary necessity of the case to make up the tremendous lee-way in education which was now here felt more than in Co-operative Movement. The co-operators at a recent council election moved forward to the hustings with banners flying and bands playing. He hoped that India would move forward to education in the same spirit.

Sir. Robert. W. Carlyle, K.C.S.I ; C. I. E. another retired Registrar of Co-operation, in proposing a vote of thanks, expressed his sincere opinion that there was no movement in India which was more important and could do more to promote self-government and co operation in the agricultural and working classes than the Co-operative Movement.

In co-operation everyone is directly interested in the business.

Plenty of outdoor exercise, all windows opened as soon as the lights are put out at night, good, hard, level beds to sleep upon, little meat food, but plenty of vegetables and fruit, and you have the foundation of good health.

"THE DEVELOPMENT MINISTER'S SPEECH AT GUNTUR"

The Minister for Development, the Hon'ble Mr. T. Sivagnanam Pillai, in a speech given at the Guntur Conference delivered himself of important pronouncements on the position of the co-operative movement, which should have been done at the Budget Speech, had it not been for want of time there. Co-operators are, therefore, bound to ponder over them with that amount of seriousness which they really deserve.

In this note we would like to express our views on the subject of transference of the movement into the hands of non-officials. The Minister has analysed this transference under two aspects, growth of of unions, and the institution of Honorary Assistant Registrars.

With a view to clear the issues we may state at the outset that as regards non-officialisation, there are two schools of thought; the one which believes that the deletion of the words "Assistant Registrar" in the by-laws of primary societies and unions will lead to a healthy development of the movement. We don't believe so. In fact we have no faith in this cry for privileges, as if something lies in the hands of the officials to hand over to the non-officials. We believe that there is nothing to be given by the officials and nothing to be received by the non-officials.

THE EARLY POLICY OF THE DEPARTMENT.

A little digression here to understand the trend of the co-operative movement in this Presidency. The Registrars in this Province, (from the beginning) never liked to introduce any stringent Rules which smack of official control. Anyone who goes through the Rules under the Act in this Presidency can clearly see that matters which ought to have come under them have been deliberately omitted. We know also from personal experience that the Department have all along persuaded the District Banks and Unions to issue administrative circulars rather than take upon themselves the direct control.

We know also that the former Registrars always insisted that the inspectors should never do the work of societies or Unions but with infinite patience persuade the Office-bearers of the societies to do it. Anyone who reads the by-laws aright can see that the right of initiation in every question lies with the societies or the union and it is only the right of final approval that rests with the Registrar. The object here too is not to introduce the official red-tapism of orders from above, but associate the Assistant Registrars with the general bodies of co-operative institutions, so that the latter guided by their influential advice may themselves do the work efficiently and economically. It is under these circumstances that the movement is now working in this Presidency. And how can experienced co-operators be expected to placate this cry for non-officialisation ?

A world order based upon justice and co-operation, in which the individual may find freedom, is the end for which many labour groups are working; and for which certain research groups, philosophers and idealists hope. Fundamental changes in our social and industrial order must be made before this goal is reached.

MUTUAL ASSOCIATION IS TRAINING.

There is the other school of thought to which we belong, which understands non-officialisation in a different sense. It is this school that predominated at the last Provincial Co-operative Conference. In fact in the editorial note in the last Feberuary number we published, we explained our position very clearly. This school has been ably represented in the minutes submitted to the recent Provincial Co-operative Conference by Rao Sahib Mr. T. R. Srinivasa Rao. The question is not one of the grant of more privileges, but one affecting the method of training non-officials for co-operative work. What we demand as regards non-officialisation is that there should be a definite programme and a policy behind the work of training non-officials. Time there was, when the Budget of local unions was not altered or reduced from the headquarters of the section, but discussed by the officer with the general body and approved also in their presence. It was the custom to sanction honorariums in the presence of the union general body and the representative of the society and also the Assistant Registrar. It was the custom, and some sections do so now too, to review the audit order of each society, point out the defects and frame resolutions on them so that they may form the programme of work for the union for the next year. More things can be wrought through the winged word than by soulless correspondence, which is the child of officialism rather than of adult education in co-operation.

ASSOCIATION APPLIED.

Hence we mean by non-officialisation consultation and association. Unfortunately these things have to grow more by convention than by rigid rules. In other words, how can you train non-officials unless you give them the required pabulum on which they should feed and grow? For instance, let every Union be consulted before a society is organised in that area ; let every administrative act of the Inspector be done in consultation with the

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Wounds of victorious soldiers heal more rapidly than those of the vanquished.

Union; let all matters relating to the District be circularised by the Assistant Registrar through the District Federation; then non-officials can be really efficient in taking up organisation, supervision and administration. The year before last, the Bomnay Provincial Co-operative Conference appointed a committee to go into the non-statutory functions of the Registrar and of which the Registrar himself was also a member. That committee recommended with the full consent of the then Registrar, Mr. Otto Rothfeld, that on all financial questions relating to the Province the Provincial Bank should be consulted : and on other questions the Bombay Central Co-operative Institute should be consulted. That is the well-defined line of action followed in our sister province.

What is the position here? Actions on important questions are taken without the knowledge of the Provincial Co-operative Union. Where is the consultation and where is the association? What we need is scope for doing the work, scope for knowing things which alone train non-officials. We can give examples from days gone by, when the Inspectors were actually ordered by the officers to work under non-officials.

The fact is in contrast to other departments, the Co-operative officer and his subordinates have to realize that his position is after all that of a teacher, and that the value of the teacher lies in putting those questions which draw out the faculties, supplying those materials which sharpen the capacities, and giving those opportunities which evoke the best powers of those put in his charge. Considered from this point of view, the assessment of non-officialisation does not consist in taking stock of the formation of 247 unions and their expenditure on Supervision.

If a union has really been started, then there should be no kind of paternal interference in its work in the interest of efficiency, unless specific request is made therefor, by a resolution. There should be a grading of the unions, how far they are fit to undertake educational and administrative work. Unions have been formed simply to increase their number and we call it non-officialisation. There are unions which live simply on the funds of urban banks, others, comprising societies scattered over long distances, and still others that could boast of members who really think they are helping the Government and not *vice versa*. If any one studies the formation of the older and the newer unions, he can very easily find a startling contrast between them.

Radio has affected libraries. Not so many books are being borrowed as formerly. Courses of study are being broadcasted from many stations, which accounts for it, probably.

NO NEED FOR COMPLAINT.

What then is non-officialisation? We believe that co-operators will have nothing to complain if they will only act according to the by-laws and carry the general bodies with them in all their actions. After all, the complaints of non-official co-operators against the Department cannot stand. These powers are too limited. Can it be said that societies organized by Unions are not registered by Assistant Registrars? It is one thing if the latter use their valuable power of registration in scrutinizing the application for a society. But that cannot be construed as official interference. If a District Bank is willing to rely on the recommendation of a Union and grant loans to societies do the officials stand in the way? The by-laws require that every correspondence to the society by the Assistant Registrar should also be sent to the Union. The struggle arises where a strong-willed inspector or an officer misconceives his position and operates his authority; but this too can be easily overcome, if the Union is able to gain the loyalty of the societies. There is a great deal of truth in the complaints very often made by officers that non-officials are not coming forth in as large numbers necessary to take up this vast work of co-operative organization. We can quote instances in which a strong-willed Union eliminates the inspector from its area by doing its work efficiently.

We have digressed. We began with the question of what is non-officialisation. We said that it is consulation and association.

WHICH OFFICER WILL DARE ASSOCIATE.

Now, consultation and association demand a certain amount of intellectual and moral strength which bring conviction to a large number of people and also the spirit of sportsmanship to acquiesce in the will of the general body. It is here that the difficulty has crept in. Co-operative work is largely the education of the adult. Adults can be persuaded to learn and to act on the advice of a teacher only when he possesses a moral and intellectual influence over them. The mere fact that the teacher is a Government servant possessed of power is not enough for getting an influence over non-officials. And, especially when the movement by its growth has absorbed into itself a large number of highly capable people the adviser should possess a higher capacity and influence to shape their policies. When the Officer does not feel the self-confidence in him to convince the general bodies of societies of his views and does not have that spirit of sportsmanship to approve of the general will, or misconceives his position, official correspondence is the resultant, and a crop of deadlocks too.

It is Universal tradition, founded on universal experience that man is corrupted by power - John Stuart Mill.

Also a large staff for administration and audit weakens the non-official nerve and tempts them easily to hand over responsibilities into official hands. Lastly, the non-official staff will never attain efficiency so long as there is an administrative and inspection staff.

We would, therefore, request the Department to have some policy behind the non-officialisation, to see that as much work as possible is done in consultation with non-officials with a view to their training and that the responsibility is clearly demarcated by the method of non-interference without specific request.

To the non-officials we will say that there is nothing to cry for. Everything rests on the District Bank, which can stimulate enthusiasm by efficient credit service, and on the Unions which get the confidence of those banks.

HONORARY ASSISTANT REGISTRARS.

The second subject of non-officialisation which he Minister took up for his discourse was the posittion of the Honorary Assistant Registrars. We regret that much is made of the choice of these gentlemen in many speeches. At the International Co-operators' Day meeting held in the city on the 5th of July, Mr. Satyamurthi referred to the point that they are chosen with a view to consolidate the party in power, to which the ex-Minister replied that only 10 per cent were additionally chosen by him and that too, with a view to give equality of opportunity. We do not want to go into the correctness of these statements. The present Minister at Guntur said that more facilities are being given to them and that was an additional argument to show the earnestness of the Department as regards non-officialisation. Our question here is not about the choice but as to the whole institution. Honorary Assistant Registrars were appointed in the early days by the Government direct, because there were no institutions to elect them. The whole movement had to grow out of the efforts of the officials and they had to select certain non-officials, so that the Government might show the largest quantity of work with the least expense. But the situation has now changed. There are a number of institutions which can be expected to select the men. In fact the best way of non-officialisation lies in the Government giving to all kinds of work which ultimately rests on the people's will, money instead of men who are under their control. What is co-operation now or ultimately? At present it may be described as a democratic framework for training the people in joint efforts. The goal we aim at is the democratic control of the instruments of wealth by the people themselves. But now or in future it is the people's work. If it is done by the Government and its officers, it is not co-operation; at best it can be an efficient supervising service for distributing cheap credit. But if the distribution of credit alone is the aim, the co-operative framework of Panchayat and general bodies is hardly necessary, the formalities gone through are superfluous, and mere branch banks may lend at cheap rates of interest to individuals, with the aid of Government inspectors for collection work. If it is something more than that, it is the people that have to do it. It is no use complaining that non-officials do not come forward. It is hardly possible to expect non-officials not only to give their time and energy but also money. Secondly, capable non-officials may be expected to take up honorary work, though they cannot be had as full timed paid officials for the small salaries given by the Department. Thirdly, the co-operative work requires public spirited men, as much public spirited—nay even more—than those whom we find in the political field. And can the official be expected to discover such men? Or rather, is it not the fact that the movement has degenerated in some places into the hands of a few who are satisfied with little honorariums and the little service they do to themselves and their relations? How can civic spirit respond to official touch?

So few of us who join a co-operative do so with the idea in mind that we are entering upon a business venture in which we are one of the partners; just as much so with a hundred partners owning and managing the business as if there were only two or three of us. We must realize that if we ever have a co-operative movement that will serve us adequately and well, we must build it ourselves. No one is ever going to do it for us.

METHODS OF STATE AID.

More than all, if the State were to choose in adult educational work between directly adminstering the social needs of the adults, and stimulating such a work through giving the necessary facilities, it must choose the latter method instead of the former. The State is an impersonal entity and the grant of facilities for educational and propaganda work, and that too in the *ratio of public enthusiasm* for it, will build it up while the former method will weaken it. This principle has been accepted by all civilised Governments.

PRINCIPLE OF STATE AID FOR AUDIT WORK.

The Adult Education Committee appointed by the Minister for Reconstruction in England laid down in their report of 1919 that it is the duty of the State to provide all facilities for the education of the adult. They cautioned against interference by the State in the internal administration, which will take away the popular enthusiasm which needs to be implanted. In fact, there are certain types of work which do credit to the Government when they stimulate non-officials to do it through their money help rather than by themselves doing it. They can show a larger amount of work with the same money spent, but if they are to do it directly, the result will be not only to effect the opposite of what they aim at, i. e. non-official control, but increase the official staff in an inordinate manner, for the larger the number of rural life organizations, the larger will be the staff required, so much so there is no end to it. But if it is not the object of the Government that the whole of the taxpayer's money should, in future, if not now, be absorbed by an army of inspectors located in every group of 25 villages—and we are sure it is not—the better way of going about the business is to help the non-official organizations with equipments and financial grants, with a view to withdraw the help when they grow into strength. We may give some examples :—

IN AMERICA.

In America the Smith Lever Act of 1914 made available a trained agricultural staff for district work. When Farmers' Associations increased in number the question arose as to the exact relationship of the staff to the associations. The Federal Government rightly emphasised that the work of the staff was only advisory and they should not directly engage themselves in the administrative work of the associations.

IN CANADA.

Again the Agricultural Associations in Canada are given very large grants for promoting agricultural work.

IN ENGLAND.

In England the Government has definitely recognised that voluntary agencies alone should organize and conduct work for adults, and that they and the local authorities should financially aid them.

In fact the world over, it has been recognized that in any work for co-operative or agricultural propaganda or social and educational work for the amelioration of the masses, non-official organisations should be financially strengthened.

WHAT SHOULD THE GOVERNMENT DO ?

Viewed from this point of view, the Government should hand over funds to local Unions, District Federations, and the Provincial Union, so that they may undertake co-operative propaganda, education, organization and supervision. Till the societies take root in villages, efficient supervisors

are required. And they can be maintained by abolishing the administrative inspectors and granting their salaries to the Unions to improve their staff. The main defect in the appointment of Honorary Assistant Registrars by the Government is that the Department, in addition to the elimination of non-officials by its maintenance of a large staff, also officialise the few non-officials, who are tempted to look up to the section officer rather than to the general bodies of societies to gain their esteem and confidence. Situations have arisen where the Honorary Assistant Registrar goes on with this work fortified by the Government authority, while he has no place as an office-bearer in the Union. This is the point of view which we would like to place before the Minister. Are Honorary Assistant Registrars intended to strengthen the non-official side, or to officialise themselves?

It has been said by the Minister that the question has been seriously considered whether non-officials in certain areas can be given complete official powers and jurisdiction over it. We are glad that the scheme has been dropped and the conclusion reached that the transference of powers is possible more to organizations than to individuals. In Bombay a scheme has been brought into practice that the Institute should be consulted in the recruitment of Honorary Assistant Registrars, and Co-operators there are pressing the view that the money expended on them should be handed over to the Institute, which should be asked to select the men. Unless the source from which Honorary Assistant Registrars derive their power is changed from official into non-official hands, we wonder how the institution of Honorary Assistant Registrars can be called non-officialisation. It may be said that such organizations may not have the breadth of outlook and the grit to appoint the right men; but are there not less chances of favouritism in organizations which derive their power from the general bodies scattered over the Presidency, than in departments subject to Ministries, which, in ordinary human nature, cannot keep themselves aloof from the sway of party considerations?

INDIVIDUALS AND CO-OPERATION.

The Minister for Development has remarked at Guntur "that the demand for handing over the co-operative movement to non-official control receives much stronger support only from gentlemen outside the movement than from those actually in it."

May we know who are those outside the movement and who are actually in it? From one point of view, and the right point too, the movement is now mainly managed by individuals. In the village society it is the schoolmaster who does not plough, or the village Kurnam who is hardly an actual cultivator, that conducts its affairs. In the Unions we can find vakils, traders, teachers, who are not actual agriculturists and with the inclusion of Urban Banks in Unions, the educated classes dominate largely in many places. Are these the individuals who are in no way connected with the movement? And whenever society representatives and those of Unions complain of individuals in District Banks they themselves forget that they are travelling in the same boat in their own organizations. The fact is that even though many of our societies are really benefiting the small holding actual cultivator, the number among them who run their institutions is infinitesimally small. Our aim should be to take up a broader programme of education, to stop the drinking habits of rural labour, to infuse the sense of self-respect and self-improvement in them, and to train the average agriculturist to run his institutions. From top to bottom, official and non-official, all are individuals; and hence the many defects of the movement. The official when he complains that the non-official has not done his work for the whole village, for the whole union area, for the whole district, should shake off his rhetoric and look at his back, what he is doing to train the actual small holder. Similarly the non-official, many of whom have been thrust into the movement and whose sense of civic spirit does not go beyond sastisfying his and his relations' needs, hardly introspects himself what he is doing for the training of his weaker brethren in the management of common undertakings, and discharging the great trust he has taken up himself.

The movement has now spread. It demands the assistance and co-operation of a large number of individuals who are not really in the movement but any how connected with it. Sometimes, as non-official human nature is the same as that of the official, his zeal for his work tempts him to do it efficiently forgetting that he has to make his constituency do it; the official also performs efficient service forgetting the fact that he stays there in charge of a trust of training his ward. But all have to recognise that in so far as the rural average has not been raised by compulsory and adult education, the movement depends on the educated men for running the agricultural. societies.

HONORARY ASSISTANT REGISTRARS.

By Rao Sahib T. Srinivasa Rao.

In recent months both inside and outside the local Legislative Council a good deal of interest has been evinced by Co-operators in the matter of the appointment of Honorary Assistant Registrars. In February last, in reply to questions put by Mr. S. Satyamurthi, M. L. C., asking for information as to the principles on which the appointments of Honorary Assistant Registrars were made and as to whether all the Honorary Assistant Registrars who had been appointed so far were appointed solely with reference to those principles, the Hon'ble the Minister for Development stated that is the policy of Government to appoint Honorary Assistant Registrars *from amongst the actual workers in the movement* (the italics are ours); and that this principle is followed wherever local conditions render it possible to do so. In reply to further questions by the same member enquiring what principles guided the appointment of Honorary Assistant Registrars when actual workers in the movement were not available, the Hon'ble the Minister for Development stated that it is not obligatory on the part of Government to appoint Honorary Assistant Registrars and that Government appoint such men if proper men are available, but not otherwise. The matter was pursued further by Rao Bahadur A. S. Krishna Rao Pantulu who wished to know how many Honorary Assistant Registrars were so far appointed in accordance with the principle stated by the Hon'ble Minister. No direct answer was given to this this question, the Hon'ble Minister having stated that the answer thereto if attempted would involve an analysis of the appointment of 89 men. Another member of the Council, Mr. Arumuga Nadar enquired what the qualifications were for appointment as Honorary Assistant Registrars. To this question also there was no answer.

2. As to the principles regulating these appointments the following utterances made by the present and ex-Ministers for Development outside the Legislative Council furnish further light. In his address to the Guntur Co-operators at the last Co-operative Conference in that district the present Minister stated that the appointment of Honorary Assistant Registrars was one of the important ways in which the non-official control of co-operative societies was allowed to be exercised. On the occasion of the celebration of the International Co-operators' Day, in reply to the observation of Mr. S. Satyamurthi (vide report in the '*Hindu*' of the 7th July) that the appointment of Honorary Assistant Registrars had been made with the object of consolidating the party in power, the Ex-Minister for Development, Sir K. V. Reddi Naidu, gave the answer that himself

being responsible for the appointments in question he would assure co-operators that in making them he had no other object than to give equal scope for all people to work in the field, and that, when he found that equality of scope had been ignored, he only restored the same.

3. Outside the Legislative Council the following has transpired in non-official circles. At the last Provincial Co-operative Conference a prominent co-operator of Anantapur, Mr. H. Shiva Rao, and five others moved the following resolution; "That in view of the fact that the Government seems to look with very little favour upon the scheme of the Honorary Assistant Registrars, judging from the scant powers entrusted to them, this Conference is of opinion that this scheme be immediately put an end to and the funds allotted for the purpose be handed over to the Provincial Union for the appointment of Honorary Organizers." In his Presidential address at the Godavari District Co-operative Conference held early in May last (vide issue of the '*Hindu*' of the 3rd idem) the President, Mr. B. Vengatapathi Raju M.L.A., stated as follows: "The Government introduced the system of Honorary Assistant Registrars. They (the Honorary Assistant Registrars) are proving the fifth wheel. Assistant Registrars do not want any help from the honorary. Often they are tolerated but never actively helped. Every advance is traced to the official source and the work of the Honorary Assistant Registrars is regarded as negligible. Sometimes mere figure-heads are appointed. Even the enthusiastic workers are discouraged by taking the unusual course of appointing Inspectors to examine the feasibility of affiliating (registering?) a society recommended by an Honorary Assistant Registrar." Mr. Venkatapathi Raju further observed that if either the Registrar or the Assistant Registrar did not want Honorary Assistant Registrars they had better say so and abolish that office. At a meeting held in February last of the representatives of unions in Sattur and Srivilliputtur taluks in the area of the Srivilliputtur Banking Union a resolution was passed to address Government that the appointment of Honorary Assistant Registrar in that area was not required in view of the fact that they had resolved to organise a federation of unions.

4. From what has been stated above it will be seen that though the policy of Government is professed to be to appoint as Honorary Assistant Registrars men *from amongst actual active workers in the movement*, the Minister, when confronted with supplementary questions on the subject, was not able to assert that that was the invariable practice. The real clue as to this hesitation on the part of the Minister is furnished in the reply of the Ex-Minister to Mr. Satvamurthi on the International Co-operators' Day, which was to the effect that in making these appointments he was obliged to restore equality of opportunity to several communities which he found to have been ignored previously.

5. The observations of no less a public worker than Mr. Venkatapathi Raju, M.L.A., and resolution moved by Mr. Shiva Rao and others go to indicate that in responsible non-official quarters the feeling exists that sometimes incompetent men are appointed and that even when competent men are appointed they are ony tolerated but not actively helped. The resolution passed by the Co-operators of Srivilliputur and Sattur taluks as well as the resolution moved by Mr. Shiva Rao and others go to show the existence of a feeling in some quarters that the institution of Honorary Assistont Registrar is not wanted.

6. To one who would reflect for a moment, the institution of Honorary Assistant Registrars is rather one which it is not very easy to understand. It is difficult to make out how this office fits in with the Co-operative machinery, official or no-official. It certainly does not form part of the official machinery. As to the non-official machinery, what part does it occupy? Let us look into the matter and find out. The duties devolving on the non-official machinery are supervision, propagandist work and organisation. By reason of the constitution of the non-official machinery these duties devolve on Supervising Unions and in addition, whereever such exist, on the District Federation of Unions. The Honorary Assistant Registrar as such does not form part of either of these institutions. Some Honorary Assistant Registrars as a matter of fact hold office on the Governing Body of Unions. Some, however, do not. Information on this latter point is not available, the supplementary questions put in the Legislative Council tending to elicit information in this respect not having been answered. With the information available to us, we may well take it that at the time of their appointment some Honorary Assistant Registrars hold office on the Governing Body of Unions or of the District Federation while others do not.

Taking first the case of the former, let us enquire whether it is necessary that a member of the Governing Body of a Union or the District Federation should be appointed Honorary Assistant Registrar and what will happen if he be not so appointed. Obviously, the aim of the movement is that the discharge of the duties mentioned above (namely, supervision, propaganda and organisation) should in due course of time pass into the hands of the Supervising Agency comprising Unions and their District Federation. Should not Co-operators, one may seriously ask, be expected to attach due dignity to the office of membership on the Governing Body of a Union or the District Federation as such: And further Should not co-operators, on being elected to the Governing Body of a

Union or the District Federation be expected to take to the discharge of of their duties with all the earnestness which they can command, instead of a member of the Governing Body (as the present policy practically leads him to) looking forward to his apppointment as Honorary Assistant Registrar. We mean no disparagement to the gentlemen already holding the office. At the same time we may, with pardonable excuse, ask what would be the eventual result of a suspended feeling of expectation, or at least desire (rarely to be over fulfilled) on the part of one member or another of the Governing Body in about two-thirds of the total number of Unions in the presidency- about 240 which do not at present come in (or will never perhaps come in) for a share in the honor of the office of Honorary Assistant Registrar for one of its Governing Body members. The conferment of the honor of this appointment—such as it is generally supposed to be—is bound to have an unsettling effect on the ultimate aim of the movement, which is no other than that local Supervising Unions, co-jointly with their District Federation, should assume complete control of societies in their charge. So far as the Unions which at present enjoy this privilege are concerned, let us enquire whether there is anything which a member of the Governing Body, and the more so its President or Secretary, cannot do *as such*, which he can do only in his capacity as Honorary Assistant Registrar. In answer, it only remains for us to point out that while the President or Secretary, or even an ordinary member of the Governing Body of the Union, derives his authority from the constitution of the Union to which he belongs, and can exercise all supervising functions, the Honorary Assistant Registrar as such has only to depend on the Registrar to entrust him with particular powers such as the disposal of arbitration cases and the holding of enquires. There is hardly anything to prevent the President or Secretary or an ordinary member of the Governing Body as such being entrusted with these powers, as any other person who happens to be appointed Honorary Assistant Registrar. The only reason which may be brought forward, with any show of justification, for the appointment of a Governing Body member as Honorary Assistant Registrar, is that that step enables him, his travelling expenses being borne by Government, to freely move about in his jurisdiction for a proper discharge of his duties, which otherwise he would be prevented from doing, in view of the slender financial resources of several Unions and their consequent incapacity to bear his travelling expenses. Beyond this, no valid reason is conceivable for the appointment of GoverningBody member as Honorary Assistant Registrar. This being so, the proper thing would appear to be to grant a subsidy to such of the Unions as cannot bear the travelling expenses of their Governing Body member because of their slender means. This course has several advantages to claim. It would, in the first place, be more economical. No Union can, now or perhaps at any time, afford to pay its Governing Body member who does the executive out-door work, travelling allowance on the liberal scale on which it is allowed to him by Government as Honorary Assistant Registrar. Unless Government propose for all time to come to continue to confer the office of Honorary Assistant Registrar on a Governing Body member, Unions stand to lose rather than gain by the conferment of such office on one of its Governing Body members. When once he gets to be paid travelling allowance on the Government scale it will be no easy business for the Governing Body member to reconcile himself to a lower scale in the future. The policy of the Government should be to help Unions to help themselves. This can only be done by granting them a subsidy when their finances are inadequate; and even then to do so on the distinct understanding that the subsidy will be continued for a certain number of years, and that on a sliding scale, the same being reduced by a certain proportion every succeeding year, and the same disappearing altogether at the end of the stipulated period. In this way, Unions would be obliged to learn to be self-reliant and, in due course, to become self-supporting. In this manner, the amount now spent by Government on the travelling allowance paid to Honorary Assistant Registrars can be spent more usefully and more economically. The amount so spent in 1922-23 was Rs. 14,817. Even a larger expenditure would be justifiable, provided it takes the shape of a duly regulated subsidy to Unions in need, in general, all over the Presidency. Unions will then be obliged to *think* of their financial position, *not to think* of applying for subsidy unless compelled by sheer necessity, *to realise* that sooner or later they will have to stand on their own legs, in other words, learn to be self-realiant, and in due course, to become self-supporting. Can there be better co-operative education than this? We leave it to co-operators to answer.

7. Coming now to the appointment of persons unconnected with the Governing Body of any Union (or Federation of Unions) as Honorary Assistant Registrar, we have reasons to think that Government itself is not prepared to uphold such appointments. This may be inferred from the kind of answers, or no answers furnished to certain subsidiary questions put by Messrs. S. Satyamurthi and Rao Bahadur A. S. Krishna Rao. The inference finds support in the Minister's address to the Guntur Co-operators. In the course of that address, while speaking about transference of control from official to non-official hands, the Minister was pleased to state that, on an examination of the question, the Government

had come to the conclusion that the delegation of powers of the Registrar to recognized co-operative institutions such as Local Unions was preferable to delegation to individuals, which latter was for reasons found by Government to be impracticable. In the case of Unions the Government thought that their executive could be expected to exercise the powers delegated. In view of these authoritative pronouncements, the appointment of persons unconnected with the executive of any Union can hardly be justified. In passing, it may be incidentally remarked how in these circumstances, appointments made with a view to confer equality of scope to several communties are understandable; or how the claims put forward by certain members of the Legislative council during the last session for a share in the posts of Honorary Assistant Registrars for members of their respective communities can be enterained.

8. In this connection it will not be out of place to quote what, in the opinion of an Ex-Registrar who, if our recollection is right, was in office when the first batch of Honorary Assistant Registrars were appointed, was the policy of Government in making these appointments. He believes that it was the policy of the Government at that time to recruit Honorary Assistant Registrars from among the representatives of Local Unions with a view to carry on the working thereof in an efficient manner and also with a special view to afford greater scope for expanding the work of primary societies in other directions than credit. On the one hand, from the answers given in the Legislative Council and from the speech of the Ex-Minister on the International Co-operators' Day, the recent policy appears, however, to be different. On the other, no evidence is forthcoming either in the published annual reports or otherwise to show that Unions enjoying the privilege of one of its executive holding the office of Honorary Assistant Registrar are worked more efficiently than others not enjoying that privilege, or that non-credit work is organized or transacted in such Unions in contrast to other Unions.

9. Coming to the actual work done by Honorary Assistant Registrars Mr. Satyamurthi sought to elicit information in the Legislative Council but the answer was given that the information was not available. Nor do the published annual reports supply this defect.

10. To sum up: The office of Honorary Assistant Registrar does not appear to fit in with any policy directed towards the attainment of the ultimate goal in view, namely, the passing of control of co-operative societies into the hands of recognized institutions existing for the purpose, namely, Unions and their District Federations. It detracts from the present necessity and importance of befitting these institutions for their responsibility, as such. The office, from the point of view of Unions, does not appear to be calculated to conduce to economy in Union administration. It does not tend to make Unions self-reliant. It detracts from the necessity on the part of Unions to endeavour to become self-supporting. Equitable treatment is denied to Unions which are not recipients of the privilege. No wonder then that the appointment is considered in some quarters as a fifth wheel; in certain others, is viewed with disfavour; and yet in certain others not wanted altogether.

11. Our object in writing this article is by no means to cast any reflection on any gentleman holding the office of Honorary Assistant Registrar. There are so many amiable gentlemen filling the post. Our remarks are only directed towards the *very office* itself, for which there does not appear to be adequate justification. The office, as shown above, does not fit in with a well-devised scheme directed towards the attainment of the goal in view. We wish co-operators all over the Presidency will give the subject the consideration which its importance demands and express their opinions. We can certainly conceive of rare instances in which the appointment may be justified, e. g., (i) the appointment of Missionaries or others actively interested in the organization or supervision of societies for Adi Dravidas, in whose case the organization of Unions is not for the present practicable; (ii) the organization and working of societies of special types, such as weavers' societies; societies for organizing and promoting joint sale of agricultural produce, and joint purchase of domestic and agricultural requirements house building societies, and other forms of non-credit activities, &c. So far, however, as the administration of the usual credit societies is concerned—and it is with these that we are now mainly concerned—the salvation should in our opinion be worked out through Unions and the District Federation, by drawing out the best in them in the service of the movement, and not by affording them artificial and transitory help in the person of an Honorary Assistant Registrar entertained at the cost of the State.

BY-LAW 24 OF THE BY-LAWS OF PRIMARY SOCIETIES OF UNLIMITED LIABILITY BASIS.

Its meaning and applicability in practice

By Rao Sahib T. Srinivasa Rau.

Being confronted with the continuance in office, in a number of bad societies in his district, of panchayatdars who have committed default in repayment of their loans due to the Society for years, although by virtue of by-law No. 24 they are disqualified to continue to hold office, a director of a Bank enquires what the meaning of the said by-law is, and also asks for opinion as to the application of that by-law in actual practice.

1. The By-law in question stipulates that a member of the panchayat who commits default in respect of a loan taken by him shall *ipso facto* be considered disqualified to continue as an office-bearer; that if, however, the default has been for a period of three months or less, he may be reinstated in office by the general body on his showing good cause for the default; but that in no circumstances shall a defaulter continue to hold office as a member of the panchayat, if his default is continued for more than three months. Having made the above inquiry, the director observes as follows: "It is the view of some co-operators that a panchayatdar who defaults in repaying his loan to the Society for any length of time is legally fit to continue in office as such, till his successor is elected under by-law 20." Their argument in support of this view is stated to be that, otherwise the affairs of the Society would come to a standstill. If this view is accepted there is, the director observes, a grave danger to be faced namely; that defaulting panchayatdars can with almost absolute impunity continue in office as long as they like, the chances of any steps being taken by the supervising agency to replace them by fresh election being in practice highly remote. The director adds that if the by-law should permit such a grave irregularity a change in it is obviously necessary, in order to compel a defaulting pancayatdar to go out of the panchayat in a reasonable time.

2. Two questions arise.

I. Whether a panchayatdar who *ipso facto* becomes disqualified to continue in office by operation of by-law 24 is legally competent to continue in office, till his successor is elected under by-law 20?

II. If the answer be in the affirmative, what is the remedy available in regard to the removal of such panchayatdar, otherwise than through an act (which is not likely to be taken) of the panchayat of which the defaulting panchayatdar is a member?

As regards question I:—by-law 20 which relates to election of panchayatdars in the place of those whose term of office has expired, lays down that panchayatdars shall continue in office after the expiry of their term untill by election another panchayat is constituted. Looking to the context in which this provision occurs and also to the express provision contained in by-law 24 to the effect that a panchayatdar committing default in respect of a loan taken by him shall *ipso facto* be considered disqualified to continue as such and the further provisions in the same by-law as to the effect that he may be reinstated by the general body, provided the default does not extend over three months but that ***in no circumstances*** (please note the words in Italics) shall the defaulting panchayatdar continue to hold office if the default continues for more than three months, it appears to be amply clear that the provision in by-law 20 was neither intended to cure, nor can with any show of justification be held to cure the disqualification arising out of the operation of by-law 24. The provision in by-law 20 is obviously intended to cover cases of delay in the election of office-bearers, after expiry of their term, and it does not appear that by any stretch of imagination it can be made to legalise the continuance in office of a defaulting panchayatdar when once by operation of by-law 24 he becomes absolutely disqualified to continue to hold office.

As regards question II, Question I having been answered as above, it needs no separate answer.

3. However, in this connection, attention may be invited to the provisions contained in by-law 62 of the model by-laws of unlimited societies under which the removal of a defaulting panchayatdar can be brought about otherwise than at the instance of the panchayat composed of one or more defaulting panchayatdars. Under this by-law, either the Registrar or any person empowered by the Registrar to proceed under Sec. 35 can, notwithstanding anything to the contrary contained in the by-laws as to the mode of summoning general meetings, and the object, time and place of such meetings, summon at any time a special general meeting of the society with 24 hours' notice, in such manner, and at such time and place, as he may direct and specify what matters shall be considered by the meeting. Such a meeting shall have all the powers of a meeting called according to the other by-laws of the society. Under the special powers conferred by this by-law it is competent to the Registrar or a member of the Governing body of the Union, or, for the matter of that, any other person, (provided that such member or person is empowered by the Registrar under Sec. 35) to convene a special general meeting and to bring about the election of fresh office-bearers in the place of those who have *ipso facto* become disqualified to continue to hold office, by the operation of by-law 24.

Obviously by-law 62 proceeds on the assumption that a general meeting convened under the special powers conferred by that by-law will be able to elect fresh panchayatdars in the place of those who have become disqualified under by-law 24. If the general meeting succeeds in replacing the defaulting panchayatdar or panchayatears, the difficulty raised is got over.

4. What generally happens, however, in cases of this kind, is that the defaulting panchayatdars are found to be persons of some influence in the village, whom the other members dare not openly replace or even

displease, however much in private they might disapprove their ways of business. When even with the special powers conferred by by-law 62 the replacement of defaulting and disqualified panchayatdars become impossible, that would only meen that it is no longer possible to rely upon the members of the society finding competent and willing men and the society will accordingly have to be liquidated.

Apparently the same by-law contemplates the possibility even in spite of the special provisions contained therein of the failure to replace disqualified panchayatdars, and accordingly provides that it will be competent to general meeting to authorise any member of the society to take any action on behalf of the society. This step however is an extreme one, which will practically mean that the society can no longer be run, as it should, on constitutional lines. Apparently, the by-law gives this extraordinary power to serve as a last chance for finding out whether the members will begin to think seriously in the matter of setting their society in order with the ultimate view of reviving business on constitutional lines.

It will thus be seen that short of liquidation there are ample provisions already contained in the model by-laws as regards the action to be taken for the replacement of defaulting and disqualified panchayatdars, all that is necessary towards the end being that somebody, either the Assistant Registrar or the Union, should move. When once either of them set the thing in motion, either the panchayat will be reconstituted with prospects of the working of the society improving or the necessity for the dissolution of the society once for all established.

5. The real difficulty, however, as disclosed by the inspections of societies made by the director, is that in many instances no one moves and what then is to happen is the question as to which and other kindred matters, another article will be contributed in due course.

6. I do not know if the Agricultural primary societies in the district to which reference has been made in this note have adopted the model by-law No. 62 in question. If they have not adopted this by-law it is, in my humble opinion, high time that they should be required to do so. It may be asked whether the model by-law is not of a drastic character. No doubt it is: but the existing condition of a large number of societies has more than established the need for such a measure.

7. No doubt in the rules under the Act obtaining in our province there is no provision for the convening of special meetings in the manner contemplated by the model by-law; but in at least four provinces in India the rules under the Act include a rule authorising the Registrar to hold special general meetings more or less on the lines contemplated in the model by-law in question. If the societies in the district or elsewhere will not adopt the by-law in question it will be time for the enactment of a rule in terms of that by-law

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NOTES AND NEWS.

Our apologies to the public. Owing to want of space we have been much to our regret, forced to keep back quite a large number of articles, reviews of books etc. which have been with us for a long time. We hope to publish them all in our next number.

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Our appeal. We draw the special attention of our readers to the appeals published by the Provincial Co-operative Union and also the personal appeal of our esteemed president. The newspapers of the city have been devoting many columns every day to give a detailed account of the havoc committed by the flood and the sufferings to which the poor people in the affected areas are subjected. We are quite sure that co-operators living in districts more favourably situated will realize what a splendid opportunity is now given to them of serving their fellow co-operators and will rise equal to the occasion, and send us their contribution, small or large, and thus enable us to effectively carry on the humanitarian task we have set before ourselves.

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A Move in the right direction. We are glad to learn from newspapers that two Madrasee gentlemen in the Imperial Legislatures have given notice of a resolution they intend moving that the Government of India be pleased to make a non-recurring free gift of one crore of rupees to the Province of Madras with a view to enable our Provincial Government to advance agricultural loans to the deserving poor in the districts affected by recent floods so that they may be set on their feet again. We hope that in the light of detailed information about the miserable plight of agriculturists all over the flood affected areas published in our Madras papers the members of the Imperial Legislatures will unanimously vote this sum, which Messrs. G. A. Natesan and A. Rangaswami Iyengar are going to ask for.

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Mahatma Gandhi on Co-operation. We offer no apology for reprinting a speech delivered at a Bombay Co-operative Conference by Mahatma Gandhi. Mahatmaji is rightly held in great esteem by all Indians and by quite a very large number of non-Indians all the world over. The great embodiment of right conduct that he is, he justly lays emphasis upon the ethical aspect of co-operation, which in the less calm moments of our life, in our anxiety to show progress and big figures, we are apt to forget. It is good that now and then we go back to the fundamental principles and realize that the co-operative movement is not one intended merely to put more coins into the pockets of the poor, but that its ultimate aim is to make men better as men, and to bring about a better world order.

We reprint in this number the Message of the Provincial Co-operative Union sent on the occasion of the celebration of the International Co-operators' Day, which Message also lays stress upon this ethical aspect.

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A pioneer dead.

We are very sorry to record the death at the comparatively early age of 45 of Mr. S. Venkataramana Iyer B.A. B.L., who was one of the pioneers responsible for bringing into existence the now famous Triplicane Stores. The Triplicane Urban Co-operative Bank popularly known as the Stores, is an institution in this part of the Presidency, which in its own way has got a romantic story of its own no less interesting and enchanting than the story of the Rochdale Pioneers. Mr. Venkataramana Iyer's part in the early struggles of the Stores was specially noteworthy, because one of the most thoughtless and irresponsible accusations brought against the Store was that it was an attempt to get some extra pies by over-ambitious people, who wanted to rob the poor shopkeepers of the few annas they get. This charge of monetary cupidity was best refuted by the presence in that body of persons of the type of the late Mr. Iyer, who, as all who knew him will bear testimony to, was a great devotee, a man of great spirituality, a man who did not at all care for the things of the world, but set his heart on the Lotus Feet of the Lord, and always attempted to reach them by all possible ways, and looked upon Co-operation as one of the most practical methods of serving the Lord. We offer our condolences to the bereaved family. A brief account of the late Mr. Iyer and the work he did for the Co-operative Stores from the pen of Mr. T. K. Hanumantha Rao, another veteran co-operator and a member of that illustrious band of poineers, will soon he published.

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As others see us in this Country and abroad.

The following extract from *The Canadian Co-operator* for July 1924 gives us an idea of the opinion which our Canadian brother co-operators have about the work which our Bulletin is doing in this country.

"Co-operation in India seems to be flourishing on an extensive scale and to be practised in a variety of forms. One of the most interesting and ably conducted co-operative magazines in the English language which come to our desk is the 'Madras Monthly Bulletin of Co-operation'." We must, however, say very much to our regret that this work is not appreciated as much as it deserves in this country. (We may say with some amount of pardonable pride that it does deserve some attention at the hands of co-operators in our Presidency.)

We have appealed again and again to co-operators in various districts to send us accounts of activities in the districts, so that our Bulletin may be a faithful record of how the movement goes on from day to day. Excepting articles on this or that topic we do not get authentic and reliable reports of actual work done from day to day. We have been always anxious to give as wide a publicity as possible to the non-credit activities of our co-operative brethren, but here too we have been sadly disappointed, and we get no information at all.

The Registrar's report tells us that there are so many building societie in the Presidency, but how they are functioning, what real work they have been able to do, is a matter about which we have no accurate knowledge.

We hope we will not be misunderstood. We further hope that our co-operative brethren all over the province will keep us informed of their activities hereafter at least, so that our Magazine may be, as its name implies, a Bulletin giving absolutely trustworthy account of the progress of the Movement in its various aspects from day to day.

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Hon. Asst. Registrars.

The Fort St. George Gazette of 29th July 1924 publishes a list of persons nominated as Honorary Assistant Registrars all over the Presidency. We see the total number has gone down from 72 to 51. Some well-known names have been omitted like that of our friend Rao Sahib M. S. Seshachala Iyer, who, if we remember right, was the first Honorary Assistant Registrar to be appointed and who in that capacity has been doing yeoman's service to the movement. We also note that some young and enthusiastic workers like Mr. A. S. Menon in Malabar who have shown their capacity for doing honest and efficient work have not their terms renewed. Many new names however. have been added, and we hope that the persons now gazetted will make the fullest use of the opportunity given to them to instil into the minds of people the correct principles of Co-operation and make the movement spread all over the land. We offer our congratulations to these people, who have received official recognition of their capacity to co-operate with the Department. In this connection we may draw the attention of our readers to the article which appears in this number on this subject from Mr. Srinivasa Rao, one of the retired Assistant Registrars, who has a right to speak with authority on the subject.

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Land Mortgage Banks for Burmah.

While other Provinces have been thinking about a scheme of L. M. Banks Burmah seems to be bent on getting it done and we are glad to note that the Government of the Province have accepted after some discussions the motion of Mr. Maung Pau to set apart not less than 3 crores of rupees from the amount they have earned from Rice Control. 50 lacs would be set apart at once and the scheme launched. The Registrar was, as might be expected, for following the policy of "Festina Lente" and would start with 3 lacs of rupees this year; but wiser counsels seem to have prevailed in the end.

In our own Province the Committee appointed by the last Provincial Conference to consider the question and report has done some peliminary work and the points raised for discussion have been sent to a very large number of Co-operators all over the Province to get their views and we hope the report will shortly be available. The moment is opportune. The Government is willing to lend all their support in this matter as the Minister's speech at Guntur made it clear.

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The Llano Colony sending out offshoots.

That interesting social experiment in America to reconstruct society upon a more equitable basis called The Llano Colony, an account of which we have published in our Bulletin before, is, we are glad to learn becoming more and more popular, and that there is an idea of starting a branch of the same in another place. We wish those genuine souls, the promoters of the enterprise, all success.

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A Great worker honoured.

Dr Besant (better known as Annie Besant) completed this month the 50th year of her political work. A staunch Liberal from the beginning she has been a steady fighter of the cause of the Poor and the Voiceless. In India she gained here ascendancy as a religious teacher of great power; it was only about 8 years ago that she took to politics in right earnest. She never does things by halves; hence she became a marked person even at the start of her political work. She was interned and the popular enthusiasm roused in her favour led her on to the Presidentship of the Indian National Congress at Calcutta. People may not be able to see eye to eye with her regarding many political questions but even her worst enemy has to admit the genuine enthusiasm and the desire to serve which characterise her. It is given to very few to serve a cause for 50 years continuously. May this Servant of India live on for many more years and fight for the cause of the Motherland.

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An Official Statement.

We publish below a short extract from the *Labour Gazette* published by the Bombay Government about unemployment in India:

At the International Labour Conference, M. S. Church, the Swiss Workers' Delegate criticized the Government of India and said that although India had ratified the Washington Unemployment Convention, she did not intend to establish free public employment agencies as the Convention required. Mr. A. C. Chatterjee, one of the representatives of the Government of India, replied that there *was no industrial unemployment in India and the Government of India had already adopted an excellent system of dealing with occasional unemployment in agriculture.* (Italics are ours.)

We leave it to our readers to find out how far Mr. Chatterjee's statements coincide with facts as they are in India.

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Indian Women forging ahead!

As Co-operators we stand for certain fundamental principles of democracy, that is, equality of opportunity for all persons to serve their countrymen irrespective of caste, creed, colour or sex. It gives us great pleasure, therefore, to see that our sisters in India are organizing themselves to demand their own birthright, that is, opportunity to serve the motherland. Before the Committee of Enquiry now appointed by the Government of India to consider the necessity and the desirability of constitutional changes, the women have submitted a memorandum claiming their right not only to vote for Legislative Councils and the Assembly but also to stand as candidates.

It is true that literacy amongst women is not so widespread as amongst men, but literacy is not synonymous with education and there are very many able and wise women, who though they may not be literate are better fitted to carry on the administration of a country, at least in certain departments than many of our present-day representatives in our Legislative bodies. We wish our sisters all success.

Rochdale Pioneers anticipated. A very interesting article in the *Millgate Monthly* for August 1924 gives us an account of how the would-famous Rochdale Pioneers were anticipated by a few French silk weavers at Lyons, who in 1835 seem to have founded a co-operative enterprise. It very often happens in the history of the world that, when some great event is about to take place, more than one genius is able to visualise it and be the instrument for bringing it about. The discovery of the existence of the planet Neptune by a French and an English mathematician almost simultaneously, the formulation in the biological world of certain laws which explain the origin of species, which was also made simultaneously by Darwin and Wallace, and many other instances go to prove the truth of the statement made above. All honour to these great pioneers, English or French, who brought into a struggling and competing world the germinal idea of Co-operation, which has been growing from more to more and which, as Co-operators, we believe will be the Saviour of the world.

⁂

The late Prof. Marshall. With the death of Prof. Marshall, the doyen of English Economists, the economical world in general has sustained a serious loss. A great mathematician who took to Economics later, the late Prof. Marshall, brought all his capacity for acute and lucid thinking to bear upon the intricate problems of economics, and shed light upon them. His works have become classics, and we join with Economists all over the world in paying this our humble homage to the departed, and we hope that the tradition for impartial and clear thinking established by the great professor will be carried on by his successors in the economic field in England. Mention may be made of the fact that he sat on one of the Parliamentary Committees on Indian Currency.

⁂

Co-operation and Education. The Workmen's Educatioional Association in England seem to have celebrated their 21st anniversary recently. This useful institution, we understand, is a child of the Co-operative movement in England and its founders, Albert Mansbridge and Robert Halsted, were staunch Co-operators, and that even now the Movement is being liberally supported by the British Co-operative Union.

The connection between Co-operation and the diffusion of popular culture is a very vital one. We in this Province are passing through a period of change in our educational system. The Present Minister in charge of education seems to be anxious to do something real to advance primary education in the country and to exorcise the demon of illiteracy from the land. The Government cannot obviously take up unaided the task upon their shoulders, however broad they be. The question that seems to be engaging the attention of the Government now is to bring into existence certain bodies who with the aid of the financial help to be given by the Government will be able to manage elementary education, each within its limited specified area. Whether the new bodies to be brought into existence in the place of the existing district council of education be Taluq councils or Firka councils we are of opinion that some real interest in education should be evoked in the masses at large and there is no better agency for doing the same than our Co-operative societies. We hope, therefore, that in India, as it has been in England, Co-operative societies will play their part in diffusing education amongst the masses, and thus strengthen the Co-operative Movement itself, for it is well-known that one of the worst enemies that impede the progress of the Movement amongst the masses is this illiteracy.

⁂

A Tip to Business-men. Before a businessman sends his advertisement to newspapers and magazines, he invariably tries to find out the number of copies of the paper or magazine sold.

Sir D. Keymar speaking at the Economic Section of the Advertising Convention at Wembley, seems to have observed that with regard to newspapers in India they are excellent media for advertisement, and that the number of copies sold is not a criterion as to the number who read the paper

We hope businessmen will realise the wisdom of the statement and send us more and more of their advertisements, so that they may benefit themselves and benefit us also in a way.

⁂

Flood relief in Travancore. While things move slow in British India we are glad to note that the Travancore Durbar has passed orders about relief measures with commendable alacrity. They have sanctioned State aid to the sum of 5 lacs of rupees of which 2 lacs would be distributed to the ryots through the Co-operative Department and the remaining 3 lacs will be advanced as special loans under the Land Improvement and Agricultural Loan Act of the State. The circular of the Revenue Commissioner to the Tahsildars is reproduced below for the non-redtapish and humane character of the same.

The circular says:—All Tahsildars are requested to deal with the utmost celerity and sympathy with applications for loans for repairs or reconstruction owing to damage by floods. These should receive prior attention over all other applications for other loans. Tahsildars should help and advise an applicant how to proceed in order to get the loans and should work the rules with the utmost sympathy. In order to be of any benefit under the present distress, it is essential that the applicants get the money in the shortest possible time. If the funds allotted to the Tahsildar are insufficient he should apply immediately for additional funds. In cases where the security is not sufficient for the loan, the Tahsildar should see that the applicants get at least as much as is possible for the security offered and should not reject an application for a loan altogether merely because the security is insufficient to cover the whole amount asked for. Tahsildars will note that provision is made under the rules for loans being granted for purchase of seeds, for purchase of domestic or agricultural cattle and rebuilding of houses destroyed by floods etc. and provision is also made to accept as security landed property, house property, and personal security etc. The period of repayment may also be spread over a number of years in order to make the loan as easy as possible to the distressed ryots in the present hard times. The Commissioner hopes that for the good name of the Department, all Tahsildars will constitute themselves into the friend and adviser of all the people in the Taluq so that they will be looked up to and reverenced by every one.

⁂

The T. U. C. S. In compliance with our request the authorities of the Triplicane Stores have agreed to send us monthly statements of their purchase and sale. We are glad to note that the Stores purchased in July last foodstuff to the sum of over Rs. 66,000, and sold in the same month articles to the extent of a little over Rs. 81,000.

REGISTERED—No. M. 1284

The Madras Bulletin of Co-operation

Issued every month in two languages—English and Tamil.

> **"If the system of Co-operation can be introduced and utilised to the full I foresee a great & glorious future for the agricultural interests of the country"—**
> **His Majesty's Reply to the Delhi Municipal Address, 13th December, 1911.—**

Vol. XVI.] OCTOBER 1924. [No. 4

PRINCIPAL CONTENTS.

(For Detailed Contents, Please see inside.)

Office of the
Madras Provincial Co-operative Union, Ltd.,
Royapettah, MADRAS.

Subscription per annum for individuals and non-affiliated Societies Rs. 4, and affiliated and contributor Societies free.

N.B.—Complaints of non-receipt of parts will not be attended to if not received within a fortnight after the due dates.

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THE MADRAS BULLETIN OF CO-OPERATION
P.C.U.
ALL FOR EACH and EACH FOR ALL

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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

CO-OPERATION IN IRELAND.

In order to understand what the Co-operative Movement has done for the Irish Agriculturists, it is necessary to relate in brief the economic conditions that obtained when it began. Agriculture is the main industry of Ireland, almost three-fourths of the population being entirely dependent on farming for their living. Until the passing of the Land Purchase Acts a large portion of the land was in the hands of landlords, many of whom were absentee landlords. Many of the landlords paid little or no attention to the improvement of their land, whilst the tenants, being uncertain of retaining their lands, were not willing to spend money upon improvements even if they could afford it. In those cases where tenants effected improvements they were pursued by the vision of higher rents, hence there was no inducement for the tenants to invest their money in improvements.

The holdings therefore deteriorated year by year, and the tenants were evicted from their holdings when they failed to pay their land rents to their landlords. The miserable economic conditions in Ireland, getting worse year by year, as a result of insecurity of tenure and inflated rents, caused continual trouble to British governments. The inability of the farmers to cultivate their lands by enriching the soil combined with the encouragement given by the exemption of pasture land from ecclesiastical tithes and the rack renting gave artificial encouragement to the tendency to use a large portion of the land for grazing purposes, which meant a smaller capital expenditure than cultivation.

No doubt the market conditions favoured the use of lands for grazing purposes, for the Irish climate makes the production of grass and the raising of cattle a particularly easy and comparatively remunerative occupation. Obviously such a system of Agriculture was unsuitable for the support of a large population.

The cattle that were produced were shipped on the hoof for fattening abroad. The step deprived the country not only of the most remunerative stage of beef production, but also of the many industries which depend on the by-products of beef. The lands owned by farmers were not only poor because their fertility was not being renewed with fertilisers on account of their poverty, but they became congested. The result was that there was a decrease in the size of the individual holding. In Ireland the minimum size of the economic holding is taken to be fifteen acres. At the time of the Land Purchase Act of 1903 there were nearly two hundred and seventeen thousand holdings under the economic minimum; but it must be borne in mind that the richest soil was under grass for bullocks. Also it must be remarked that there is much bog land in Ireland and other land not well suited for cultivation. 5,000,000 acres are said to be waste bog and mountain. It may therefore safely be said that the agriculture of the country suffered from two great evils, one being the excessive amout of land devoted to grazing, the other being congestion. The Land Purchase Acts, financed by the Government, enabled the Irish farmers to purchase an economic holding by the payment of annual instalments. At this time the method of cultivation in Ireland was far behind that of other countries whose competition in the produce market Ireland had to meet on account of the system of free trade in the United Kingdom. The Irish farmer did not know how to combine in a business organisation for the purchase of raw materials for his trade or for the sale of his produce, while the foreign farmer had at his door a business organisation on a co-operative or joint-stock basis for the purchase of raw materials and the sale of his produce. The system of credit in Ireland was as bad as could be conceived : the system of money lending is known in Ireland under the name of Gombeenism. The rate of interest charged varied from 20 to 100 per cent, but there are several instances where a higher rate of interest was charged. Gombeenism describes a system in which the money-lender combines shop-keeping with his money-lending business at usurious rates of interest. The farmer bought his necessaries of life from the Gombeen man on credit, and paid his dues not in cash but in kind, so that the Gombeen man handled his produce. The Gombeen man kept the account and credited the farmer with what he chose for his produce, always taking care to overload his debtor with a balance of deficit to wipe off the debt.

The Irish Butter industry was beaten in the English market after 1880 by the superior produce of the Danish farmer who combined with his fellow cultivators to produce his butter by modern methods and to market it in England. The Irish Egg industry which on account of its proximity of the English Markets, had a peculiar advantage in comparison with the other countries, suffered the same fate. Wholesale provision dealers wanted to buy and sell in a wholesale way, aud they could not bother themselves with small quantities of eggs since the expense of collection was too great. The Irish farmers sold their eggs without grading them and this was a great handicap, for the foreign farmer studied the market and met the requirements of wholesale dealers. The English merchants found it impossible to deal in Irish eggs as supplied to them.

As a result of these evils Irish agriculture was not remunerative, and a great portion of the Irish families emigrated to America to earn their livelihood. During the great famine of 1846, when the potato crop which was the sole support of the agriculturists, failed entirely, many landlords took advantage of the opportunity of evicting their tenants, and many of these and other sufferers from the famine emigrated. It is estimated that 373,000 Irish families numbering about two million people departed overseas. This not only deprived the country of a portion of its agricultural population, but was also a direct cause of the substitution of vast grazing areas for cultivated lands. It may also be noted that many of the working youths who are the main stay of the prosperity of a country, had to leave the country in order to earn their livelihood.

As is universally said 'when there is a critical time a great man comes to save the country', so in Sir Horace Plunkett, Ireland found a man who made it his life's work to spread the co-operative movement in Ireland to relieve the distressed people from chronic economic disease. The Plunkett movement was strictly non-political, non-sectarian. Both the political parties, Unionists and Nationalists, attacked the movement. Plunkett had to struggle very hard in the preliminary stages of the movement to convince the farmers of its blessings, but the situation was made worse by the attacks of politicians. In the press he was described as a "monster of human iniquity", and Mr. Anderson as "his man Friday". Sir Horace Plunkett without being discouraged by the attacks of the opponents of the movement went on with his work more zealously. He was influenced by the ideas of the co-operative consumers' movement in England where this system is peculiarly successful on account of their members being regularly well paid wage earners, so his first efforts were made towards establishing consumers' Societies in Ireland which was considered to be the first step in the Co-operative Movement.

It may be said that the Agricultural Co-operative Movement began in the year 1889 when an Irish Section of the British Co-operative Movement was created with Sir Horace Plunkett as Chairman and Mr. R. A. Anderson as Secretary.

Little success attended the efforts which were made in this direction. The chief reason for this failure is that Ireland is an agricultural country, the farmers of which were in the clutches of the traders who could not be displaced. The need of the farmer was not so much to economise expenditure on consumption of goods but to improve his industry and increase his money income. Somehow or other, the farmer had to be shown ways of getting better results from his industry. In time, Plunkett found that his work lay in the direction of organising the farmers for better production, thereby enabling them to secure for themselves the profits of the middleman to whom the home-made butter had formerly been sold. So he and his colleagues established, first Co-operative creameries to make a better butter and to obtain for the farmers a fair price for their produce. They then started societies for purchasing good seeds and fertilisers in order to supply these requisites to the farmers at wholesale rates. Lastly they tackled the problem of indebtedness by commencing Co-operative credit societies.

It will be seen that the activities of the Irish section of the Co-operative Union were not confined to the formation of Co-operative consumers' societies, but were mainly directed to the establishment of Co-operative creameries. The Co-operative Union, appreciating the valuable work done by the Irish section, made a further grant in 1891 to facilitate its work. This enabled it to employ a paid organiser and to the great benefit of the movement Mr. R. A. Anderson was appointed to this position. In 1891 there were seventeen creameries working. In the following year the movement had become large enough to justify the establishment of a federation, so the Irish Co-operative Agency Society Limited came into existence to undertake the marketing of the butter of the Co-operative creameries and the collective purchase of agricultural requirements. After a disastrous beginning it re-established itself on a firm basis as perhaps the most important butter exporting body in Ireland. It is co-operative in the sense that it is controlled by a board elected by the federated Co-operative creameries. It has fully justified its existence, particularly under the present management.

By the end of 1894 there were in existence fifty-six dairy societies with eight branches, and ten agricultural societies for the supply of agricultural requisites and a federation of the creameries was firmly established. The Co-operative Movement with a total of sixty-seven societies with about four thousand members had reached a point at which it was considered that its further expansion could not be properly made by the efforts of one or two voluntary workers. A permanent staff and also a considerable sum of money had become essential. In other words, an advisory body was necessary to develop the existing societies and organise new societies. The British Co-operative Union, constituted very largely of Co-operators who were in the first place not Irish and in the second place not farmers, but urban industrial workers, was not suitable as an advisory body. For this reason the Irish Agricultural Organisation commonly known as the I. A. O. S. was set up alongside the Irish Section of the Co-operative Union. About the same time the English Co-operative wholesale Society began to open in Ireland creameries and to take over from their farmer members certain creameries which had not been successful. The Irish co-operators protested against the establishment or acquisition of creameries by the Co-operative Wholesale Society on the ground that it would largely destory the work of the Irish Section which had succeeded in organising farmers in co-operative Societies to conduct their own business on the lines advocated by the co-operative movement. Failing to influence the opinion in their favour Plunkett and other members of the Irish Sectional Board resigned. Henceforward the Irish Agricultural Societies were supervised and propaganda carried on by the I. A. O. S.

The function of the I. A. O. S. is twofold, first to organise agriculture and other rural industries in Ireland on co-operative lines and secondly to act as an advisory body to the Societies so created.

Its activities are summarised as below :—

1. It has established and still establishes co-operative creameries, substituting for the old system of butter making scientific methods carried

out with the aid of the most modern machinery. It also arranges to give technical advice on agricultural matters by appointing expert officers who visit Societies to give the necessary instruction.

2. It has organised Societies now popularly known as agricultural Societies for the combined purchase of agricultural requirements, and these afterwards become general purposes societies undertaking other functions. Through the medium of these societies the smallest farmer is enabled to get his agricultural requirements at wholesale prices. Moreover the fertilisers and feeding stuffs supplied by the Societies to their members are of the best quality and thus the earning capacity of the farmers has considerably increased. On at least one occasion the co-operative organisation of purchases has made it possible to defeat a "ring" of manufacturers of artificial fertilisers.

3. To carry on the work of farming, credit is required by farmers at certain times and seasons. The I. A. O. S. has started Raiffeisen agricultural banks to enable the members to get loans at cheap rates and at the proper time.

4. The poultry and egg industry before the inauguration of the co operative movement was in a crude form. Prices for the farmer were continually beaten down by the middlemen to whom he sold his fowls and eggs. The I. A. O. S. by starting Societies for this business on modern lines has introduced many reforms in this industry such as packing, grading and buying by weight. Buying eggs by weight has led to an improvement in the selection of good laying breeds of hens. These improvements have enabled the Irish to compete successfully in British and other markets.

5. The I. A. O.S., besides giving close attention to the organisation and development of creameries, agricultural and general purposes Societies, credit banks and poultry Societies had taken steps for the organisation of other Societies connected with agriculture. The decline in the cultivation of flax threatened the existence of the linen trade through the competition of Continental countries, where facilities for technical education, both in the manufacture of linen and in the cultivation of flax were given. The attention of the I. A. O. S. was called to this industry and after studying the situation it engaged a special organiser for organising and developing co-operative flax societies. The societies are concerned with four points, viz., the purchase of good seed, the production of best quality flax, proper scutching and the sale of the scutched flax. Many of these societies have a scutch mill and thereby have been able to carry out the rather expensive process at a greatly reduced cost. The societies have almost solved the first three points but have not made much headway as yet with the problem of marketing.

6. The keeping of bees affords an opportunity for a considerable profit with very little trouble. The farmers can very well take up this business as a subsidiary industry. Besides it requires practically no capital. The organisation of societies for bee-keeping and the proper grading of the honey produced has been promoted by the I. A. O. S.

7. The I. A. O. S. has also applied co-operative principles to the bacon curing and dressed meat industry as a result of which co-operative bacon curing and meat dressing societies have come into existence. There are also many other types of societies which have come into existence through the efforts of the I. A. O. S., such has fruit-growers societies and societies for the burning of lime. There are also co-operative societies for knitting and embroidery, weaving and lace making.

One most important work of the I. A. O. S, is the organisation of the society known as the United Irish Women. This society, as its name indicates, constitutes the woman's branch of the co-operative movement and its object is to complete Plunkett's formula by the achievement of "better living". The United Irish Women have organised between forty and fifty local societies or branches throughout Ireland. The members are farmers' wives and daughters. Arrangements are made for giving lectures in such useful subjects as home brightening, poultry keeping and egg production, gardening, village industries, etc.

8. According to law, every society must have an audit at least once in a year by a duly qualified public auditor, and the I. A. O. S. has a department for auditing the accounts of the societies affiliated to it. The department charges reasonable audit fees and is practically self-supporting. But the I. A O. S. does not force the societies to have their accounts audited by it. This department is said to be very efficient.

9. The I. A O. S. acts as the legal and political representative of the co-operative movement in all matters connected with the movement.

10. The I. A. O. S. maintains a laboratory of dairy bacteriology. Its function is to supply affiliated creameries with regular reports upon the bacteriological purity of butter and milk. In order to inspire confidence amongst the people who use Irish butter the I. A. O. S. has drawn up a scheme for butter control. Creameries which manufacture their butter according to its regulations are supplied with labels bearing the butter control brand.

11. The I.A.O.S. has started a co-operative library—the Co-operative Reference Library at Dublin, which contains books on co-operation and

economics and on agriculture and industries connected therewith. "Its scope and usefulness are so great," writes the Co-operative Official, "that it has been termed the International Co-operative University."

12. The last to be mentioned but not least important work of the I. A. O. S. was the promotion of the 'Irish Homestead', to act as the organ of the co-operative movement in Ireland. This weekly paper was under the able editorship of Mr. George Russel, generally known as A. E., and was one of the best papers of its kind. It rendered yeoman service as an educational and propagandist medium, but unfortunately publication had to be stopped on account of financial difficulties. The paper is now amalgamated with the 'Irish Statesman' in which most of the old features of the 'Homestead' are included.

From this account of the activities of the I. A. O. S., it will be seen that it has been consistently carrying out Sir Horace Plunkett's famous formula, viz:—better farming, better business and better living.

The Constitution of the I. A. O. S.

The present constitution of the Irish Agricultural Organisation Society is almost democratic. A committee of twenty-four members is elected, and of these, four are elected by each of the four provinces. The individual subscribing members elect four members of the committee and the remaining four are co-opted by the whole committee. In addition to these twenty-four members, two development commissioners and four others nominated by the treasury or development commissioners sat on the committee prior to the setting up of the Irish Free State. The societies elect the President and Vice-President each year. All these are honorary officers. The secretary and the staff are appointed by the committee to whom they are responsible. There are several sub-committees appointed every year to deal with office and financial questions, creameries, credit, etc. Since the legislative changes following the passing of the Government of Ireland Act, the I. A. O. S. serves only the area of the Irish Free State. There is a separate Agricultural organisation Society for Northern Ireland.

Finance of the I. A. O. S.

It may be said that the financial position of the I. A. O. S. from the beginning has never been quite satisfactory through lack of proper support from the local societies. The Society has been forced to make constant appeals to the public for support in carrying on its extensive programme. But the response of the public was not in proportion to the value of the most valuable work it has undertaken, for the reconstruction of the Irish

economy. In 1899 the whole question of its finance was discussed. It was then decided that no help whatever should be given to the societies not affiliated to the Society, and that societies should be required to make contributions in two ways:—

1. By a payment of ten shillings per £1,000 turnover and

2. By a payment per member based on the amount of his trade with his Society. The Department of Agriculture and Technical Instruction in Ireland for the existence of which the I. A. O. S. is to some extent responsible, formerly made contributions annually in aid of the work of the I. A O. S. Unfortunately a certain amount of friction arose between the Department and the I. A. O. S., and this was followed by the withdrawal of all financial assistance by the Department. Later, a body known as the Development Commissioners was set up by the British Government for the purpose of aiding and developing agriculture in the United Kingdom, and this body made grants to the Society for several years. These grants were based on the basis of £1 for every £1 received in affiliation fees, subscriptions and donations. The I. A. O. S. since its foundation in 1894 had spent up to the end of March 1921 about £270,000 upon its work. It is worth mentioning here again that not one penny of its income was spent for any purpose other than propaganda. It is also worth mentioning, that the staff of the I. A. O. S. are neither adequately paid nor are there any arrangements for their pension after retirement from service. The members of the staff have, it must be admitted, made a great personal sacrifice, but they have consolation in the fact that the foundations which they have laid will endure long after they are gone.

Creameries.

The dairy societies or creameries play the biggest part in the Irish Co-operative Movement. The constitution of the creameries is as follows:—

Each intending member has to take one share of the nominal value of £1 for each cow whose milk is to supply the creamery. But of this amount only 2/6 per share is payable on allotment. Further calls are made at the discretion of the committee but such calls are seldom made. The control of a co-operative creamery is in the hands of a committtee of management elected by the members at the annual general meeting. This committee appoints its Chairman and also the Manager, Secretary and other officers of the Society. One-fourth of the committee members retire by rotation at the annual general meeting, but, they are eligible for re-election. It is one of the duties of the general meeting to appoint a public auditor. It is found that the paid-up share capital is not sufficient to cover all the initial capital expenditure on such things as buildings and machinery. Hence the managing committee borrow money on the joint and several liability from joint stock banks at the rate of 4 to 5 per cent through the medium of the I. A. O. S. The committee members protect themselves by the issue of loan guarantee shares, or they take a collective letter of indemnity signed by all the ordinary members. This method of taking 2/6 per share is considered unsatisfactory and the whole amount of the share is now required to be paid all at once on allotment.

The area of operation of a creamery is about five or six miles from the centre. It is usually ascertained at the time of its establishment whether there would be a guaranteed supply from 800 to 1200 cows within the radius of the operation of the Society. The milk is usually brought to the Society by the members themselves, but in some cases carting has been done by the creameries at the cost of the members. In places where there is a scattered population and where an independent creamery cannot be started, the establishment of auxiliary creameries is undertaken as a branch of the central society. The auxiliary creameries only separate the members' milk and forward the cream to the central creamery.

A record is made of the weight of the milk of each member. At the same time a sample is carefully taken in a test tube from each member's milk, and these samples are examined and tested for butter fat. At the end of each month, payment is made on the basis of this test for the amount of butterfat actually received by the Society, according to the price fixed by the managing committee. The skim milk which is of great value for feeding calves and pigs is returned to the supplier immediately his milk has passed through the seperator, free of charge. The creameries do not make large profits. Any surplus remaining at the end of the year is usually apportioned according to the following rule :—

1. To the Reserve Fund at the rate of not less than 10 per cent of the total net profit, until such reserve fund shall at least equal the nominal share capital of the Society.

2. To the payment of interest (dividend) on the paid-up share capital not exceeding 5 per cent.

3. To a dividend (bonus) to persons employed by the Society and to members at an equal rate in the pound calculated on the amount of their wages and their trade respectively.

4. To the creation of a fund for promoting Co-operative organisations.

In order that all members should sell their milk through their creameries a binding rule has been introduced.

The work of creameries does not end with the taking of milk from the members for making it into butter in the best possible way. There remains the very important factor of putting this butter on the market.

In order that the creameries should not compete against one another and that better prices should be realised for the butter, a federation of creameries was established with its headquarters at Limerick. This federation is also buying members' requirements.

The I. A. O. S. has done a good deal of propaganda for the purpose of increasing the milk yield of the members' cows. It has induced the members of creameries to form themselves into cow-testing associations or milk-record societies. These associations enable the members to find out which cows yield the largest quantity of milk and which are bad ones for milking purposes, so that they can weed out the unprofitable and confine more attention to the good cows.

It is very difficult to state what actual amount of profits the members have made through their creameries. But it is definitely said that the creameries have done an immense amount of good to the farmers by securing for them a better price for their butter and thus improving their economic conditions.

One more noteworthy feature of the creameries is that they have got the widest latitude for undertaking any business calculated to do good to their members. Many creameries have undertaken the joint purchase of their members' agricultural requirements. Some creameries market eggs and poultry as well as butter. There has been an increasing tendency to use the power of a creamery to turn the grinding mill for milling the members' wheat and other grain. A few creameries undertake to supply the necessaries of life to their members and thus act as store societies too. This way of developing the societies according to the needs of the members was found to be very beneficial to them.

Agriculture and General Purposes Societies.

The chief object of these societies is to combine the purchases of their members' requirements and to effect the sale of their agricultural produce. In the early days of the movement, these societies also undertook the improvement of livestock, but this was given up when the Department of Agriculture and Technical Instruction was set up. The main work of these societies in the beginning was the purchase of seed fertilisers and cattle feeding stuffs for their members. As they developed they extended their operations to several other branches as their members felt the need. By the organisation of these societies saving was effected by the members in three ways :—

1. Wholesale purchase on contract at low rates.
2. Guarantee of good quality.
3. Reduction in the cost of freight and expenses.

The constitution of these societies is the same as that of the creameries, with a little difference in the taking out of shares by the members. In these societies these is no obvious basis for the taking out of shares such as is provided by the number of cows in the case of a creamery. However, some efforts were made to fix the holdings of shares in proportion to the acreage cultivated, but there is no uniform system and much is left to the free will of the members. Many societies feel the want of capital, but this is overcome by borrowing from the Joint-Stock Banks on the joint and several liability of the members of the managing committee. The tendency of most of the societies is to combine many classes of societies into one. The Irish Co-operators hold that the various economic needs cannot be separated into water-tight compartments, particularly in small villages.

Among other advantages the combining of several functions in one society, enables the Secretary or Manager, who in a purely agricultural society must be content with a very small percentage on sales, to be comparatively well paid if the business includes a store.

As mentioned before, the societies usually commenced with seeds, the purchase of fertilisers and feeding stuffs. They then widened their scope by combining the functions of an implement society for buying collectively the machinery and implements which their members required for the improvement of their tillage and which they were unable to purchase individually. These machines and implements are hired out to members at a reasonable rate fixed by the Managing Committee. The next stage, due to the growing prosperity of societies, together with the acumen of the farmers' wives, is to enter the general store business for the supply of domestic requirements—groceries etc., to members. The number of societies carrying on the store business is rapidly increasing.

The agricultural societies had to meet the formidable and continued opposition of the merchants. This can be seen very well from a report of the meeting of the Mercantile Traders' Association at which the following resolution was passed—" That we invite the co-operation of all traders in towns and country districts to support us, and that every trader in this Association do withdraw orders and close accounts with any manufacturer or producer who tenders in future or suppplies- directly or indirectly Co-operative Societies."

The societies patiently overcame all these difficulties. In the meantime they had learned something of a higher form of co-operation from the Irish Co-operative Agricultural Agency as to how the societies should effectively combine for joint purchase and sale. The Irish Agricultural Wholesale Society Ltd., was established in 1897 with two functions :—

(1) To purchase collectively the requirements of the federated societies and

(2) To market their members' produce.

This institution popularly known as the I. A. W. S. suffered at the beginning from the rings of merchants and manufacturers and also from under capitalisation. In spite of these difficulties it gradually developed a trade of impressive dimensions. In the course of time as the Agricultural Supply Society took the aspect of a general store the I. A. W. S. was compelled to supply the constituent societies with groceries, drapery *etc.* In the meantime, a certain number of store societies had been started on the English Model, and these societies naturally depend on the Wholesale Societies of Manchester and Glasgow, but they are not numerically strong enough to have a branch of either of these federations established in Ireland. Steps were therefore taken by the Directors of the I. A. W. S. to induce these store societies to be the members of the I. A. W. S. which thus became the federation of the producers' and consumers' societies. By so doing it has indicated how the problem of the conflict within the movement of the opposing interests of the consumers on one hand, and of the producers on the other hand can be solved.

Credit Societies.

The Organisation of Credit Banks in the Irish Co-operative movement came as a second thought as a natural evolution of the movement. It is held by some authorities on Agricultural Co-operation that the co-operative movement in an Agricultural country should tackle the rural problems first by the establishment of a system of rural credit. Sir H Plunkett himself is reported to have said that if he had begun his co-operative propaganda over again he would first establish credit societies. It is undoubtedly true that in some countries this method has been crowned with success. On the other hand it is seen in Denmark that the Agricultural Co-operative Movement was built up without the assistance of any personal credit societies. The difference can be accounted for by the nature of the people and the credit giving agencies.

The first credit society in Ireland was organised in 1895 with the assistance of Mr. A. W. Wolff, the well-known authority on co-operation. Since then close attention has been given to the formation of rural credit societies until recent years. These credit societies strictly follow the Reiffeisen system.

These societies are based on unlimited liability and the area of operation is restricted. There is no share capital but a small entrance fee is levied on membership. Loans are made only for productive purposes on personal security. Renewals of loans are avoided. The secretary is, as a rule, unpaid; and the working expenses are extremely small. Thrift is encouraged by inducing the members to keep their savings with their societies, but this has never become a general practice in Ireland. All profits are carried to the reserve fund.

These societies worked very well for some time, and succeeded in curtailing the power of money-lending shopkeeepers. After some time they began either to cease working or stagnate. The reasons for this are various, one of them being the controversy between the I. A. O. S. and the Department of Agriculture and Technical Instruction. The I. A. O. S, was so much hampered in its work by lack of funds and by the various obstacles placed in its way that it could not pay sufficient attention to maintaining the societies. Withdrawals of loans made by the Department of Agriculture contributed also to the stagnation of this side of the movement. The lack of possibilities for expansion on account of the absence of trading power, is also considered to be one of the causes for stagnation. At the same time it is believed that the credit societies have done their duty in relieving the members from their debts and that the farmers have grown prosperous. Some of the leaders are of opinion that re-organisation of these societies is desirable in order to enable them to engage in trading operations in addition to their purely banking business. In that case the societies will have to be registered with limited liability under the Industrial and Provident Societies Act. There is also a central co-operative credit society started under the auspices of the I. A. O. S. It came into existence to receive the surplus money of the credit societies and advance it to the needy societies. But the society has done practically nothing up to this time.

Industrial or Consumers' Societies.

Before Sir Horace Plunkett began his movement of agricultural reconstruction in Ireland on co-operative lines some consumers' societies were started in Ireland on the Rochdale model, chiefly by industrial workers who had migrated from England or Scotland. It was soon discovered that the consumers' society was not the proper pioneer type for the agricultural districts. However the consumers' movement grew up principally in the northern counties under the guidance of the Co-operative Union. The consumers' societies in urban areas have made wonderful progress. At the end of 1979 there were in Ireland 48 retail co-operative

distributive societies. Most of these societies are very small. Four societies only are very big; and of these four the Belfast Co-operative Society is, the biggest; and indeed, one of the biggest societies in the British Islands. This society is described as one standing "like Gulliver among a host of Liliputians". It has many branches, and spends on its educational work about £ 1,000 annually.

The I. A. O. S. was prevented from organising stores by the conditions attached to the grant which it received from the Development Commissioners. These conditions, however, were not binding on its constituent societies and the I. A. W. S. in particular has done much work to promote the store movement especially during the Great War and the subsequent period of high prices. The farmers who felt acutely the rise in the cost of living began at this time to take the lead in organising stores which industrial workers also might join.

Lessons to be learned from Ireland by the Agricultural countries.

In the Bombay Presidency I think the system followed in keeping the societies in water-tight compartments, each with its one specified object, requires to be modified in favour of General Purposes Societies after the model of the Irish Agricultural Co-operative movement. Of course a good many authorities on co-operation say that rural credit banks should not be allowed to undertake any work other than credit business. In India this policy is pursued literally and has proved very effective for the further development of the credit side. So far so good, but in the case of agricultural non-credit societies as well as agricultural produce sale societies, the limitation of functions to one or two specified purposes rather hinders their development instead of forwarding the cause of co-operation.

Especially in villages where competent men cannot be found for all the kinds of societies which are necessary, this limitation of one society for one object creates serious difficulties. The secretaries in such societies, not being adequately paid, cannot give full attention to their societies, since they have to undertake some other work in addition for their living. The committee members being honorary workers, cannot be expected to devote all their time to the societies. The agriculturist members, too, are not accustomed to visit different places for different objects. They like to buy all their requirements in one shop rather than take the trouble of going to different shops for various articles, even though they may get them more cheaply there. The Co-operative Movement, if it is to be successful within a reasonable limit of time, should adapt itself to the nature of the members themselves rather than force the people to adapt themselves to it.

Agricultural societies often ask for permission to undertake some function other than the one specified in their by-laws. Even cotton sale societies, for example, may ask permission to sell other agricultural produce; and implement societies may ask permission to undertake the supply of fertilisers and other agricultural requisites. To make them stick to their single object is to stop their further progress. Asking for expansion is evidence of the natural growth which should not be checked, otherwise the development will be stunted. Adding the business of small general stores to the agricultural requisite supply societies seems also necessary.

The Irish Agricultural Movement has pursued the policy of allowing the societies to do as they like for the benefit of their members with the result that it has become completely successful.

The other lesson that agricultural countries may learn from Ireland is the organisation of a federation on the lines of the I. A. O. S. for the purchase of their members' requirements and the sale of their produce. There is a conflict within the movement between the interests of the consumers and producers. But these interests can be well guarded without detriment to any part in a federation formed for both the consumers and the producers, as the I. A. W. S. is.

C. B. HULI.

A NOTE ON CO-OPERATIVE LABOUR UNIONS

By M. R. Ry., S. Venugopal Naidu Garu b.a., b.l.,
Honorary Assistant Registrar of Co-operative Societies and President, Co-operative Labour Union, Pattukottai.

The Co-operative Movement was introduced in India by the Government as a result of its success in the western countries as a great and glorious future was foreseen for the agricultural interest in the country.

If we, in India, had realised that the movement is not new but only a revival of the old village community system when each village was self-contained, the governance of which was carried on the basic co-operative principle of "Each for all and all for each" a far better and more useful result might have been obtained. The progress of the co-operative movement was left in the hands of the educated gentlemen, who were residing in urban areas, where the traces of the old village community had been completely overthrown by the materialism of the West. The educated classes in India drawn as they are, from classes who had no intimate knowledge of the manners and customs of the villagers had naturally shaped the policy of the movement in the light of their knowledge to relieve the poor and the needy wage earners in the towns: and no serious thought was bestowed upon ascertaining the condition of the ryots in the village. They started a network of co-operative societies in towns, the residents of which relied upon their wages—daily or monthly. The urban residents were punctual in the repayment of loans from the societies either because of their regular income or because of the fear of losing their appointment in the event of warrants being taken against them for the arrears due to the Society. The success of the urban banks is thus mainly due to the unfailing repaying capacity of the members, to the instinct of self-preservation by retaining the means of livelihood and to the economic causes of the failure of some of the private banks partly due to the general tightness of the money markets since the beginning of the Great European War.

The apparent success so far achieved is due to extraneous causes and not to the recognition, by the people at large, of the intrinsic merit underlying the movement. This will further be amply borne out by the general failure of the non-credit societies. Loyalty of the members is an important element for the success of the non-credit societies of which the co-operative purchase and sale society is a type. If we analyse the real causes of the success of some of them, we shall find that in the constitution of some of the old purchase societies, provision was made for lending money to its members, who, because of their indebtedness to the Society, were naturally attracted to its non-credit side operations which was very helpful to the wage-earning classes in towns who had no leisure to purchase their necessaries from the ordinary shops which were not within easy reach. The successful store societies can be counted on one's fingers' ends and they were situate only in big towns. The generality of such societies in small places have not succeeded. Such failure can be traced to the following causes:

(1) The members' inability to find ready money for their purchases and the general human weakness to avoid publicity of such inability.

(2) False reliance on one's own capacity to deal with retail shopkeepers.

(3) The Indian practice of stocking of articles of consumption for a whole year by permanent residents in small places.

(4) The easy access of the retail vendors.

(5) The limited wants of the residents in the rural areas.

(6) Payment in kind of wages of labourers.

(7) The unbusiness-like qualities of the retail vendors who hold out false hopes to individual members of cheap bargains.

It will thus be seen that the benefits so far accrued by the Co-operative movement through these two sorts of organisations have not reached the real backbone of India—the agricultural millions—who in olden days had the advantage of the banking done by their more fortunate brethren who lent their surplus to the needy and the poor in the village. This system received a setback by reason of the increased cost of living and a more extravagant mode of living in aping the manners of the urban population. All the industries nurtured in the village for the benefit of the villagers received a death blow by reason of the introduction of the fanciful products of the foreigners. Unless these two ancient methods of mutual help are revived, of course, suited to the present day condition of the increased cost of the bare necessities of life, the credit and the non-credit work of the Co-operative movement cannot be worked with success in the village.

I will examine an Indian village and its fitness to assume the civic responsibility with the ultimate result of obtaining provincial autonomy.

The Montford reforms were introduced as a step in aid of creating a Government responsible to the people and towards the realisation of the said object from below, the Village Panchayat Court Act of 1920 and the Village Panchayat Act of 1920 were enacted as a complement to the already existing Co-operative Societies Act of 1912 the former two intended to foster the spirit of civic responsibility and the latter towards the amelioration of the economic condition of the agriculturists—the chief residents of the villages. In the system of diarchy consequent on the reforms the first piece of legislation is administered by the reserved half through the Executive Council and the latter two by the transferred half through the ministers responsible to the legislature. Sound economic condition of a community is a *sine qua non* of any Government and more so of a Government responsible to the people. The village community consists of the rich (capitalists), the middle class (including educated) and the poor and the motto of such a village in an economically sound society ought to be "each for all and all for each". But what do we find? The rich man expects the poor whose property--labour--has become starved and inefficient to be ultimately exploited by the foreigners to their own profit and the ultimate drain of national wealth. The educated man is not trusted by the rich man with his capital which becomes shy and stagnant to ultimately find its way to the bankers financing the profiteering foreign employers of the discarded Indian Labourers, who quit their native villages leaving the arable land fallow to be ultimately converted into uncultivable wastes. This results in the loss of income of the rich, the loss of revenue to Government and the general economic loss to the whole country. The educated man for want of support either from capital or labour migrates to the urban centre to carry on his profiteering business of quill driving in an office or fomenting litigation among his own people between the rich and the poor having already had lessons of the selfishness of the capitalist on the one hand and of the forced dishonesty of the poor on the other hand with the result that the wealth of the nation finds channels other than the legitimate ones.

The rich man has thus become selfish and autocratic, the poor man dishonest and inefficient and the educated man distrustful as an enemy of both the former. The village community has thus become diseased and is economically unsound. Of what avail is it to implant the self-governing institutions of the Acts of 1920 for the development of civic responsibility? They are bound to fail and have failed. The Village Panchayat Court presided over by either the rich man or the educated commands no confidence among the villagers and is being impugned in a civil court so far as civil jurisdiction is concerned and before the Sub-Divisional Magistrate so far as their magisterial functions are concerned. The villagers steeped in ignorance and selfishness are quite indifferent. The informal Panchayat which is a prototype of a municipality is a nominal body, the members whereof are unwilling and unable to tax the villagers for the sanitary and health improvements of the village. It is therefore necessary that the community must be economically sound before these popular institutions are made to thrive well. That is the remedy which we need not drive deeper to seek than in the words of His Majestey's reply to the Delhi Municipal address of 13th December 1911. "If the system of co-operation can be introduced and utilised to the full, I foresee a great and glorious future for the agricultural interests of the country". That this declaration was not an empty speech was demonstrated by a grant of 14 lakhs for the promotion of the education of the villagers. This grant for education is an indication, though indirectly, of the *via media* for the spread of the movement—the educated class—who as I have already pointed out are distrusted by both the rich and the poor. The distrust must be displaced, before the people can be made to rely upon them. The bonafides of the educated class had to be guaranteed; which was done by the enactment of the Co-operative Societies Act of 1912 which is the only panacea for the economic ills of the Indian community. It is the intelegentia of the country that have been reasonably convinced through the enquiry of the Maclaghan Committee, the host of departmental officers and the vast literature of the success of the movement wherein co-operative societies are admitted as members and allowed to work as agents of the Labour Unions. The individual members are both labourers and non-labourers, the latter being admitted as men of leading to help the labourers in the initial stages to organise labour, make it efficient, honest and to furnish the initial share capital required for starting the work.

The Labour Unions are under the supervision of responsible officers of the Government and hence the evils of perpetrating fraud in executive work of the public bodies and the Government are very much minimised. The public funds will be well spent, relieved of the evil ways of the individual officers and agents in charge of these works. The enemies of the movement, the rich capitalists and the people with vested interests have to be warded off in the initial stages. The obstacles that may be expected from the capitalists are at a minimum in the Pattukotta and Arantangi Taluk as the resident capitalists are carrying on their business of profit elsewhere in places flowing with milk and honey and have left the local profitable concerns in the hands of their less fortunate brethren who are not very much inclined to oppose the interest of the labour and the educated classes. The natural environments in these two taluks thus furnish very good soil for the growth of labour unions. The lands in the two taluks being rainfed, the villagers are very often disappointed by the monsoons which act as a deterrent upon any kind of efficient and intense cultivation, so much so that much of the time of the villagers is spent either in empty talk or officious quarrels, to ultimately fall a prey to the fascinating exhortation of the agents of the emigration depots in Arantangi, wherefrom people are entrained in hundreds to far off places in Ceylon and other countries over seas. All this labour can be pooled together and worked for their common good to the benefit of the rich and the country. The only other question to facilitate the growth of the labour societies is that of works. The gravel quarries in Arantangi furnishes work for hundreds of labourers during summer time for supply to the District Board and Railway authorities, the latter of whom are working through a capitalist at Madras, who imports labour from other places and appropriates the profits of the work done in Arantangi Taluk to the detriment of the resident of the Taluk and the consequent emigration of the labourer to benefit the foreign capitalists overseas. These villagers return home after years of toiling in foreign countries worse than what they were when they left India. This national drain is intended to be stopped by the co-operative labour unions started at Arantangi and Tanjore, which took up the contract of gravel supply for the District Board roads. As the labour union at Arantangi, a very remote corner of the Tanjore District, found it difficult to find men to supervise and advise the labourer, a Labour Union was started at Pattukotta for working in Pattukotta and Tiruturaipundy Taluks, the varied activities of which will be found set forth in a separate note. The Labour Unions have to face a number of obstacles on the way. The capitalist who has hitherto been working on his own behalf is straining every nerve to throttle the infant society which has aimed at capitalising labour. The officials look with suspicion on the innovation made by educated people and the poor. The obstacles of the capitalist has to be overcome by the labourers themselves in due course; but that from the officials must be overcome at the earliest opportunity. The help of the Government is sought by the Labour Unions to overcome the difficulties from the officials. The Provincial Co-operative Conference held in December 1923 has passed a resolution requesting the Government to help the endeavour of the Labour Unions by entrusting them with Local Board and Government works in preference to individuals. In the initial stages the help of the Government and the public bodies are essential so that the preference may be given to co-operative institutions in the matter of execution of work of public bodies and of the Government. If this request of the co-operators as voiced forth through the last Provincial Co-operative Conference be acceded to and special facilities furnished for starting of more labour unions the ultimate result will be the assimilation of the whole of the Engineering establishment of the Government and the local bodies with Labour Union resulting in the the enormous saving to the Government of the whole of the expenditure hitherto incurred for pay and salary of the officers and subordinates attached to this Department apart from the efficiency of works executed and maintained by the Co-operative Labour Unions, the educative propaganda of which is beyond all measurement.

THE RESPONSIBILITY OF UNIONS IN THE MATTER OF OVERDUES.

M.R.Ry., N. Panchapagesa Iyer Avergal, B.A., L.T.,
Secretary, Co-operative Supervising Union, Tirukkattuppalli.

A question has been raised whether the supervising union can be punished for not collecting the overdues of principal and interest due from the primary societies affiliated to it. It is a very important question that should at once be solved or may be allowed to wait some time more until an economic survey of the rural parts is made. There are societies good, bad and indifferent affiliated to a Union and it is not always possible for the Union to whip up collections in bad societies. The

Union may be functioning properly in other respects except perhaps in making some recalcitrant societies keep their obligations to the financing Bank. It has not got any powers to adopt coercive process to make defaulting members pay. The Union Supervisor goes about house to house, demands payment and holds out threat and he knows fully well that he cannot proceed any further. It is all very cheap to say that the Supervisor should go with Loan Application forms in one pocket and B1 claim forms in the other to show the contrast between the defaulting member and the punctual member. The persuasive eloquence of the Governing Body members of the Union has limitations of its own.

The cause of increase in the overdue of the societies to the financing Bank is to be traced to its origin and it is found that in very many cases people who are past redemption being hopelessly involved in debt have been helped with Loans. Cultivation of thrift has no practical aspect in the primary society and the members in such societies have their expenses much beyond their income. The introduction of a secondary occupation to augment the income of the indebted member in the shape of cottage industries and garden cultivation is a constructive scheme which a Committee constituted for the purpose may examine. The remedy to decrease the overdue will therefore be by educating the member and improving his economic condition. The Union is the agent of the Society; to punish the agent for the real offender which is the society it appears to my mind to be preposterous. If as a punishment the rebate allowed by the financing bank be stopped, the Union will begin to strike work and the little work which it does in connecting the far off society with the Central Bank will come to a standstill, In the Punjab it is said that there are no Unions and the overdues to the financing Bank are comparitively low. It is therefore wrong to connect the overdues and and the function of the Union. The collection of Overdues is one of many administrative functions of the Union, but not the only function. If the financing Bank should feel shaky over its assets, it may try to make the Union into a guarenteed one with the small rebate which it gives to the Union; it cannot maintain a separate agency to connect the primary Bank with the financing Bank. The proposal therefore to cut off the rebate will land the financing Bank into a serious situation and this will not improve matters.

As a non-official in the Co-operative movement I may be found fault with for the following suggestion because opinion here is bound to differ. But, however, I like very much to give it an honest trial. The decree is passed at present against the defaulting member, and it is executed as the matters at present stand either in the Civil Court or under Act II of 1864. The first is subject to the proverbial 'law's delay' and the second is a tedious process with notices numbering one to seven in all of which the Thasildar shows a step-motherly kindness. To avoid this and to make the execution sudden and effective, a rule may be framed by the Madras Government empowering at least the Assistant Registrar who belongs to the cadre of the Duputy Collector to execute the awards passed by the Honorary Assistant Registrar or an Arbitrator. Centralisation in finance and decentralisation in administration are the principles of the Co-operative movement. If these principles are true why not try the non-officials of the Union by giving them this power to execute the award. Is this a drastic remedy?

PLACES OF CO-OPERATIVE INTEREST IN THE DISTRICTS.

(I Malabar.)

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

Pattambi:—Malabar, RailwayStation, Munsiff's Court, Post and Telegraph Office. Headquarters of a Co-operative Union. Can see how successfully joint purchase and sale of paddy on a very extensive scale was carried out by the societies affiliated to the union. The visitors can also see how Mahoti, the great arecanut disease was successfully combated by the joint effort of the co-operative and agricultural departments.

Perintalmanna.—Malabar. Can see the successful working of a store. Success mostly due to the active support and co-operation of the women relatives of the members of the institution. Nearest Railway Station Pattambi, 15 miles distant. Conveyance, motor bus and bullock carts. Time taken by motor, 1½ hours. Walluwanad Taluk Headquarters and the Headquarter of a co-operative union, High School, Munsiff's Court, Post and Telegraph office.

Calicut:—Headquarters, Malabar District—Can see the District Bank District Federation and the working of a Building Society.

HONORARY ASSISTANT REGISTRARS.

Honorary Assistant Registrars and their appointments have become a subject of controversy among the co-operators and I suppose you will have no objection in publishing these comments in your next Bulletin. That Honorary Assistant Registrars have not been chosen properly and their distribution has not been done justly need not worry us at present. We have to see whether the nature of the work done by the Honorary Assistant Registrars is really productive of good. Perhaps it is not proper to generalise about the work done by the honorary workers as the quality of their work varies considerably. But I cannot resist the temptation of noting down some general remarks about their work.

Major portion—if not the whole—of the duties they perform now, at least in Malabar, is the disposal of the arbitration references. On examining these figures one is struck with the large number of arbitration suits referred to Assistant Registrars and Honorary Assistant Registrars. It is high time to examine whether it is really co-operative to encourage such large number of references among the co-operators. I do not think that when these special powers of arbitration were given it was ever contemplated that the concession would be used or rather abused to this extent. As matters stand at present, at least in Malabar, these arbitration references have become too many. They are meant to be used as last alternatives, after exhausting all the means of persuasion which the Panchayatdars can employ for setting right the conduct of members. I do not think that in majority of cases the Panchayatdars do any such thing. For want of sufficient experience among the governing body members of primary societies a number of undesirables manage to get into them in the beginning and obtain loans which ought not to have been issued to them. After some time, however, the Panchayatdars find out the mistake, but do not exert themselves sufficiently either to improve bad members or collect the money. Civil courts commencing from the village Munsiff's court and the technicalities connected with filing suits against defaulters have become unfortunately so familiar to the rural people that they do not even consider that persuasive methods such as are intended to be used in co-operative society have any effect at all. When the loans become overdue they send, according to the usual legal formality, a registered letter and keep quiet for some time. Within one or two years the number of cases of this nature increases and the Panchayatdars begin to feel the difficulty of repaying the loans to the District Bank and to satisfy either the Union authorities, or the District Bank, or the Assistant Registrar, file a number of arbitration suits to show that they are not indifferent.

Perhaps I may be blamed for over-drawing the picture and exposing in an unco-operative manner the defects of Co-operative Societies. I think we should not hesitate to reveal our defects as our future existence depends more upon the purity of the movement than upon its volume. If the appointment of Honorary Assistant Registrars tend to increase the number of arbitration cases I would prefer to have no Honorary Assistant Registrars.

V. T. MENON,
Secretary,
Malabar District Co-operative Bank.

REVIEWS OF BOOKS AND REPORTS.

I. *Field Crops in South Africa*, by H. D. Seppan B. Sc. A, and G. J. Bosman, B. Sc. A., 358 pages with 42 illustrations. The Central News Agency, Ltd., of South Africa. 1923. Price 21 shillings nett.

Although its title would suggest that the book is primarily intended for South African farmers yet a perusal of the same shows that most of the information contained in it will be found to be of incalculable value to agriculturists of any country. To show the importance of agriculture to the welfare of humanity the authors have, in the first chaptar, aptly quoted the Chinese saying "Public prosperity is like a tree; agriculture is its roots; industry and commerce are its branches and leaves. If the root suffers the leaves fall, the branches break and the tree dies". They then proceed to give a brief historical account of the development of agriculture. In the second chapter a very interesting study is made of the conditions of rainfall and of soils in relation to agriculture with special reference to S. Africa and of the problems of labour, transportation, capital and rural organisation.

The next two chapters covering 45 pages deal with soil management and are very interesting and instructive. The objects of tillage, the chief agencies which promote good tilth and those which destroy good tilth are clearly and concisely set forth. The different classes of soils and their tillage and treatment are carefully described and an illuminating account is given of the implements and their uses. The subject of irrigation is dealt with in detail. The important effects of drainage are clearly summarised and the different systems of drainage are briefly described. The section dealing with brak soils or alkaline soils is worth very careful study. The nature and composition of brak, the origin of brak salts and their movement in the soil and the effect of irrigation are carefully discussed. The harmful effects of alkaline salts are considered at length and the chief measures for reclaiming them are briefly indicated. Fertiliser practice is then discussed at length and the means whereby the fertility of the soil can be maintained are described. The sections dealing with green manuring and weeds are very interesting. The various useful functions of green manuring and the considerations that should govern the choice of suitable green manuring crops are mentioned. The different kinds of legume and non-legume green manuring crops are described and instructions regarding the ploughing down of green manures are also given. The authors have rightly warned where and when it is inadvisable to practise green manuring. A list of noxious weeds found in the different provinces is given. The injurious effects of weeds are carefully summarised and the ways in which weeds are distributed and the factors affecting weed control are discussed. The general methods of weed control are then described.

The next chapter is devoted to a consideration of the rotation of crops. The authors are very keen in emphasising the importance of a proper rotation of crops in maintaining soil fertility and in obtaining high yields.

After these general chapters come those which deal with particular crops such as maize, potato, cotton, tobacco and wheat.

The last chapter treats of ‘‘dry land farming" and is extremely instructive. The term refers really to "water conservation in farm practice, particularly in arid and semi-arid regions, where irrigation is impossible or not practicable". The authors have shown that the fertility of the soil influences the water requirements of crops and that therefore economy in the use of moisture can be effected by addition of plant foods which are deficient in the soil. The loss of moisture through weeds is one of the causes of crop failure. Weeds reduce the amount of plant food available for the use of the crop and thus increase the water requirement of the crops. The various useful fodder and forage plants suitable for arid regions and the ordinary crops suited to dry land farming are mentioned. Cotton is fast becoming one of the most profitable and reliable of the crops grown in dry land regions in S. Africa. The chief points in dry land agricultural practice have been very clearly and concisely summarised.

The authors have made use of a number of books, bulletins and periodicals and have given a list of references at the end of almost every chapter. It is, however, curious to note that although, according to statistics given in the book, India holds a very high place in agricultural production, yet, with the exception of a passing reference to a couple of articles in Watt's "Commercial products of India" no reference whatever is made to any of the Indian publications on agriculture.

S. DORASAMI

II. THE PIONEER SERIES

1, *John Mitchell, Pioneer of Consumers' Co-operation*—by Percy Redfern. pp. 95

2, *Sir William Maxwell, A Pioneer of National and International Co-operation* by Sydney R. Elliott pp 91

3, *Edward Owen Greening, A Maker of Modern Co-operation* by Tom Crimes pp 103

4. *Charles Kingsley and Parson Lot* by W. H. Brown. pp 116.

All the four published by The Co-operative Union Ltd. Manchester.

This series published by the Manchester Co-operative Union is an eminently instructive one, trying to present a vision of complete co-operation embracing every branch of human life as worked by the principle of human partnership which underlies every step in the growth of the co-operative movement. The first book is naturally enough an account of the pioneer of consumers' co-operation who originated the conception of an all inclusive consumers' movement. Mitchell rose from the status of a working man, literally and metaphorically being "a mother's son", and was always the consumers' advocate ; and the English Co-operative Wholesale Society, the first of its kind throughout the world, was, as he left it, his movement. But his aim was not primarily a great society turning over so many millions as to express and demonstrate his social beliefs—such as that co-operation is voluntary socialism. Mrs. Sidney Webb bears testimony to what Mitchell and co-operation were doing to help the masses as consumers. Mitchell was a conspicuously honest man ; and he regarded honesty as the first essential in all co-operative effort. Mitchell showed that great energy was necessary for the success of the consumers' movement and that the demand must follow supply instead of leading it. "In a consumers' business, where supply follows demand, there is a tendency to sit down and wait for demand instead of leading it ; and only a moral self-driving force like Mitchell's will overcome the inertia." Above all his importance lies in his ideal more than in what he accomplished ; and his chief significance arises from the contribution that he sought to make to such an ideal. "Beyond board-rooms, offices and workshops, he saw a world of consumers, men, women and children, ill-fed, ill-clothed, ignorant, disunited, manipulated for profit where they should he served ; and he wanted to unite all in striving for a new world in which all gain would be for all."

The life of Sir William Maxwell was prepared as a diploma thesis in the Manchester Co-operative College. Maxwell is closely associated with the Scottish Co-operative Wholesale Society and has gained great distinction as writer and journalist, being the author of *The History of Co-operation in Scotland* ; and he is the effective exponent of many co-operative maxims like, "Co-operation exists to dismantle the poor-house." and "Not politics in co-operation, but co-operation in politics." He was for long a staunch trade-unionist and he has always recognised and urged the necessity for the co-ordination of co-operative and trade union activity. He realised that the interests of the two movements are similar in many respects, that both have arisen as reaction against similar evils and both are but different expressions of the same struggle towards the same ideals. He was not, as some regarded him, a State Socialist in the narrow sense of the term; but he was always a *voluntaryist* who waged the righteous battle of labour with economic weapons, while simultaneously making an appeal to man's higher nature and to the spirit of mutual trust. Co-operation did not mean for him the abolition of all forms of competition but rather the promotion of healthy rivalry and the development of a spirit of emulation under conditions which ensure that one man's gain will not be another man's loss, but the common gain of all. He sought to promote consturctive competition. Besides greatly promoting the work of Scottish co-operation Maxwell played a great part in the international stage by putting forth great propaganda effort, going from country to country, from national conference to national conference and unbuing all co-operators with a strong desire to international peace and international co-operation. He facilitated trading negotiations between different countries and the smoothening out of the paths of Continental co-operation. "It is to Maxwell's business sagacity and enormous influence that some of the great co-operative federations in European countries—particularly in France—owe their continued existence". He made international friendships, expressing in his own person the principles which internationalists cherish; and he is deservedly called the "pioneer of national and international co-operation."

The life of Edward Owen Greening is intended by its author to give a true picture of the man, to show him at work and also to bring into the picture many workers in the field, of some of whom all knowledge had passed out of the mind of the present generation of co-operators. Greening was essentially a man of ideas; he entered the movement at a comparatively early age and remained in the forefront for more than 60 years. He was a very fluent speaker and ready writer, determined to fight to the last for his convictions; and he found time in the midst of his varied activities to organise congresses and institutes for the co-operative movement and new business undertakings for himself. He was an advanced Radical in thought but he differed in ideas of method from Christian Socialists like, F. D. Maurice, Charles Kingsley, Tom Hughes, etc., who wanted to nurse the worker till he should become his own employer and thus gain economic freedom. The followers of Christian Socialists set up self-governing workshops, workers of many types forming themselves into co-operative associations. But these movements failed because of the inability of the workers to sink their own differences and also because of the absence of true fellowship or common interest among them. The Christian Socialists however pointed the way to a new and

better industrial order and they won legal security and status of co-operative societies. Greening was alive to the weakness of Christian Socialism; he determined to try another plan, that of industrial partnership; it was he that started the saying—"Give me your best (i.e., workers' best effort); and I will not forget you when the profits are being divided." Greening laboured hard and long for the adoption of two principles in the working of the Co-operative Wholesale Society; viz (1) the right of its workers to a share of the surplus and (2) the necessity for a separate existence for its banking department. He took a prominent part in the forming of a national union of co-operative societies; he formed a co-operative Institute in London in 1874 which did so much to brighten co-operative life for a number of years and to make Co-operation enter into the pleasures as well as the business activities of the people. He was also an internationalist in Co-operation and coutinued a staunch friend of the International Co-operative Alliance. He always opposed the direct representation of Co-operators in Parliament and held that there was no place for a political party inside the Co-operative movement and thatCo-operators who wanted to form themselves into a new political party were simply asking for trouble. But he had no objection to individual Co-operators standing as candidates for parlimentary seats in their personal capacities. He was the author of a very large number of propaganda leaflets and pamphlets on different aspects of Co-operation; and he had a never failing faith in co-partnership principles. Up to his death he laboured for the creation of a Co-operative College—a centre of light and leading to give direction to Co-operative efforts.

Charles Kingsley was a life-long fighter against the theories and implications of the Mancehster School, against shopkeeping and labour-buying in the cheapest market being considered the truest signs of national progress. Born in 1819, the year of Peterloo Massacre, and baptised by the fire of the Bristol Reform Riots of 1831, Kingsley plunged deep into the whirlpool of the social hurricane that followed the chartist frizzle of 1848. His great fighting force, his influence on the masses, his fiery and impassioned utterances, his perpetual ferment—all are testified to in the largest and most generous measure by persons of the stamp of J.A. Froude, F. D, Maurice, J. A. Symonds etc. "Kingsley's debt to the magic of Devonshire love and scenery has been posthumously repaid." He gave a new standard to the work of the parish priest, while his sermons were just homely talks that appealed to quiet country folk. He always exalted the kingship of Christ and called upon his flock to become his holy subjects; he went right home to their pleasures as well as their trials. His keynote was that men should strive through present hardships to loftier heights by the pursuit of their duties to themselves, to their families, to their nation.

to humanity and to God. His work in connection with Christian Socialism is too well-known to need detailed notice here. He exposed the evils of the swearing system in his "Alton Locke" and after securing the Magna Charta of Co-operation—the Industrial and Provident Societies Act of 1852—he and his fellow-workers left the working men to continue the formation of societies and the working out of their own Co-operative salvation. The book well describes Kingsley's place among the formative forces of Co-operation and of the land itself. He battled against the prejudices of capital for the protection of labour; and his sincerity carried him through. He was a noble example of "the chivalrous champion of the distressed". The book on Kingsley and the part he played as Parson Lot in his writings is the most interesting of the series. All the books are pregnant with ideas and information and should command a wide circulation.

III. THE EDUCATIONAL PROGRAMME OF THE MANCHESTER CO-OPERATIVE UNION.

The Central Education committee of the Manchester Co-operative Union have published their educational programme for the session 1923-24. The book is valuable from many points of view.

For the employees in co-operative societies technical classes are held in various subjects. There are courses in salesmanship for the attenders at stores. For Secretaries special courses are offered in office organization and the collection of statistical informations. Auditors get their own courses of study in company and co-operative law and methods of auditing. Accountants have their courses in co-operative book-keeping. General advanced courses are offered for co-operative managers in commerce, industry, banking, co-operative law and advertising.

Another phase of the educational programme reveals the intense interest taken by the co-operative union in educating the members on problems of the hour. These courses are called Emergency Classes. For instance, if we are to hold the same classes in our Presidency, the subjects will embrace (1) Freedom of co-operative societies from local rates and income tax, (2) Credit sales in stores and for non-members, (3) land mortgage banks, (4) Honorary Assistant Registrars, (5) co-operative education, (6) need for a co-operative survey, etc. etc.

A special training class is held for propagandists and public speakers. Instructions are supplied to them through the correspondence course; and when such a course is organized by ourselves, it will take the following forms:

The points of difference in the delivery of a lecture to a rural and an urban audience:

What should be the similes and illustrations and analogies used for inculcating the ideas of share-capital, reserve-fund purpose of loans; unlimited liability ?

How many ideas can be usefully imparted in an hour's lecture ?

What should be the methods of instilling non-official responsibility ? etc. etc.,

The course also comprises a training school for co-operative teachers. This is quite different from that above mentioned, which mainly deals with how to operate by the instrument of language on a large audience in the most effective manner. This course comprises the theory and practice of education, the art of teaching, the history of co-operative education, and the methods of conducting training classes. Such a course when adopted in our Presidency will have to deal with the nearest unit for bringing together Panchayats of societies, fundamentals to be taught to Panchayats, methods of effectively explaining the co-operative system in our Presidency, rural economics, and subjects allied to co-operation, which have a bearing on the successful working of societies.

The Educational Programme is also to be valued for the fact that it realizes that co-operative education is only a part of a broader social science. General courses are offered to all, men and women, young and old, on the history of co-operation in the various countries, the economic history of Europe and America, the science of economics, citizenship rights and duties, the relation of ethics and social work to co-operation. It is the history of co-operation in various countries alone that will give the necessary bias and background to the outlook of any co-operator. The industrial history of the West will reveal that individualism, as a force in the economic ordering of society, has exhausted itself and cannot produce the greatest happiness of the greatest number. It is the science of economics alone that will steady the enthusiasm of the co-operator, tone him down to realise the complex workings of the economic society, and regulate the building up of a new co-operative commonwealth on the basis of capacity and efficiency of the worker.

Citizenship is as much a part of co-operation in the sense that with the spread of economic undertakings on the co-operative basis, a number of problems will arise awaiting solution at the hands of the Parliament, and unless every co-operative member recognises his rights and duties as a citizen, the political pressure of the individualistic economic system cannot lightly be faced. The study of ethics and sociology will make every student realize the position of co-operation in the moral and educational progress of a society.

Part 2 of the Book deals with various other methods for inducing members to take to co-operative education. The system of scholarships, extension lectures of the Co-operative College, the correspondence method of tuition, summer schools for juniors and seniors, week-end schools, co-operative reading and study circles, guilds for men and women and songs and plays, is described in this part as a means of educating the public.

There are short notes about the co-operative college, the co-operators' educational fellowship, the working men's College, London, and the workers' Educational Association, which federates all labour organizations for bringing workers together for study and lectures on social and economic subjects. The book closes with 3 useful appendices, the first giving detailed instructions to committees of co-operative societies for attracting members to educational activities, the second, a summarised list of text-books on the various subjects, and the third, the addresses of educational secretaries in the various sections and in men's and women's Colleges.

The book is priced 7d, post free, consists of 226 pages with paper cover, and can be had from Holyoake House, Hanover St., Manchester.

IV. THE PEOPLE'S YEAR BOOK 1924 (C. W. S. MANCHESTER) A REVIEW.

The People's Year Book for 1924 (3 sh. net) published by the Manchester Co-operative Union is an annual of facts and figures on Co-operative labour and allied subjects. The book contains 25 illustrations of the working of the Co-operative factories and stores, and six portraits of eminent co-operators of which one is a gallery of the C. W. S. staff with a record of 50 years' continuous service. The first part of this book deals with the Co-operative movement in Great Britian Figures of the working of Co-operative societies affiliated to the Manchester union are given for a period of ten years.

It is interesting to know that there were 173 co-operative farming societies which owned 63,000 acres and rented 11,000 acres and these have invested £ 3 millions in the purchase of land and in implements and stock.

A full chapter is devoted to the subject of the last annual congress and the resolution passed by it. A report of the Women's Co-operative Congress is also added which throws a flood of light on the interest taken by the women of England in international and social questions

such as world peace, granting of pensions to widows, medical service etc. Two diaries are added next to it, dealing with the co-operative events and labour disputes of the year 1923. This part closes with four articles on the Co-operative movement by eminent leaders.

Prof. Hall deals with the struggles the movement has to pass through. The next article on Co-operative propaganda and teaching by T. W. Mercer gives valuable points regarding methods to the Co operative preacher. He deals with the work of three federated institutions in Great Britain, the Joint Propaganda Committee, the Joint Exhibition Committee and the Joint Committee for Co-operative Trade and Capital. The third and the fourth articles deal with valuable legislative work of the Co-operative party in Parliament.

Information is also added at the end of this part of the book about the history and progress of the three Wholesales and short notes about the working of other central societies. The directory of the Co-operative press in England, the co-operative organisations of the world, and the periodicals published by them heighten to a very large degree the value of the Year Book.

The second part of the book which gives statistics of the co-operative movement and a short account of the types of Co-operative effort board is valuable. A brief account is given of how the movement goes on in Esthonia, Latvia, Bulgaria, Czecho-Slovakia, Denmark, Finland, France, Germany, Holland, Hungrry, Roumania, Russia, America etc.,

This part of the book closes with a concluding article on international co-operation by Mr. H. J. May whose hope for world peace through the co-operative organisation of nations depends really on the co-operative outlook which the managing committees of powerful co-operative Trades will maintain in their dealings with other nations.

The third part of the book deals with the relations of co-operation and labour in the Europeon countries. This is a welcome addition in this year's Year Book and deals mainly how co-operatives deal with their employees.

Dr. Karl Renner, Ex-Prime Minister of Austria and present chairman of the Union of German-Austrian distributive Co-operative societies has contributed an interesting article on how the collapse of the Co-operative movement was prevented with the help of the central Trade unions in Austria.

Victor Serwy's article on labour and the Belgian Co-operation movement indicates how the Co-operatives treat labour better than the capitalist and consequently leaven the latter to be more human in their relations to employees. Co-operation is fast spreading in productive concerns and they adopt the wholesome principle of settling disputes by Joint Committees.

The fourth part of the book deals with the economics of living, important problems of the hour, and a review of the social life of the people. The imports of wheat, barley and oats, livestock and dead-meat are analysed for the benefit of the reader. The cost of production of bread and its sale price are calculated for different centres. A chart is given of how the articles reach the consumers' table from the producers' hands.

The outstanding events in Europe are then described, such as the Co-operativesettlements in Austria for market gardening which have made men contented and happy, and the struggle between urban and rural Co-operation in Finland for domination over each other. The concluding chapters of this part deal with the artistic tastes, development of popular science, and growth of literature, drama and cinema, and the part played by Co-operative Societies on the Continent in organising physical education and sports for the youths.

The fifth part of the book deals with the progress of trade unionism, conditions of labour in England and abroad, and the history of labour struggles in the year 1923.

The sixth part of the book gives useful information as regards trades, social welfare, the labour party in the New House, the municipal elections and the Societies and institutions in England.

As the publishers have put it, "the book is essential to the growing needs of working class and other institutions desiring authoratative knowledge of world-wide Co-operative and kindred movements". The book consists of 368 pages and we would gladly recommend it to our central societies if they want to keep themselves in touch with the movement abroad.

K. G. SIVASWAMY.

V. REPORT OF THE MYSORE CO-OPERATIVE COMMITTEE 1923.

II. Non-agricultural Credit:—(1) Societies Composition, membership, management etc:—

The 263 Non-agricultural Credit Societies in Mysore form a strong and satisfactory side of the co-operative movement. They are mostly found in taluk and district headquarters and are composed of small traders, artisans, wage earners and agriculturists belonging to a fairly well to do class of people. One noteworthy feature of these societies is that women freely seek admission and are freely admitted. Most of these societies have adopted limited liability and are practically able to raise their working capital from shares and local deposits. Most of the loans granted by them are for short periods and as a rule they are able to get an efficient managing committee. Most of the members being literate considerable watch is kept by them on the acts of the managing committee and any irregulairty on their part is immediately noted and rectified. Scarcely any of these societies borrow from Central Banks, as they have secured enough public confidence to raise all the money they want by local deposits. Of the total share capital and deposits of societies of all kinds in the Mysore State, nearly 50 per cent and more has been raised by the Non-agricultural Societies, and notwithstanding the fact that during the past few years the Mysore Government and the Government of India have been raising various loans in the open money market, the deposits attracted by these societies have in no way materially diminished, thus, affording a convincing proof of the public confidence they have secured.

(2) Part Played by Government Officials in these Societies:— Several of these societies established in Bangalore and Mysore are managed by Committees almost entirely consisting of Government Servants. While this constitutes a source of strength to such societies in a way, the Committee are of opinion that membership of Governmet Servants has not been an unmixed blessing to them. The dissatisfaction felt by other members is ascribed by the Committee to the want of promptitude in the discharge of their obligations by members who are Government Servants, especially after their transfers from one place to another. Although the Committee is not in favour of prohibiting Government Servants from becoming members of co-operative societies intended for the public, they sound a note of warning to Government. Servants seeking admission that more is expcted from them in the way of promptness and regularity than from others.

(3) No one to be a member of more societies than one.— The Committee is of opinion that in places where there are more societies than one of the same kind the same person should not be permitted to become a member of all or several of them, as this may lead him to contract obligations beyond his means. After referring to a rule which was introduced some years ago prohibiting a member of a co-operative society from becoming a member of another in the same place and its later modification to the extent of allowing him to do so provided the objects of the societies were different, the Committee recommends that the rule should be incorporated in the rules framed under the regulations, and that no member who has not fully discharged his obligations to one society should be allowed to join another.

(4) Deposits and Fluid Resource:—While it is a gratifying feature that these societies have been able to attract deposits locally and in some cases such deposits are very heavy, the Committee are not satisfied with the arrangement made for meeting the demands of the depositors. They state that, while several societies make a regular estimate of their total deposits and the amounts that are likely to be withdrawn and keep sufficient cash balances to meet the demands, in a majority of cases the matter is left to chance. They recommend that a definite rule should be introduced that every society should keep on hand at least 30 to 40 per cent of its current deposits and also make satisfactory arrangements to obtain cash credits from central banks or from the Mysore Bank to meet unforeseen conditions.

(5) Loans:—The Committee remarks that the total turnover in the case of most of these societies is not proportionate to the working capital, considering the fact that they command a fairly large working capital and sanction loans only for comparatively short periods. This points to a tendency for funds to get locked up in long term loans, a practice which the Committee deprecates.

(6) Purpose:—The Committee observes that a great part of the loans given is used for purposes of consumption and though it may constitute a purpose, they are not in favour of extending it and recommend that a better way of helping consumers would be to provide them with their requirements at cheap rates by means of co-operative stores.

(7) Women as Members:—The number of women that have joined these societies as members is not very large nor has any woman hitherto been elected to sit on the managing committee. There are however two societies in the State the membership of which consists entirely of women. These are intended primarily for the improvements of home industries.

(8) Utilisation of reserve fund:—Nearly 50 per cent of the reserve fund of all the societies in the State has been built up by these societies. Though it is generally understood that reserve fund should not be used as working capital, there is no definite rule in the State as to how it should be utilised. In the absence of such a rule a few societies have utilised the whole or a part of it for acquiring their own premises. But most of them have made it part of their working capital. The Committee is of opinion that while it is necessary for societies to maintain a reserve fund to meet unforeseen circumstances, there is no reason why societies

should be required to invest all their reserve fund in an outside institution when by giving it as loans they may earn a greater profit and recommend that a limit, varying from Rs. 1,000 to Rs. 10,000 according to the size of the societies, may be fixed by the Registrar and after the society sets apart this amount in a manner approved of by him, the balance of the reserve fund may be utilised as part of its working capital.

(9) Provident Fund Bonds:—This is akin to the system of recurring deposits prevalent in Madras and seems to be highly popular with members. A sinking fund is maintained in most societies to meet these bonds as they fall due.

10. Discounting Hundies:—The Committee points out that there is considerable scope for the development of the State by extending the operations of these societies. Though Banking facilities are very scarce in India and scarcer in Mysore the Committee thinks that such societies can do a great deal to stimulate trade by undertaking operations such as *discounting hundies*, a line of work which is safe and highly profitable to societies besides being of immense benefit to tradesmen and merchants. They recommend that a beginning in this line of work should be made by a few societies and after confining this to their members for some time they may extend it to others until it becomes an important side of their routine activities.

11. Size of societies:—The Committee refers to the enormous size some of the societies have assumed, with membership varying from 500 to 1500 or even more. As in such cases the members cannot possibly know or trust one another, and do not consist of a homogeneous mass working harmoniously together, to obviate this difficulty, the Committee is in favour of placing a limit on the membership in such societies and have fixed it at 300. In the case of the existing societies they recommend a judicious grouping of their members for carrying out this rule gradually.

III. Non-Credit Co-operative Societies:—(A) *Agricultural co-operation.* (1) The Committee states that the *aim of the non credit side of agricultural co-operation* should be to enable the ryot to put his capital to the best use and obtain the most profitable return for his produce without the intervention of the middleman and recommend that the Co-operative Department should bestow more attention to the promotion of the non-credit side. Of the 146 societies of this type now working in the State, 72 are separate societies, while the rest are adjuncts to credit institutions.

2. Seed, Manure and Implements societies:—Many of the village credit societies have taken up the work of the purchase and the supply of seed, manure and implements as such work does not involve the continuous attention of the committee of management. A special type of Ragi seed selected by the Agricultural Department has been supplied to ryots and this has resulted in the superiority of the new variety being recognised throughout the State. Besides Ragi, societies also handle for this purpose other kinds of seeds such as sugar-cane, cotton potato, etc. on a limited scale. Owing to the high price of artificial manures the purchase and supply of manures has not been taken on hand on a large scale. The Committee observes that, with proper co-ordination between the staff of the Agricultural and Co-operative Departments, more useful work could be done through co-operative societes in this direction, as also in the matter of supply of improved agricultural implements. Ryots have already begun to appreciate the advantages of improved ploughs and there was a growing demand for other implements such as disc harrows, crushing machines, sugar-cane mills, etc. The Committee remarks that there is already informal co-ordination between the Agricultural and Co-operative Departments and that a good deal of agricultural propaganda is being undertaken through co-operative societies, but recommends that this co-ordination should be put on a formal basis by the executive orders of the Government. They also suggest that special types of societies for helping the ryots in the purchase and use, in common, of costly implements machinery may be formed with the help of the Agricultural and the Industrial departments.

(3) Co-operative Sale societies:-There are only two sale societies in the State for the purpose of joint marketing of the produce of members While realising that the management of such societies would require considerable powers of organisation, business-like management, and command over sufficient funds to enable the members to hold out for a proper price and above all a knowledge of market conditions, the Committee recommends that a beginning should be made in this direction by the formation of more societies in suitable areas to bring the producers in the villages in touch with the urban consumers and suggest that paddy, cocoanut and areca tracts near large towns where successful co-operative stores exist would be suitable areas for making a beginning.

(4) Cattle Insurance societies:—Owing to the speculative nature of the undertaking and the large amount of expert knowledge required for their successful management, the Committee is of opinion that Mysore had rather wait till such societies have succeeded elsewhere and a genuine demand for them comes from the people themselves.

(5) Co-operative Dairies:—The Hebbal Dairy farm co-operative society is the only one of its kind in the State and although it is not a dairy society in the strict sense of the term, it is doing useful service by bringing together milkmen of the locality, collecting the milk produced by their cattle and selling the same to an assured clientele. The Committee thinks there is scope for similar societies being started in or near large towns.

(6) Cattle Breeding Societies:—The Committee thinks that the most practical way of helping the ryots would be to induce them to combine together for the purpose of buying one or two good breeding bulls for service in the village.

(7) Co-operative Irrigation Societies:—The Co-operative Irrigation Society near Sira is the only one of its kind in the State, which has repaired an old well, purchased and installed a pump and an oil engine for irrigating the fields of the members who have to pay a fixed charge for the water supplied to them. So successfully has the society worked that it has repaid within 3 years the State advance with which the pumping plant was purchased. The Committee recommend that the Co-operative Department should attempt to form more societies of this kind in suitable areas and set up pumping installations in consultation with the Industries Department.

(B). Industrial Co-operation :— **(1) Weavers' Societies** :— Industrial societies were started in Mysore long before other parts of India, the most important of them being Weavers' Societies. Later on rice-hulling and Jaggery societies were also organised. The Weaving industry is next in importance only to agriculture in the State, as elsewhere. The competition of foreign goods and the mill industry have had the effect of reducing the economic condition of weavers and added to this their illiteracy and ignorance of market conditions have reduced them to a miserable condition. To rehabilitate them and to obtain cheap credit for them the Department carried on propaganda work and as a result there are at present 43 weavers' societies with a membership of 1,970. A great deal more has yet to be done, if the entire weaving population is to be brought into the movement. Most of these societies were started as credit societies and finally at a later stage they were converted into producers' societies. They require constant visits from an officer to guide and to advise them both on the technical and commercial side of their work and as a full timed officer of the requisite qualification and status may not at present be required, as the number of societies is not large enough, the Committee recommends that the Commerce and Industries department should lend the services of one of its officers to the Co-operative department. Besides giving technical guidance to them and advising them as regards the purchase of raw material and the sale of finished products, he should demonstrate the use of improved implements with a view to popularise their use, supply improved patterns and see to the general improvement of the work done by these societies.

(2) Central Sale society:—A Central Sale society may be organised in course of time to which all the primary weavers' societies should be affiliated, as at present the articles produced by these societies are so various and the quantity of each variety is so small that it will not perhaps pay to work the Central Sale society. It will also be necessary in the opinion of the Committee to utilise the grant of Rs. 35,000 made by the Government for weavers' societies, for financing the central institution for the first few years, when it would be able to finance itself.

(3) Sericulture:—This is an industry which is peculiar to the State of Mysore and the area under mulberry cultivation as well as the number of people connected with it is on the increase. With the advice of the special department of sericulture a few co-operative societies have been started in the State for the supply of disease-free eggs and appliances for rearing worms and for helping members in selling the cocoons to the best advantage. The Committee remarks that this is a step in the right direction and that for the further expansion of co-operative effort in the promotion of sericulture there ought to be a greater co-ordination between the officers of the Sericultural and the Co-operative departments and when the number of societies of this type grows to a large extent, it would be necessary for the Government to appoint a sericulture assistant to the Registrar of Co-operative Societies

(4) Rice Hulling and Jaggery Societies which were attempted by the Department have not shown good results owing to mismanagement and a lack of the true spirit of co-operation among the members. The Committee recommends that if proper enquiries are made about the local conditions and suitable plants ordered under expert advice and the management is conducted on business lines by competent men working under the control of the societies there is a fairly large scope for rice-hulling societies being successfully started in the State. They also suggest that a Board of 3 officers, viz., the the Director of Industries, the Director of Agriculture and the Registrar of Co-operative Societies and two non-officials intimately connected with the Commercial and Industrial activities of the State should be constituted to carry out investigations and give useful advice in the matter.

T. R. SRINIVASA AIYANGAR.

VI. THE REPORT OF THE SERVANTS OF INDIA SOCIETY

We have received a copy of the Report of the Servants of India Society published in April last, containing a resume of the work of its members during the last six years.

It was the late Mr. Ranade who propounded as early as 1896 the principles which underlay the work of the party of which he was the leader. "Political activities are chiefly of value not for the particular results achieved, but for the process of political education which is secured by exciting interest in public matters and promoting the self-respect and self-reliance of citizens." Mr. Gokhale who owed his political career not a little to the influence of the late Mr. Ranade, was actuated by the same views in all his life-endeavours; and in founding the Servants of India Society, any reader, who peruses his speeches, will see one undercurrent of thought, one central thread uniting the whole, one central motive impelling his ideas. And that is, the average level of character and efficiency should be improved in his countrymen. In the preamble of the Society, which he framed in the year 1905, he laid down that the work of the Society should not be merely political but all round in the interest of harmonious and orderly progress. In fact, the political creed and the political faith to which he belonged, can hardly admit of one-sided liberation of the human society. It is only when one recognises this background of the Society's work that he will be able to appreciate its co-operative activities.

The Right Hon. Mr. Srinivasa Sastri, its present President, has taken a leading part in the organization of the Triplicane Urban Co-operative Stores, and giving the foremost place to its educational work. Those were days of high-strung enthusiasm amongst some schoolmasters in Triplicane posssessed with the idea of intoducing the Rochdale system in our country and utilizing the co-operative society as an instrument of educational progress.

Its Vice-President, Mr. Devadhar, takes the foremost part in Bombay, nay the whole of India, in stimulating co-operative enthusiasm. To him co-operation has appealed as a divine instrument for the amelioration of the hopelessly down-trodden communities. Thanks to his earnest efforts, the training classes of the Bombay Central Co-operative Institute have become a settled fact.

Mr. N. N. Joshi, whose work embraces all activities for the uplift of labour, has organised and is working about 100 co-operative societies, as the Secretary of the Bombay Social Service League.

Mr. C. S. Deole, though mainly concerning himself with questions of national economic development, has always given his time to the management of co-operative housing and stores societies and popularising co-operative societies through propaganda lectures in the vernacular.

Mr. A. V. Thukker, who is now working among the aboriginal Bhils of Panchmahal in Gujarat, is as much engaged in co-operative work as in all other social activities for their uplift.

Mr. A. V. Patwardhan, the Secretary of the Society, is also the Secretary of the Maharashtra Branch of the Bombay Central Co-operative Institute, and edits a Mahrathi monthly on co-operation.

In Upper India Mr. Haradatta Sharma, B. A., LL. B., has actively taken to co-operative work and is organizing societies in the rural area under the direction of Mr. H. Calvert, the Registrar.

In the Central Provinces, Rao Bahadur N. K. Kelkar was the Governor of the Provincial Co-operative Federation, and in the capacity was leading the whole non-official movement.

Mr. Dravid was also engaged in rural organisation of co-operative societies in his early years of service.

In Cuttack Mr. L. N. Sahu is the director of the District Bank, edits a monthly magazine, "Sahakar," and takes a great deal of interest in co-operative propaganda.

Coming down to Madras, Mr. V. Venkatasubbiah was the Secretary of the Provincial Co-operative Union for 7 years till 1921, and editing 3 monthly bulletins in English, Tamil and Telugu on co-operation. He was also the Honorary Assistant Registrar during the major portion of his secretaryship, when he devoted a large amount of his time to the organization, supervision and education of Adi-Dravida co-operative societies in the city of Madras. By his efforts the Provincial Co-operative Printing Works has come to stay in our midst. Unfortunately, however, his attempt to organize industrial production on the co-operative basis for the leather workers has failed; but though experience is a heavy fee, it has given lessons of abiding interest to co-operators in the Presidency as regards the formation of labour societies. We cannot but congratulate our old secretary for his enthusiasm in bringing co-operative production into the realm of practical politics. During his tenure of office he has presided over a large number of district conferences and conducted propaganda work to a great extent.

His work is now continued by Mr. K. G. Sivaswami, whose services the Society has been kind enough to lend us, and whose unsparing work in strengthening the Provincial Co-operative Union are too well-known to be commented here.

Mr. R. Suryanarayna Rao though engrossed in various social and political activities has always given his time to co-operative work, chiefly the housing question in the city of Madras. He is the Secretary in charge of the Sub-committee of the Madras District Conference Committee, which is engaged in the survey of localities where the poorest class of employees and the casually employed live.

In Malabar Mr. M. S. Madhava Rao is the Vice-President of the District Co-operative Federation and the Secretary of the Reconstruction Trust. He has himself organized 2 weavers societies and in all his rural lectures and programme of work the subject of co operative propaganda forms a prominent part.

From the above report the reader will find that mostly all the members of the Society are in one way or other connected with the co-operative movement. Co-operators should be thankful to the Society for lending so many of them to our work. We can get laymen who are willing to devote part of their leisure for the propagation of the movement; we can get paid officials engaged in the daily task of administering the movement, but hard is it to get workers who devote their full time to the cause of their motherland and in the words of Mr. Gokhale. with "a fervent patriotism which rejoices at every opportunity for sacrifice for the motherland, a dauntless heart which refuses to be turned back from its object by difficulty or danger, and a deep faith in the purpose of Providence which nothing else can shake;' and till our co-operative institutions emulate the example of the Society and organize their own life-workers, our debt of thankfulness to the members of the Society will only continue. We understand from the report that the Society suffers from want of funds. We trust that the generous minded public will come to the aid of this premier noble institution, which is serving the country in an unassuming manner.

NOTES AND NEWS.

The Leadig Article for the month. We have given the place of honour to the article on "Co-operation in Ireland" by Mr. C. B. Huli, one of the Assistant Registrars of Co-operative Societies in Bombay who has been deputed to go to the West to study the movement there. We received the typoscript of the article some months back, but had to hold it over for lack of space. We find now that he has sent it to the Bombay Co-operative Quarterly also which has published it in its September number and this came to our notice after we had sent Mr. Huli's article to the Press. We regret the delay in the publication of this article.

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Our Apology again We are sorry we have not yet been able to do justice to the matter accumulated on our table, especially the Proceedings of Conferences. We beg to acknowledge the receipt of the following and hope to give publicity to them as space permits.

1. Proceedings of the Business Conference and the General Meeting of the District Council of Supervision of S. Canara held in April 24.
2. The Presidential Address at the Srivilliputur-Sattur Taluks Co-operative Conference of June last.
3. Resolutions passed at the Nellore District Conference held on the 9th and 10th July 1924.
4. The Presidential Address and the Resolutions passed at the All Travancore Co-operative Conference held in July last.
5. The Tinnevelly District Co-operative Conference of July last. Addresses and Resolutions.
6. Hindupur Taluk Conference held in August last, Resolutions.
7. Co-operative Union's Conference held at Erode in August last; Certain practical suggestions made by the President.
8. The First Cuddapah District Co-operative Conference: Addresses and Resolutions.

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The Policy of the Bulletin. This raises the question whether the Bulletin is justified in devoting so much of attention to Co-operative News of the Province. There are some who are of opinion that

the Bulletin should invite original articles on Co-operation and confine its attention to things of permanent importance and things of topical importance like the Proceedings of Conferences had better be left to be published in a new magazine to be started if necessary like the Bombay Co-operative News.

While thankful to the critics who are watchful of our prestige and who desire that we must maintain a high level of efficiency in our articles and that our Bulletin should be a beacon light of Co-operative knowledge, we must at the same time remind them of the original object with which the Bulletin was started and which was reproduced by us in the Notes and News of July last. It was to give publicity to the progress of the movement as well as to discusss general problems connected with Co-operation and not exclusively to devote itself to the one or to the other.

Further, at most of the District Conferences the persons chosen are men of light and leading who bring their mature wisdom and culture to bear upon the co-operative problems of the hour. Their addresses are valuable contributions to co-operative literature, being full of illuminating suggestions and wise observations and not mere superficial survey of the situations bedecked with a few statistics. The Presidential Address of Mr. L. D. Swamikannu Pillay at Trivandrum and the Minister's last speech at Guntur Conference and his coming address at Kurnool are instances of what we mean. If we take away from them things of local and topical importance there still remains a good deal of useful, suggestive and illuminating co-operative thought.

We therefore intend following a *via media* which is always a safe course to adopt. While welcoming original articles like the one on Irish Co-operation published in this number by Mr. Huli, we shall also publish as far as space would permit, speeches and addresses at conferences and we shall draw the atttention of our readers by special notes on important resolutions passed at the conferences.

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Co-operation in the Local Legislative Council. In reply to a question by Mr. T. Adinarayana Chettiar, regarding what co-operative societies have been enabled to do in connection with Flood Relief the Government replied that they have called for a full report which would be placed before the Council later. We hope that when the report is published it would be a record of honest and useful work done by Co-operators, Officials and Non-officials.

We are glad to note that the Hon'ble the Revenue Member gave an assurance to the Council that rules regarding the granting of loans for buildings societies etc., would be worked in a liberal spirit.

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Old Sores getting healed The Labour Government that has just been defeated in Parliament did much more than its predecessors to grapple with the problems of Reparations by Germany, with a view to bring it to a successful solution. Corresponding to the brighter outlook in political sphere inaugurated by the foreign policy of the Labour Government, personal relationships between Germans and Englishmen are becoming normal and approximating to pre-war conditions. It is interesting to learn that Herr Schloesser, a prominent German Co-operator, made his pilgrimage to the "Mecca of Co-operation", Manchester, with a view to study at first hand and understand English Co-operation. We hope this is but a prelude to the coming in of the new age of "Forget and Forgive".

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The International Co-operative Congress at Ghent. The InternationlCooperative Congress which held its sessions at Ghent in Belgium last September was a great success. No less than 35 countries had sent their representatives. We are not sure whether India was represented at all; for we do not see her name mentioned in the list of countries represented. Perhaps some retired official inEngland was requested to attend on behalf of the Province where he had served and he must have been taken as representing England and not India. We are however glad to note that Japan was there representing "the Far East."

The Belgian Co-operators extended a hearty welcome to the Congress through their spokesmen M. Bertrand, the President of the Belgian Co-operative Union and M. Anseele, the great and beloved leader of the Belgian Co-operative and Socialist movements. Herr G. J. D. C. Goedhart, the President of the Congress, in his inaugural address, after briefly referring to what the International Co-operative Alliance has done, also sketched the work that lies before Co-operators. We extract below two weighty statements of the President.

"He saw in the International Co-operative Alliance the true League of Nations, the alliance of unions, societies, and nations, which, in a spirit of unselfishness would seek the solution to all the difficulties which exist between the nations, putting an end to all strife and with the disappearance of national selfishness, the will to war would cease."

"The Co-operative Movement, which originated in the brains of a few half-starved workmen, who possessed only a few pence between them, has developed so quickly that at the present time it extends over the whole world, and our Alliance has over 35,000,000 members. This extension has been possible in spite of the bitter opposition of the small traders and their friends—the opposition of those who had the power and the money."

The President in the course of the sessions dwelt on the political neutrality of the Co-operative movement in the following terms and pleaded for collaboration with others who held different political views.

"The Central Committee regards the co-operative movement as neutral territory, upon which people of the most various opinions and creeds may meet and collaborate. This neutrality which forms the basis of our movement, is adhered to and strictly respected in all the meetings and publications of the Alliance, and also by its officials, in accordance with Article 7 of the rules."

"It is obvious that in this work, from time to time, the Alliance may be obliged to collaborate with organisations which are constituted on a different basis to its own, but it is evident that it does not depart from its own fundamental principles and rules by collaboration with them."

"If, however, co-operators wish to attain their object, they must be animated with the true international spirit, the spirit of fraternal collaboration with all nations, irrespective of creeds and opinions, whether political social, or economic—Society must be built up upon a foundation of humanity and justice—on the principles of fraternity, equality and universal peace."

Only three languages were recognised as official languages of the Congress, i. e. English, German, and French; and the attempts of the Russians to have their language included was not successful.

The formation of the International Wholesale Society in the historic City of Ghent where the Treaty of Peace between Great Britain and the United States was signed is the one outstanding work of the Congress. Though the Russian proposal to associate with the Red International Trade Union was defeated, the I.C.A. reserves the right to deal with any organisation irrespective of its political colour and hence the Russian defeat was merely technical.

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The Question of Language. In the Newspaper reports of the International Congress at Ghent we see how the fact that certain speeches which had to be translated into other languages took a great deal of their time. We are confronted with the same problem in this country though on a smaller scale. When we were present at the Cuddapah District Conference we were pained to see the waste of time involved in the speeches of the Chairman of the Reception Committee and of the President being read in English and Telugu. Even in the Provincial Conference certain speeches are translated. We would like to have some definite tradition established in this matter. We would suggest tentatively that all taluk and district conferences should conduct their proceedings in the vernacular of the district and if for any reason the President happens to be one unable to address the people in their own language, his English speech might be taken as read and its translation in the language of the district alone be read at the conference. We would keep English as the official language for the Provincial Conference giving each member, however, full liberty to address the conference in any one of the vernaculars of the Presidency taking care that no speech is translated. By some such arrangement much valuable time can be saved.

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The Questionnaire for the Coming Provincial Co-operative Conference.

In the editorial article on the Ghent Congress our esteemed contemporary, "The Co-operative News," observes, "A great deal of the time of the Congress, however, would be saved by the more frequent use of the Co-operative Press of the different countries for the discussion of questions calling for decision by the International Congress in the intervals between succeeding Congresses." Anticipating this suggestion, last year the P. C. U. had an exhaustive Questionnaire framed and circulated to societies and prominent co-operators, and their notes were printed and made available to delegates. The P. C. U. will be following the same procedure this time also and we request our readers to help the P. C. U. first in the framing of the Questionnaire by suggesting the question to be discussed and secondly by sending short notes on the points raised when the questionnaire is circulated to them. Suggestions therefore of the questions to be discussed at the Conference are invited.

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Delegates to the Conference.

We would take this opportunity of reminding all co operative organisations that think of sending representatives to the coming Conference in December that the delegates should be commissioned to voice forth the deliberate opinions of the Constituents. It is not necessary that each society should express its views on all the questions that may come up before the Conference. It

may choose those only from the general questionnaire that would be circulated that concern itself or that on which it feels competent to express a view. Having chosen them they ought to discuss these questions at a General Body Meeting if possible; if not at least at a meeting of the Directors and the delegate chosen should be commissioned to communicate such resolutions to the Conference and not allowed to talk in his own individual capacity. If such a procedure be adopted the resolutions passed at the Conference will carry greater weight both with the Government and the people.

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Representation of other Provinces at Provincial Conference.

Recently the P. C. U. got an invitation from Ajmere-Merwara to send a representative to the first Provincial Conference to be held in that Province. This brings us back to an old problem mooted in these pages some months ago. We believe that many provinces have non-official provincial co-operative organisations like our own P. C. U. and at important annual functions they may be requested to depute their representatives. This will further inter-provincial co-operation more effectively than mere exchange of greetings by post and telegraph; and, moreover, such a step, if it grows popular, will lead on eventually to the formation of an All-Indian Co-operative Federation, which it is very high time is formed. If there be an organisation we could have sent our representatives to Ghent and other places where the I C. A. holds its conferences.

M

29. The International Co-operative. Alliance—Monthly service	International Co-operative Alliance.
30. The Health (Tamil)	Dr. U. Rama Rao, M.L.C.
31. The Gramanukoolam (Tamil	Kumbakonam.
32. "The Co-operator"—(in Malayalam)	The Malabar District Co-operative Union.
33. The Kannada Sahakar (in Canarese)	Sadananda Co-operative Printing Works, Sodiakbail Mangalore.
34. The Andhra Sahakar (in Telugu)	Musilapatam.

D. Fortnighty :—

1. La Co-operation—Relye	4, Place Antoine Delpolli, St. Gilles Bruxceles
2. Wholesale and Retail Prices	Commercial Intelligence, Department, India.
3. Agricultural Co-operation—Washington	United States Department of Agriculture
4. Cotton News	American Cotton Association.
5. கிராம வாழ்க்கை	331, Mint Street, Madras.

E. Weekly :—

1. Co-operative News	National Co-operative Publishing Society, Manchester.
2. The Irish Statesman	The Irish Statesman Publishing Co., Ltd. 16—18 South Frederick Street, Dublin.
3. The Madras Law Journal	Madras Law Journal Office, Post Box No 604, Mylapore, Madras.
4. Industrial and Labour Information.	International Labour Office, Geneva.
5. Koerant Gazette—Pretoria	Transvaal Agricultura Union.
7. The Planters' Chronicle	U. P. A. S. T. Coimbatore
8. The Llano Colonist	Llano Co-operative Colony.
9. The Illinois Miner	222, Mine Workers' Building Springfield, Illinois.
10. The Grain-Growers' Guide	Winnipeg, Manitoba
11. The Queensland Producer	Council of Agriculture, Brisbane

Office copy 25/11/2

REGISTERED—No. M. 1284

The Madras Bulletin of Co-operation

Issued every month in two languages—English and Tamil.

"If the system of Co-operation can be introduced and utilised to the full I foresee a great & glorious future for the agricultural interests of the country"—
His Majesty's Reply to the Delhi Municipal Address, 13th December, 1911.—

Vol. XVI.] NOVEMBER 1924. [No. 5

PRINCIPAL CONTENTS

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Office of the
Madras Provincial Co-operative Union, Ltd.,
Royapettah, MADRAS.

Subscription per annum for individuals and non-affiliated Societies Rs. 4, and affiliated and contributor Societies free.

N.B.—Complaints of non-receipt of parts will not be attended to if not received within a fortnight after the due dates.

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THE MADRAS BULLETIN OF CO-OPERATION
P.C.U.
ALL FOR EACH and EACH FOR ALL

VOL. XVI.] NOVEMBER 1924. [No. 5.

AGRICULTURAL ORGANISATION.

BY S. HANUMANTHACHARYA.

Bombay Co-operative Department.

Non-Credit Side.

Agricultural Organisation is that form of Co-operative organisation the ultimate aim of which is the improvement in the economic condition and the producing capacity of the agriculturists. With this aim in view the cultivators have to be induced to co-operate among themselves by subscribing what they can in the form of money, labour (energy), intelligence and willingness to join their fellow cultivators for obtaining large scale advantages in production, distribution and credit in common instead of each one looking for his own selfish interest. Much need not be taught to the Indian agriculturists, in whom there is already the germ

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Study the lives of those who have succeeded. You will see that they did whatever they did as well as they could.

of self-help, which is evident from the fact that they help each other in ploughing and irrigating their lands and in harvesting their crops. This co-operation among the Indian agriculturists in harvesting their crops can very clearly be seen in their private organisation for harvesting their sugar-cane crops, especially in certain parts of Madras, Mysore and Bombay, where all the sugar-cane growers of a village join together and get the necessary crushers and pans on hire and run their business for one or two months, all in a business like manner, just like the workers in a co-operative mill. They all work on equal level without any consideration of social status both day and night, till they complete their harvesting.

In other branches of their work—purchase of seed, manure, implements, sale of their produce, cultivation, irrigation and fencing of their lands—this combination is not so very striking. What help they want from the present day educated co-operators, is the proper guidance in the right method of organisation and supervision and advice to some extent.

Credit co-operation has done good to the agriculturists, but not to that extent to which it is desired. The inexperienced agriculturist when he gets money into his hands, never considers of his wants of to-morrow and spends it in his own way (for unproductive purposes) though the by-laws of credit societies provide for the supervision on the proper use of the loans advanced by the panchayets; the result being that they default the repayment when the instalments fall due.

The remedy that strikes me is that one non-credit society, whose object is the supply of agricultural requisites, should be organised for every 5 or 10 credit societies at a convenient distance—though not one non-credit society by the side of every credit society for the present; these non-credit societies in their turn must federate themselves into District Central non-credit societies. Unless some such remedy is found and organised, the long desired benefits of co-operation will not be realised in the near future. The leaders of co-operation in the European countries—in agricultural as well as industrial—began their work with the supply of necessaries—agricultural and domestic—in kind and not in cash. Of course the circumstances of each country, each province or each village differ and the work of helping the agriculturist must be suitable to it. The money advanced in the form of loans to members of societies should not be handed over to them, but cheques drawn on the financing institutions should be handed over to them and they should be made to endorse it in favour of the non-credit society and purchase their requirements there. By this the double object is gained.

Similarly societies for the sale of agricultural produce should be organised, one for each taluka or at important marketing villages. The loss incurred by the agriculturist on account of false weights, low prices, and the abnormal commission and illegal profits of the middlemen, is very heavy at present. The cotton and jaggery sale societies of Bombay and the ganja sale societies of Bengal are doing good work, but the sale of the produce of the members of co-operative societies themselves is not yet appreciable.

Societies for the common or joint cultivation and irrigation, and fencing and cattle breeding societies, cattle insurance societies and of consolidation of holdings are other important forms of societies, the benefit of which is immense to the cultivator.

The agriculturists generally will not have pressure of work in their fields throughout the year. Societies for mat-making, yarn-spinning and rope-making, if organised in villages for them, according to the surroundings and circumstances, will help them considerably.

I have seen in certain villages on the river side, that women by maintaining 2 or 3 she—baffios, earn by the sale of butter or ghee money sufficient to maintain a family of 4 or 5 members throughout the year, in all their domestic necessaries, except the staple food, Jwari or ragi. They are sometimes better financiers than their husbands in times of urgency. But though they work hard, they are at present not reaping the full fruit of their labour, since they sell the butter or ghee to the dalals or middlemen, where again the vices enumerated above are found. The organisation of societies for the sale of butter or ghee

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Japan has made speed in repairing the damages of the earthquake of September 1 last year, and in Tokio 200,000 houses have been rebuilt, or nearly 70 per cent of those destroyed. Many are of a temporary character. Some districts have been wholly rebuilt, while in other parts from 60 to 80 per cent of the damage has been repaired.

Co-operative enterprises, it is true, often fail. Foolish men seeing these failures announce the end of co-operation. But the great movement goes on. Co-operators are never beaten. They learn from their mistakes. For eighty years there has been a constant advance. Co-operation is no longer just a dream. There is back of it a solid fact of accomplishment. It offers to all men and women of every group the opportunity of taking part in the **establishment in economic terms of the ideal of brotherhood.**

wherever it is possible will help a good deal in improving their economic condition.

At present in some provinces, the Registrars find, of course. after much consideration and trial, that the agriculturists have not been yet sufficiently enlightened to appreciate the benefits derived from the non-credit societies and so they are forced to cancel the registration of many of these societies.

By the co-ordination of the Co-operative and the Agricultural Departments by the formation of Joint Boards in Bombay (under contemplation in Madras) much is expected in this direction of improving, organising, advising and guiding the non-credit societies.

In Bombay, by the registration of a few Taluka Development Co-operative Associations, a beginning has been made in a new way of organising, supervising and guiding co-operative societies in the Taluka. In a way they may be said to take the place of Agricultural Syndicates of France with slight change in form.

The chief difficulties in the way of non-credit agricultural organisation is the want of support and sympathy of the public. Of course many non-official gentlemen and institutions have taken up the cause of the poor and illiterate agriculturists by doing honorary work, but their efforts are, somehow or other, directed chiefly to urban areas. Some of the gentlemen working as honorary organisers are doing their best to improve the condition of the cultivator. Though the movement is a democratic one, yet the Government on their part have been doing all they can—for instance there are more than 300 Government Servants employed in the Co-operative Department in Madras to guide the societies—but it is now high time for the public to organise among themselves, as in Bombay and Bengal and work for their progress and prosperity.

The second difficulty being that in some provinces rural credit societies have been registered under the unlimited liability basis and so the non-credit societies to be registered at those places are being registered under the limited liability basis, as it is thought not very safe for one individual to be a member in two unlimited liability societies. The financing institutions formed for the financing of credit societies, are not willing to finance these non-credit societies of limited liability, and so some of these have failed for want of sufficient working

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A great many people have never made up their minds to recognize that human liberty consists in the power of doing, not what others approve of, but what they disapprove of.

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capital. To get over this difficulty separate central financing societies for the non-credit societies appears an urgent need. In some Provinces Government also advance loans to a few good working non-credit societies, but the time and the procedure are rather cumbrous and also delay is caused at times.

Thirdly, want of intelligent men to run these special types of societies in villages is another cause for the slackened progress of these societies. This difficulty can be got over by the appointment of an educated secretary, well versed in account matter by paying him a handsome salary. If a non-credit society of a particular nature is organised among five or ten rural credit societies it will have sufficient business and the profits earned will also be enough to pay the secretary. By and by the other members must be got trained in work and all the members must be given a chance of learning how to run a society, by electing them by turns on the committee.

The credit movement has progressed in almost every province of India (nearly 50,000 credit societies at present) and the further aim of our co-operators, officials and non-officials, needs to be turned towards the consolidation and supervision of the existing rural credit societies and the organisation of non-credit societies, which are the high roads for the salvation of the Indian agriculturist.

CO-OPERATIVE HOUSING.*

The need of the middle class people.

The Housing Problem is essentially an urban one. It arises in densely populated cities to which people are attracted on account of the opportunities they offer for means of occupation, education, sanitary living and pleasure. The influx of people is more rapid than the celerity with which civic authorities can provide additional land for house-building. Wealthy people use up extensive grounds for their bungalows and compounds without considering the needs of other people, thereby depriving their less fortunate brethren of even the bare chance of living above misery. Capitalists buy up all available lands and put up buildings with a view to let them out at such a high rent that it is beyond the means of

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* A paper read by Mr. M A. S Aiyar at a meeting of Madrasi Hindus in Rangoon on the 20th April 1924.

All wars are led up to by propaganda, and the propagandists are as fiercely active during the war as the guns.

the poor and is exorbitant for middle class people. An ordinary middle class man has generally a family but, not being a man of means, he cannot own a conveyance. He must therefore live not far from his place of employment. He has need of a bazar to buy food-stuffs, a medical dispensary for his family and a school for his children. He has also need of a place of worship. Under these circumstances he cannot but live in the city or near it. Salaries have no doubt risen in all but some exceptional cases but not in proportion to the rise of house rent and the prices of food-stuffs. The time-scale of pay has made the chances of promotion few and far between. The middle class man has been hit the hardest of all salary earners. He has to spend as much as 30% of his pay on house rent alone and consequently to stint himself in other directions. He often works without any change or rest, impairing the health and longevity of himself and the other members of his family and to live in penury without the ordinary comforts of life. Sometimes he lives in co-tenancy, a course which not only takes away one's privacy and restricts one's domestic freedom but also usually results in misunderstanding and sometimes in complication and unhappiness. The condition of poor people is pitiable beyond description and any effort to improve their life is worthy of praise. But the conditions of the life of middle class people is in a sense worse than the life of the poorer classes. Possessing through their education some knowledge of a higher standard of life, claiming a certain status in life and having been accustomed to some comforts in life, to see them slide back in the scale of life, moving to live in slums with all the attendant evil consequences is heart-rending. Yet this is what is happening every day in big cities The remedy lies in Co-operation, which in other words is Self-help in Combination. It has been tried with success in England, France, Canada and other countries in the West. It has produced gratifying results at Bombay, Mysore, Madras and some other places in India where it has been tried. There is plenty of information available on the subject for persons who care for it.

Kinds of Societies.

Co-operative Housing Societies are of two main classes:—Ownership Societies for persons who wish to own houses individually and Tenancy Societies for those who cannot afford to, or do not want to, own houses individually and who merely want to occupy more comfortable houses on more favourable terms than they can be secured from an ordinary private landlord.

There are three kinds of Ownership Societies. The first composed of persons who have funds but merely want to reap the economic benefits of combination. They buy (or take lease of) land, parcel it, take expert advice and build, in common, and afterwards own the houses individually. The second kind is composed of persons who are unable to build houses individually out of their own capital and who by means of the Society raise on easy terms the requisite funds, which are lent out at a higher rate of interest among the members as in a Credit Society. The members build houses according to their own requirements. The house forms the security for the loan, which is re-payable by monthly instalments spread over a long number of years. The third kind of society builds houses and sells them to its members who wish to own houses individually on the hire-purchase system, the house being transferred to the member on his paying a portion (say ⅓) of its total value and then mortgaged back by the member to the Society for the balance of the purchase money, which is made payable by monthly instalments spread over a long period. A member buying a house on the hire-purchase system should also deposit a certain sum of money known as the *guarantee capital* to provide against loss through depreciation and failure to pay interest and for repairs (before the balance of purchase money is paid up) and also, if it so happens, against loss by forced sale consequent on default. It may be mentioned here that it will be no easy thing for ordinary middle class people to find these amounts in anything short of one year and it will not be easy for them to go on paying instalments of purchase money and interest thereon in addition to paying Land and Municipal taxes and Repair charges regularly for a long period of years, during which withdrawal is not permissible but only transfer to accepted persons and during which untoward circumstances may happen in the case of the member. Hence it is not every one of the middle class people who can take advantage of the facilities for house purchase offered by a Co-operative Housing Society. To provide against loss through death of members, insurance on the life of the members is very desirable. The policy may be returned to the member on the final settlement of the balance of the purchase money.

Dead

When all our dreams have faded and have fled,
Then we, though still alive, are really dead;
When melody and love no longer thrill,
Then we are dead indeed, though living still.

A New York Magistrate recently remarked that while in 18 months' fighting the United States lost 48,000 in France, during the 18 months just closed, 96,000 persons had been killed by motor cars. This number included 25,000 children.

Co-partnership Tenancy Societies are of two kinds. In the first kind the Society builds houses providing such amenities as a garden or recreation ground and a meeting hall which can also be used as a reading room or library. The houses remain the property of the society but are let out to the members on a monthly rent. In the second kind of tenancy secieties, the society owns no houses but merely takes a lease of houses for a certain number of years and lets them out amongst its members. In both kinds of tenancy societies the members have to pay towards the initial expenditure a fraction of the cost whether of building or of obtaining a lease. This sum is usually less than the proportion of cost which owner members have to pay at the beginning. Sometimes it is equal to one year's probable rent and no member is allowed a lodging until he has paid up the above amount in the form of share money. The remainder of the funds required is raised by loans or debentures. The buildings are looked after by the Society which attends also to necessary repairs.

Comparison of Advantages.

The advantages of Co-partnership Tenancy over direct tenancy under a private landlord are that in the former the members have not to pay *salami** but pay only a reasonable monthly rent without the same being liable to be enhanced "unless the Municipality asserts that the rental value has increased and claims increased rates." In ordinary tenancy the landlord can, owing to competition among the tenants, fix the rent as high as he can secure and he usually fixes it a little higher than the proper rent to provide against the contingency of the house remaining vacant at any time and the tenant failing to pay the rent. In Co-partnership Tenancy there is always a demand for the Society's houses (members being on the waiting list) and there is no loss through tenants' failure to pay rent, as the Society holds the tenant-members' share or deposit money from which the Society can deduct all arrears of rent and costs of repairs. The ordinary landlord puts off repairs as long as possible and carries them out only when they are unavoidable and that usually under pressure or for fear of prosecution by the Municipality. In a Tenancy Society a portion of the net profit can be used to create further comforts to the members.

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* (an irrecoverable sum paid to the landlord or his underlings for the right of entry into a house.)

Education is the development and training of the learner's native powers by means of instruction carried on through the conscious and persistent agency of the formal educator, and depends upon the established connection between the world without and the world within the mind—between the objective and the subjective.

The tenants are members drawn from one homogeneous community, section or people who have among themselves many features of life in common. The Society having the right to expel and eject an undesirable member, the tenants are approved persons, and thus "the amenity of home is increased by congenial neighbours." In the case of the capitalist landlords, the high rent to be obtained from their tenants is not the only attraction for investment on houses but they look also to the probability of the land value going up. As there is almost always scarcity of land in large towns, land is bound to increase in value and the landlord profits by such increase. In the case of Co-operative Housing Societies, when the value rises either by increase in the price of land or by increase in the price of materials and cost of labour, such unearned increment is preserved for the Society. Expressed in one sentence, the advantage of Co-operative Housing is that **there is no speculation in houses nor exploitation of tenants.**

In ownership societies the members cannot be permanently restrained from alienationg their houses. After they have paid up their liabilities to the Society they can practically do whatever they like with their houses and in this way good neighbourhood may be disturbed and the locality may lose its Co-operative character. The unearned increment accrues to the members individually and they may take to the vices a private landlord is capable of. Therefore the leaders of Co-operation in all countries give preference to Tenancy Societes over Ownership Societies. They consider that the Co-partnership Tenancy system is more in accordance with Co-operative principles, which seek to promote Collectivism as opposed to Individualism. The Co-operative view is, "It is not the purpose of Co-operative Building Societies to enable tenants to obtain homes at bottom prices by building collectively and to allow the individuals to own and sell for profit to others. The purpose of Co-operative Building Societies is to provide permanent homes for the people—homes collectively owned and controlled by the tenant-members without private profit or speculation in land and buildings.*

Aid from Government or Civic Corporations is more readily forthcoming in the case of Tenancy Societies than in that of ownership societies. A member who has taken a loan for building a house or who has come to own a house on the hire-purchase system will take years (generally over 16 years) to be able to be free from liability to the Society and he cannot

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*See "The Milwaukee Plan of Housing" in the Madras Bulletin of Co-operation, September, 1923.

Private industry is run for profit, Co-operative industry is run for service. In both capital is needed.

easily withdraw from the Society before he has paid up his debts to the Society. But a tenant-member may generally withdraw in about a month's time after giving due notice of his intention to quit.

There are persons who hold that Co-partnership Tenancy is intended only to meet the needs of persons who are not in a position to purchase or own a house independently. At least it is in human nature to seek individual ownership and it cannot be denied that that system too has some advantages of its own. In any case Co-operators in common with any other class of reformers should not be impatient idealists. It is permissible to have not only Co-operative House-owners' Societies but one Society combining more than one of the above-mentioned features and serving its members in each of such capacities. Different systems may be tried in one and the same society but in different quarters where the Society may be able to secure land. Thus a Society may have a set of houses in one locality for sale on the hire purchase system and another set of houses in another locality to let out on the Co-partnership Tenancy system. If by contrast, the advantages in favour of the latter system over the former can be demonstrated, the cause of Co-operation will have indeed gained.

Incidentally it may be mentioned that the objects of a Co-operative Housing Society may include the purchase of buildings or materials in bulk for its members and the erection of factories for manufacturing materials like brick for construction of houses for the Society or its members. Finally whatever house is built, whether it is for sale on the hire-purchase system or for tenancy, the building must be substantial and capable of insurance against fire if need be and acceptence as good security for the loans made.

State Aid.

In the case of a Co-operative House Building Society, experience had shown that unless land was obtained free of cost and capital secured cheap and for a long period, the Society would not be able to accomplish much. Such help is probable only from the State, though it is not impossible that help will be forthcoming also from Civic Corporations, Railways and private philanthropists. Co-operation means Self-help as opposed to extraneous help. Reliance on others is not encouraged in Co-operation. But it is better to make a move with extraneous help than to sit still without it. At the same time the Society must be prepared for the State imposing restrictions as to the uses to which the monies advanced by it to the Society may be put to, the rate of interest to be paid or charged and so on. If the Society obtains loans at a cheap rate of interest from the Government, the latter will not permit the Society to borrow from outsiders at a high rate of interest and no outsider unless he happens to be a philanthropist will lend cheap to the Society. Nor will the Government permit the Society to charge the members a rate higher than that fixed by the Government. In other words when the State aids a society, it will practically control it. The State will have a first mortgage on at least such of the buildings as are put up with funds from the State. Besides the State giving help, civic bodies also can grant concessions as regards ground rent and Municipal taxes in recognition of the usefulness of Co-operative Housing Societies in large towns. Such concessions will be very helpful especially during the first few years of a society when it will not be able to make any profit.

In the Co-operative Movement capital is always the servant and never the master of men. The method is so simple that those who know of the movement wonder why it does not sweep the earth. It does not because it requires energy, self-sacrifice, patience and consecration in a high degree to establish and carry on a co-operative store.

Membership.

At the outset it is not desirable to have a large roll of members. Many will get impatient over the delays that are bound to occur at the beginning in selecting and securing land, collecting capital and so on and many more will be disheartened over the initial difficulties that are sure to be met with. Therefore the Society should begin with a small number of members banded together against all discouragements and disappointments and determined to push on in earnest and succeed. Therefore the Society will have to develop gradually supplying the needs of more and more members in course of time. Many will have to be on the waiting list and some may have to remain content with the opportunity of serving their fellowmen which the Society will give them. Such service may be investment of funds in the Society at a reasonable rate of interest or helping the management with knowledge and experience. Great care will be required in the selection of its members—greater care than in a Co-operative Stores or Credit Society, for much of the success will depend upon the

If a man is in grief, who cheers him? In trouble, who consoles him? In joy, who makes him doubly happy? In prosperity who rejoices? In disgrace, who backs him against the world, and dresses with gentle unguents and warm poultices the rankling wounds made by the slings and arrows of outrageous fortune. Who, but woman, if you please?

capacity of the individual members. The Society will require men with not only knowledge and information but leisure and willingness to serve. This is as important as securing land and money.

Difficulties of Management.

Persons desirous of arranging for the housing of people by the Co-operative means must not be misled by the apparent ease with which Co-operative Credit Societies are managed. The work in Co-operative Housing Societies will generally be more exacting. Not only capacity but constant effort and vigilance will be required. Larger sums will have to be handled and there is the risk of loss. There may be loss by fraud or failure on the part of contractors. There may be legal difficulties and litigation. In fact throughout the Society's existence it will need expert advice in Engineering, Financial and Legal matters. A special establishment will be needed and there will be heavy expenses. The margin of profit will be small, as the State will not permit a high rate of interest being charged and as in fact it will not benefit a member if he should pay a high rate of interest. A Housing Society should be regarded as of a permanent nature and changes in the office-bearers should not be frequent. A succession of capable men who will not neglect their honorary duties will be required. The Society will have to be strict with its members, for laxity in the observance of mutual obligations will cause deterioration. Failure should be carefully guarded against, for the failure of one Society will shake public confidence in the success of Co-operative Housing Societies in general and retard the inception and progress of many such societies.

Preliminary investigation.

The kind of society to be organised will depend upon the local conditions prevailing, on the class of persons to be benefited and so on. Therefore a thorough investigation is necessary of the conditions and needs of the people to be served, the kind of Society suitable for such people, the probable number of persons that would join the Society, the terms on which land can be secured, the number and type of houses to be built, the amount of capital required and the sources from which that capital can be secured. For this purpose a committee will be necessary. The said committee should seek all available knowledge and sources of information. The Provincial Co-operative Department and leaders of Co-operation at Bombay, Calcutta and Madras will readily give all possible help. The subject is somewhat difficult and every detail should be carefully investigated and when the committee's information is full and complete, it should draw up a report of their conclusions and submit the same with a set of draft by-laws for consideration at a meeting to be held of those concerned. The labour is worth the cause. All honour to those who will come forward to work for such a noble cause.

The greatest virtue of life is love; and its greatest expression is sympathy. But not the sympathy that passes as pity, but the sympathy that makes you feel what the other fellow is feeling; the sympathy that is best defined as "Put yourself in his Place." Sympathy implies sensitiveness—sensitiveness as to the susceptibilities of others. Sympathy therefore is the bond which binds men together in friendship, the cement which holds nations together in cordial understanding. It is the lack of sympathy, the inability to understand the other point of view, that is the cause of all our troubles.—political and economic, national and international.

Copies to be had of

The Joint Secretaries, Investigation Committee of the Madrasi Co-operative Housing Scheme, 114, Bigandet Street, Rangoon, by whom this pamphlet is published for distribution.

WRITTEN STATEMENT SUBMITTED TO THE CIVIL JUSTICE COMMITTEE

By Mr. T. Srinivasa Mudaliar, B. A., B. L.,

Honorary Assistant Registrar of Co-operative Societies,
Erode, Coimbatore Dt.

Suggestions for speedy recovery of Co-operative Debts.

One of the most beneficial measures adopted by Government to help the masses out of the clutches of the professional money-lender and to enable them to realise the advantages of mutual help by pooling their resources is the passing of the Co-operative Societies Act, 1912 and the spreading of the Co-operative Movement in the country through official as well as non-official agencies. Under this system a large number of Co-operative Credit Societies have come up with the attendant result of debtors becoming defaulters and the Societies concerned seeking speedy

Familiar Code.—On his tour of the district an inspector of city high schools came before a class of girls. He wrote upon the blackboard "LXXX." Then peering over the rims of his spectacles at a good looking girl in the first row, he asked:

"Young lady, I'd like to have you tell me what that means."

"Love and kisses," said the girl.

means of realising the sums due to them. Although Co-operative Societies are the favoured children of the Sirkar with facilities for financial transactions unaffected by Stamp duties and unburdened with registration fees they had at first to seek the aid of Civil Courts to recover their debts with the attendant "law's delay" and loss of money. The Government, thereupon, came to their relief by framing Rules under section 43 of the Co-operative Societies Act. Official Assistant Registrars, Arbitrators and Honorary Assistant Registrars are now deciding disputes of a civil nature arising in Co-operative Societies within their jurisdiction. As the speedy execution of a decree is of more important consequence than the securing of such a decree the method and instrument that have to be adopted for execution is a matter that requires the most serious consideration of this Committee, especially in view of the enormous expansion of the Co-operative Movement in this Presidency and consequent increase of civil disputes in Societies.

At first Co-operative Societies have been seeking the aid of Civil Courts for getting the awards executed. But the difficulties in the way of their realising their moneys through this means were manifold. The myrmidons of the law will not march without the mamool, but the President Petitioner of a registered Society cannot be permitted to pay out of its funds for such purposes, so that Co-operative Societies found themselves in a worse condition than private parties and the beneficent intention of Government to secure speedy and yet cost free justice for credit societies through arbitration was frustrated in the very forms which otherwise maintain the traditions of British Justice.

At this critical stage the then Registrar, the late Mr. F. R. Hemingway, I. C. S., who was one of the most liberal hearted and sympathetic civilians Southern India had ever seen, came to the rescue and induced the Board of Revenue and the Government to give effect to the Rules framed under Section 43 of the Act by which awards of Arbitrators could be enforced as if the sums to be recovered were arrears of revenue. But in accepting Mr. Hemingway's proposals the Board and the Government reserved certain conditions which kept the Rules rather rigid and the procedure somewhat protractive.

Under these Rules a Co-operative Society can apply for relief through Revenue authorities only in very few exceptionally hard cases. The President or Secretary of a Society which has to execute an arbitration decree under such circumstances and in such manner has to apply to the Assistant Registrar of Co-operative Societies in the first instance. The above-said Officer then has to forward the application with his recommendation to the Registrar who in turn has to pass it on to the Collector with his endorsement The Collector then sends the application with his order to the Revenue Divisional Officer who forwards it to the Tahsildar. The last mentioned Officer directs the Village Officer to execute the warrant. During this period of prolongation the Society's debtor merrimakes by disposing of his movables and immovables. If the Society wishes to have the defaulter *arrested* under the provisions of the Land Revenue Recovery Act it has to stand an ordeal and undergo an expense which can easily frighten away even a zealous worker in the cause of Co-operation. For, under such circumstances, the following procedure has to be adopted,

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There is nothing more dangerous or more common than to clothe one's intolerance with a regard for the moral welfare of the community. That is the way, in fact, in which intolerance has always worked. It makes the persecutor appear a social benefactor instead of being a racial and social scourge, which he really is.

"In case the applicant applies for the arrest of the defaulter, he should state whether proceedings have been taken against the movable and immovable properties of the defaulter and, if so, with what result. The numbers and dates of the previous execution applications should also be stated. The applicant should also be prepared to prove that the defaulter is wilfully witholding payment of the debt or has been guilty of fraudulent conduct in order to evade payment. On receipt of the application, the Collector or the Revenue Divisional Officer shall cause an inquiry to be made into the truth of the statements made in the application and if he is satisfied that the defaulter may be lawfully arrested he should take the necessary action as provided in sections 48 and 49 of the Revenue Recovery Act. The expenses connected with the proceedings should be recovered from the applicant in advance".

I venture to suggest that these Rules may be relaxed and the procedure simplified. Societies may be given free choice to seek remedy in execution by resorting to the provisions of the Revenue Recovery Act through the Revenue Authorities,

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Someone has said that man is an animal who is always seeking for truth. So far as the generality of mankind is concerned that is quite wrong. What man seeks for in the main, is ease. He is content so long as he is easy, aud it is easier to rest with a thing established no matter how false, than to go through the travail of acquiring a new idea. Many have sung of the power of truth, but in truth it is the power of falsehood that is one of the most striking things in human history.

Again, the circuitous method of soliciting the aid of a Presidency Officer through his Assistant in the District and then again undergoing the scrutiny of the Collector and his subordinate s before executing an award may safely be simplified. As soon as a Society applies to the Assistant Registrar for execution of a decree the said Officer may be empowered to forward the application to the Tahsildar concerned for necessary action. Co-operative Societies should not be saddled with expenses by way of process fees, &c. when relief is sought through the Revenue authorities.

The burden of proving wilful withholding of payment or fraudulent conduct on the part of the defaulter may be removed from the shoulders of Societies seeking relief as the equities which have to be applied to a tenant as against his landlord—which is the posit ion in the case of a ryot who has to pay land revenue to the Government—do not apply to a debtor who had received hard cash not from a cruel but from a benevolent creditor who, as in the case of Co-operative Societies, tries to help its members without minding profit. How much handicapped are the Co-operative Societies in realising the sums advanced by them by being forced to seek the aid of Civil Courts to execute the decrees in their favour and by being helped very little to get speedy recovery through Revenue authorities may be seen from the statistics given hereunder for the Co-operative year 1922-23.

Arbitration.

While 5,085 cases were pending disposal at the beginning of the year 14,411 cases were instituted during the year.

Claims were satisfied before decree in 2,679 cases and awards passed in 11,756 cases during the same period leaving 5,061 cases pending disposal at the end of the year.

Execution of Awards.

13,110 cases were pending execution at the beginning of the year to which were added 11.756 awards given in the year,

6,601 decrees were satisfied during the year and 18.258 decrees were pending execution at the end of the year.

Only in the case of 2.861 awards application was made to District Collectors for execution under the Revenue Recovery Act (II of 1864).

To force upon the mind of a child as actual fact what is admittedly a mere opinion, is to prostitute education and to take a cowardly advantage of a child's helplessness.

Again, in the recent devastating floods of the Cauveri and the Bhavani it was found in the Coimbatore District that several houses and properties on the security of which large sums were advanced by rural and Urban Co-operative Societies were either washed away or rendered less valuable. Although statistics cannot be forthcoming so soon, it may be found that in several cases prompt execution of awards through the Revenue authorities might have saved several Societies which are now on the brink of bankruptcy.

It seems also unnecessary that in the case of mortgage suits there should be first a preliminary and then a final decree, thus prolonging the period of execution through a cumbrous procedure. As soon as the time limit for payment given in the decree passes it must be possible for the creditor concerned to execute it, if it is not satisfied meanwhile.

Again, No. XII of the Rules framed by the Local Government under section 43 of the Act refers to "a dispute relating to a debt due to a Society by a member or a past member or persons claiming through a member or past member". It does not evidently deal with debts due by deceased members. Hence, doubts are felt as to whether a Society can refer for arbitration such cases making the legal representatives of deceased members as defendants and whether arbitrators can pass awards thereon.

I venture to suggest that the Rules may be so amended as to empower Societies to bring in the legal representatives of deceased defaulters as defendants so as to secure the assets of such deceased to satisfy their claims before they are absorbed or alienated by the heirs. In case the Government is diffident as regards the competence of all arbitrators to deal with the legal situation, only such of them as have training in law may be invested with powers in such matters. But as only the assets of the deceased and not the person of the heir will be dealt with there ought to be no need for making such distinction among arbitrators.

In the matter of reference to arbitration Societies have to send their cases first to the Official Assistant Registrar who in turn sends them to the Arbitrators or Honorary Assistant Registrars concerned. This indirect disposal causes delay. Societies may be empowered to refer their disputes directly to the Honorary Officers concerned, more especially in the case of Honorary Assistant Registrars who may be given a small allowance to

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A nation is built up of collective memories and hopes, and national ceremonies in which the memory of men who have rendered great services to the nation play an important part in building that collective consciousness.

enable them to engage a Clerk to register cases, to write out copies of decrees and otherwise to help them in their departmental correspondence.

As the Co-operative Societies Act is a piece of legislation which is of a particularly beneficent character, blessing him that gives *viz.* the Government and him that takes *viz.* the governed, it behoves the powers that be to extend its utility by exterminating all impediments to its progress and ere long to carry the light of co-operation to every village, to every hamlet and to the door of every citizen and thus earn the everlasting gratitude of a prosperous, happy and contented nation.

A SHORT NOTE ON MORTGAGE DECREES OF THE ASSISTANT REGISTRARS

By. K. Ramaswamy Iyengar,

President Co-operative Urban Bank Credit Society, Krishnagiri.

The Assistant Registrars and Honorary Assistant Registrars are empowered to pass arbitration decrees against members of the societies and against their mortgaged properties so long as the defaulters are members of the societies. The passing of the decrees is beset with certain evils and some provisions should be inserted in the rules framed under the Co-operative Act to minimise these evils or to ward them off. Every society in its model byelaws is empowered to grant loans on the security of unencumbered immovable property. Thus a first mortgage is created in favour of the society. If later on the member makes a second mortgage in favour of another non-member, there is no provision to add the second mortgagee in the Arbitration proceedings. There is no provision to add all subsequent mortgagees in the execution proceedings taken out in the Civil Courts or in the Revenue department. In virtue of the power of sale conferred by such decrees when the mortgaged properties are sold by the civil court or Revenue department, the purchaser gets only the interest of the judgment debtor subject to the second mortgagee's rights or to any other interest which the defaulting member might have created in the property. It might be that the purchaser is entitled to rights of subrogation in that he pays the first mortgage amount but that is not of much advantage from the purchaser's standpoint or from that of the society itself.

When the second mortgagee enforces his rights by way of suit in the civil court, he sues for sale of property against the Co-operative Society and the purchaser. The Co-operative Society will unnecessarly be the cause of this litigation. Supposing the purchaser does not obtain possession of the property purchased by him, he sues for recovery of the money he paid by sale of the properties making the second mortgagee, the society, and the subsequent purchaser from the defaulter as parties to the suit. In such a suit the society must deposit the amount received by it with interest at 6 per cent or 9—6—0 per cent and then recover this amount again out of the money realised by sale of the mortgaged property by court which might mean one or two years. This litigation is also due to the society not making all the persons interested in the property as parties to the proceedings.

Suppose the property is worth Rs. 100 when the sale takes place through the Arbitration decree it is sold for Rs. 100 and Rs. 75 of this is amount received by the society. The balance of Rs. 25—0—0 will be taken away by the defaulter and utilised by him.

Suppose the purchaser sue for fresh sale or possession making second purchaser and society as parties the society will deposit Rs. 75 with interest and property is sold. Rs. 25 taken away by the defaulter who is incapable of paying it back, is a gain to him from his standpoint leaving others to litigate in the civil court. Thus instances could be mentioned wherein litigation is increased.

The one object of the society is to minimise the litigation and by these Arbitration proceedings the litigation is increased.

In these circumstances it is better that the power to pass arbitration mortgage decrees be taken away from these officers, or these officers be empowered to add all parties as under Order. 34. v 1. C. P. C. by amending the rules or the Co-operative Act itself.

The eyes and the ears are the only roads to the heart To gain the goodwill of any particular person, you must over and above your general merit have some particular merit to that person, by services done or offered, by expression of regard and esteem, by complaisance, attention.

"George," said the teacher, "what does c-a-t- spell?"

"Dont't know, Sir," answered George.

"What does your mother keep to catch mice ?" asked the teacher, to give the lad a kindly hint.

"Trap, sir" replied George.

"No, no, "what animal is very fond of milk ?" tried the teacher again.

"A baby, sir."

"You dunce! What was it that scratched your sister's face?"

"George, I'm losing my patience. There, do you see that animal on the fence ?" "Yes, sir." "Then tell me what does c-a-t spell ?" "Kitten, sir,

RECOVERY OF LOANS IN URBAN AREAS.

By C. Ranganatha Aiyengar, M.A., L.T.,
Secretary, Co-operative Credit Society, Ltd., Gooty.

In small urban areas having a population of 10,000 and less, the need is not felt for more than one co operative society on a limited basis. It is found impossible to have separate societies for the various classes of population such as public Servants, Weavers, Jutkawalas, dhobis, barbers, railway and factory labourers and so on; for, the number of each class is too small. Hence these have to be taken as members of the general co-operative society. But the question of regularly recovering monthly instalments of loans lent to members who earn daily wages becomes after the first few months of lending, generally difficult owing to their not being able to find out the full amount of an instalment as one lump sum. For example, a barber, or a dhobi or a Jutkawala, who borrows, say Rs. 50 payable in twenty five monthly instalments, finds it really difficult in course of time to pay Rs. 2 as principal and the interest which may not exceed eight annas. Because, on any day his earning does not exceed Re. 1 or Re 1-8-0 in the case of a Jutkawala whereas in the case of others, it is not likely to go above twelve annas. Even though there is a desire on the part of the member to accumulate small sums so as to pay off the dues to the society, so long as this small amount of daily wages remains in his hands, it is likely to be used up and spent away then and there on luxuries. Thus the dues to the society remain unpaid and the arrears amount up to a very heavy sum leading to the institution of proceedings for their recovery.

If, however, these wage-earness are prevailed upon and encouraged to keep current deposits of whatever small amount of money they are able to save per day, say annas two per day, the instalments are easily recovered and even advance—payments of principal are effected. For instance taking the case of the member mentioned above who borrowed Rs. 50 he is able to pay, under the deposit system, as much as Rs. 4 per month in place of Rs. 2-8-0 and the loan is discharged much earlier than the prescribed period.

It may be said why any current account should be opened for him at all, and whether it would not be better to insist on these people making daily or weekly payments towards the loans direct. But this will require a lot of ledger and posting work and the worry of calculation of interest, and even the weekly instalment may be felt to be too heavy by the borrower. The only thing to be particular about is punctuality on the payment of the deposit once a day or two. Once the system is got into, there is of course a tendency to be regular.

It is necessary that no payment should be made to the depositor out of the current account unless all the instalment dues are adjusted, and the balance, if any, may be paid. The adjustment may be made once a month.

Though not all, even if a few people benefit by this system it is worthy of attempting. It is the experience of the writer of this note that a wage-earner who was in arrears was astonished to see within a few months, by the payment of 2 annas per day, a large credit balance to his account.

It is hoped that in small towns the system described above will be tried, if a similar one is not already existing and thus poor people are released from indebtedness.

"Man is a dupable animal. Quacks in medicine, quacks in religion and quacks in politics know this, and act upon that knowledge. There is scarcely any one who may not, like a trout, be taken by tickling." **Southey.**

ANSWERS TO THE INQUIRIES

By A Co-operator—appearing on Page 91 of "Kamadhenu" a Tamil monthly published at Tiruttangal in Ramnad District

By Rao Sahib T. Srinivasa Rao.

The following is a translation of the questions which are put in Tamil :—

1 (*a*) Should the Assistant Registrar alone sanction applications for loans required by societies affiliated to unions?

(*b*) If so, what is the object for which the union is established ?

(*c*) If the object is supervision merely, what is the necessity for the existence of the union when there is supervision by the Department ?

2. Can the Assistant Registrar reduce the amounts entered in loan applications recommended by the society and the union, as he pleases ?

3. Likewise, when a society and the union report for the approval of the Assistant Registrar a proposal to enhance the limit of maximum borrowing power, can the Assistant Registrar lower such limit, as he pleases ? Will such act of lowering be valid ?

4. When a union exists, can a society (affiliated to it) send up to the Assistant Registrar without reference to (and the knowledge of) the union its applications for loans and (proposals for) amendment of by-laws ?

Selfishness is common in all ages and countries. In all ages **Self-seeking is the Rule, and Self-sacrifice, the Exception.**

Is it not necessary that the opinion of the union should be taken in regard to such resolutions (applications and proposals)?

2. These questions, simple as they appear to be, cover rather a wide ground, so that a brief general explanation seems to be called for in order that the answers to the questions may be rightly appreciated.

3. A primary society in need of funds applies for loan. The application is made to the financing Central Bank through the union to which the society is affiliated. It is one of the functions of the union to recommend the application or refuse to recommend it or recommend the same in a modified form,. This function vests in the union, by reason of the same forming part of the duties comprising supervision for purposes of which the society is affiliated to it. The financing Central Bank, which contributes funds towards the cost of supervision, is entitled, for that reason and in consequence of the position which the union occupies in the hierarchy of co-operative credit organization, to have the recommendation of the union. It is competent to the Central Bank to accept (in whole or part the recommendation of the union, or altogether refuse to accept) the same. The Assistant Registrar, it will thus be seen, has no place in the constitution. This is because he does not form part of the co-operative organization which has come into existence for financing a rural society. The Assistant Registrar is not of the society which exists for financing its members, nor of the Central Bank which exists for financing the society nor of the supervising union which is expected by reason of its supervisory functions to know about the working of the society and thus be in a position to offer its opinion wherewith the Central Bank may decide whether a loan application should be granted or refused. However, the Assistant Registrar occupies a position which should be duly recognized. Though under the law he is responsible for audit only, he is ultimately responsible to see that supervision is properly carried on. Years back there existed no unions. And at a time when the co-operative organization had not assumed its present shape the financing Bank to which a society applied for loan stood in need of information about the working of the society. There was then no other person than the Assistant Registrar to whom the financing Bank could look for the required information. That officer who in those times was in close touch with the working of societies in his charge was in a position to advise the Central Bank in the matter of grant of loan. The practice of the Assistant Registrar recommending, which came into vogue in these circumstances, stil continues, though unions have now come into existence (and in some districts also a federation of unions for co-ordinating their work) and thus conditions have changed. For the continuance of this practice the Assistant Registrar is not responsible, nor the Registrar. On the other hand the Registrar has stated that the recommendation of the Assistant Registrar may be dispensed with. As to whether this will be done or not, the decision lies in the hands of the union and the Central Bank. The Central Bank which for years has got into the habit of acting on the recommendation of the Assistant Registrar feels nervous to dispense with the same. The nervousness is not entirely without justification, as several unions have not yet got into regular working order. To persuade the Central Bank to act upon its recommendation, the union, by efficient supervision, must show that its opinion, independent of the Assistant Registrar's recommendation, is worthy of acceptance. In its own turn, the Central Bank should take to its work in such a manner as would train the union in scrutinizing the loan application in a proper manner. These are matters absolutely in their own hands and it is for the Central Bank and the union to regulate each other's work in such manner that both may feel confident of dispensing with the Assistant Registrar's recommendation and relying upon themselves. This is a stage which ought to be reached sooner or later and it is not a day too soon now to begin work in right earnest in this direction. Till this stage is reached, needless to say that it will not be wise either for the union or for the Central Bank to think of dispensing with the Assistant Registrar's recommendation.

Truth depends upon man, and it is our privilege to defend it, and without our defence, without our hospitality, without our assistance and co-operation truth will perish.

Man cannot get along without truth, and truth cannot exist without man. The home of truth is the human mind. Take the human mind away, and what will become of truth?

4. With these prefatory remarks the questions raised are answered as follows :—

Question 1 (a): The Assistant Registrar is not competent to sanction a loan. Nor under the constitution of the co-operative organisation need he even recommend the same.

1 (b): A Union exists for supervising the societies affiliated to it; and recommending a loan applied for by an affiliated society is one of its functions.

The remedy for economic ills is not political but economic. The Co-operative Movement with its simple formula, buy at whole sale, sell at retail and capitalize the savings, affords the opportunity for amassing capital for social uses.

1 (c): The department, that is, the Assistant Registrar and his staff, exist, to perform, among others, the duty of "auditing"; and wherever unions are not capable of conducting supervision properly, to help them in doing so. As between auditing and supervision the former devolves on the Government staff under statute and the latter on unions and the District Council, wherever such exist, under their constitution. It is a mistake to suppose that where a union exists, the duty of supervision devolves on the Government staff. That duty devolves solely and entirely on the union and the District Council, but in the present stage of development of unions the Government staff undertake to help unions in conducting supervision.

Question 2: So long as by common consent, as if it were, though only impliedly, the Assistant Registrar is allowed to recommend and his recommendation is awaited, it follows that he should be free to express his opinion on the application. And this freedom includes competency to say that the loan be granted in part only, or even that it be refused. It must be presumed that the Assistant Registrar will not generally interfere with the union's recommendation except for good reasons.

Question. 3: It is legally competent to the Assistant Registrar to lower the limit of the Society's borrowing power, proposed by the Society and approved by the union. In fact, one of the model by-laws of rural societies, namely by-law 18 explicitly confers this power on the Assistant Registrar. The said by-law in its turn, depends upon legal provisions, namely, Sec.30 of the Co-operative Societies Act and Rule II clause (K) of the rules under the said act.

Question 4: The answer to this question is in the negative. The Assistant Registrar shou'd decline to act upon applications and proposals sent up to him direct and return them for retransmission through the union.

5. The co-operator who has raised these questions is evidently desirous of dispensing with the Assistant Registrar's intervention in these respects. This cannot, as explained above, be done as regards the subject matter of Q. 3, As regards other matters it is open to the Central Bank and the union to resolve to act independently of the Assistant Registrar. On this subject I would invite the attention of the co-operator to para 4 of my article on Central Banks appearing on P.93. of the "Notes and Papers submitted to the XII Madras Provincial Co-operative Conference."

A Funny Tale.

"What is an anecdote?" asked the teacher.

"A short, funny tale," answered Tom.

"Now, write a sentence containing that word."

So Tom wrote: "A rabbit has four legs and an anecdote."

HANDBOOK FOR MEMBERS OF CO-OPERATIVE COMMITTEES

By F. Hall, M. A.

As a writer on Co-operative topics, Mr. Hall does not require any introduction to his readers. The several pamphlets and books he haspublished have made this earnest Co-operator as an unerring guide; while his books and articles in the field of commercial instruction have earned him the gratitude of hundreds of students. In fact, this book is not only for the use of the committee member; it is to serve as a guide for the correspondence students in co-operation.

With the great growth in the movement, new problems have come up for solution; and though the definition given by Mr. Hall of a Co-operative Society as "*an association of shareholders, usually described as members, who. as individuals have contributed a fund of capital to be employed under their collective direction, for trading purposes in providing for their needs as consumers or as producers*" fairly approximates with "the establishment of a store for the sale of provisions, clothing *etc*" and the manufacture of such articles as the society may determine upon" among the "objects and plans" of the Pioneers, yet, the methods by which those objects are tried to be achieved, and the means employed have all undergone a great change. An example will show this clearly. Criticising an opinion expressed by ignorant people that the great profits of co-operative stores were all rescued from the shopkeepers, Holyoake says, 'Nothing of the kind... The co-operator gains by avoiding the multiplied shops, the high rents, the heavy taxes, the useless servants, the cost of advertisements, glarish lights and loss on unsold goods and bad debts. The co-operator grows rich by picking up what the shopkeeper drops before he touches the tradesman's actual profits." Mr. Hall, on the other hand, wants systematic canvassing since "a good canvasser will bring in such additions to the membership, trade and capital of the society that his wage will be more than justified by the benefits derived." Again he says, "It is certain that more advertisements will pay, if it were good advertisements. Advertising takes many forms—distribution of handbills; advertisements in the newspaper press and on tram tickets; posters on hoardings; panels or slides on the curtain or screen of some theatre or other place of entertainment;...advertising in the shops, on balance sheets and concert programmes...Methods of advertising other than the use of the printer's ink are exhibitions, shopping weeks, parades of the society's vehicles and door to door canvassing and special window displays...Shops should be made clean and attractive—the goods in stock should be suitably displayed. Expert window dressers should be appointed in large societies to devote their time exclusively to window dressing.' With all these new problems and with the necessity for careful instruction on a hundred points which perplex the new and even the experienced committee member of a co-operative society, the necessity seems to have been felt for a treatise like the one now published.

The object of the book being "to serve as a friend to the individual commitee member and a work of reference in the committee room." very few points concerning co-operation have been left untouched. The History of the Acts leading to the Industrial and Provident Societies Act has been given in an appendix and the growth of these activities traced. The provisions of the Act itself have been reviewed, and, in the course of the book many of them receive fuller treatment. A good deal of information, thoroughly practical in its nature, has been attempted in chapter III. Since the question of finding money for the purposes of co-operation seems to have become very important, the several forms of co-operative capital—share capital, loans and deposits and reserve fund—receive considerable attention. It has been calculated that, in order that a store can carry on its normal activities, it would require at least 10 £ a member. But that amount would not leave much for development; and hence, a larger sum is necessary. Every member of a co-operative society is compelled to take at least five 1 £ shares. He can deposit as a loan (even non-members can) a sum of £ 200. In the Savings Bank, one can hold £ 20. And yet, the author says that the movement does not possess sufficient funds to-day. He says, "The importance of capital as a factor in co-opertive development was formerly inadequately realised by committees and co-operators generally. Capital was often refused. Members were dissuaded from depositing capital and encouraged to withdraw their interest and dividend quarter by quarter." A change has since come over the movement, although "it is to be regretted that thousands of Co-operators, thanks to the laxity of committees, have not fully paid even the 1 £ share." And the author is of opinion that all restrictions on deposits imposed by many societies should be withdrawn. The Act provides for Savings Banks in which a depositor (member or non-member) can hold any sum up to £ 20; and, in this provision, "there is an abundant source of capital" which "has scarcely yet been tapped". The final advice given may be taken to be: " The time is coming when the minimum of share capital may, necessarily, have to be raised. In the meantime, societies should induce their members to deposit share capital more freely......The rate of interest should attract the amount of capital required by the society."

The administration of societies comes in for a great deal of sound advice. Many of the points insisted on are likely to be of use to co-operators in this country. Many of the questions that face committee members there are more or less those that panchayats of our own societies have to face; and the chapters on this question will repay careful study.

There are portions in the book dealing with labour, relationships with trading federations *etc.*, that have no practical interest to us. Distributive co-operation has not shown much of success among us. As for productive co-operation, we cannot boast of any notable activity at present. But with the spread of knowledge of the great advantages that such societies are likely to bring to members, they are bound to come; and many a pitfall into which the unwary enthusiast is likely to be led can be avoided by a knowledge of these chapters.

Perhaps the most interesting chapter in the book, is the very last, concerning the Education Committee. It is a fact that very little has been tried in this direction in our country. The selection of officials from the Inspector to the Registrar does not seem to be dictated by proved fitness for the work. There is no doubt that many officials in all grades have shown in their life that co-operation has become a dominating factor with them. It does not therefore follow that they did not require training before they were appointed. The case of non-officials is worse. And yet, it is they that should equip themselves with knowledge to lead the great movement on to success. A minister may speak, if only by implication, of co-operation being dissociated from education. (He then, has no right to speak of that frail bark requiring delicate handling, for fear it hould be shattered on the shoals and rocks of failing public confidence.) But what has been done by the officialdom to impart the training to the crew that is to man the vessel in the future. The task is now that of the Provincial Union; and the questions of classes, Libraries, week-end schools, lectures, propaganda meetings, production and sale of literature, and, if one can hope for so much, the question of a co-operative college, deserve consideration at its hands.

The question of capital as discussed by Prof. Hall has an important lesson for us in South India. The Co-operative Societies Act does not restrict the amount which can be deposited by an individual. Thanks to that and the large overdrafts so obligingly allowed by the Imperial Bank, it has been possible for us to find sufficient capital for financing all societies. But at what cost? To me it seems that self-help, the root principle of co-operation, has been altogether lost sight of by the individual co-operator. They have so far hypnotised co-operators out of the idea of self-help that beyond the financing banks, (a name which I should very much like to see changed) and a respectable number of Urban Banks, how many co-operative organisations in this country have endeavoured or even been encouraged to take deposits and "encourage thrift, self-help and co-operation among the members?". There are still in the Provincial Bank and in most of the Central Banks a number of individual shareholders. I wonder how far they are justified in admitting or keeping them in their books as such. If the exceedingly fine definition of a co-operative society extracted in the beginning of this article can be adapted to the conditions obtaining in our province and applied to those members, one should ask how far these 'shareholders' who contribute 'a fund of capital' have it 'employed for providing for their needs.' They come in only as investors and as investors in extraordinarily sound concerns which in most cases pay the unusually high dividend of 9 per cent on shares obtained at par. They are not allowed to borrow for their needs on the strength of their share capital and to that extent are not co-operators in the real sense of the term.

Under the circumstances, would it not be well for our co-operative concerns to try and work up that section of their by-laws which relates to deposits to the fullest possible extent? To say simply that efforts have been made in the past and have failed cannot be taken to be an answer to the question, what was the cause of the failure? Have all possible efforts been made to induce the real co-operator, the member of the primary society, to deposit his savings? It has not been denied that he saves. Why does he not invest those savings in the society which is composed of men of his own village—his friends and relations and neighbours—who have, by the system of unlimited liability pledged their all for the successful conduct of their society? Is it lack of confidence? He has to be educated further. Is it uninviting rates of interest? While it is impossible to offer usurious rates, it is possible to show that the very decent rate of 8 per cent (obtaining at present) which any co-operative society can pay on its deposits, is much more than a villager can hope to get from his lands (inclusive of that elusive advantage called position, prestige or other name.) Is it the ingrained habit of generations to whom the 'bank' idea is new? From my knowledge of how in the District of Tanjore, money is left with Nattukottai chetties engaged in usury, with shopkeepers and others engaged in business, No ; It is my conviction, open indeed to correction by gentlemen whose opinions are entitled to respect, but, none the less a conviction based on experience, that good and effective propaganda has to be undertaken. Co-operators--paid as well as honorary—may hold up for admiration on all possible occasions, village societies that have attracted deposits ; may obtain and publish experiences of people that have invested money in land and in banks and found the latter profitable and devoid of anxieties, vexations *etc.* The additional profits that accrue from a co-operative society paying interest regularly once in six months (8 per cent compound interest payable every six months, to put it in arithmetical parlance) might be brought home to the man who fights shy of these societies as a receptacle of his savings. Schemes like the Bazaac Provident Fund, where deposits are not monthly, but half-yearly and annual as well, whereby provisions for the marriage, and education of children and the starting of sons in business could be made, can be worked out on an alluring basis and brought to the notice of members. In short, we should take the lesson taught by these countries that have made such great advances in co-operation and try all means possible of swelling co-operative capital.

C. S. RANGASWAMI.

THE CO-OPERATIVE MOVEMENT IN JAPAN. *

A REVIEW BY S. SUBBARAMA AIYAR, M. A., DIP. ECM.,

Senior Lecturer in Economics, Madras Christian College.

This clear, interesting and most helpful account of Co-operation in Japan divides itself into 3 parts : the first dealing with the indigenous co-operative or better "associate" methods of raising finance, viz., the *Ko* or *Mujin* and the *Hotokusha* ; the second with the Western system of co-operative finance introduced, encouraged and controlled as in India by the State, following for the most part the principles of the Raiffeisen and Schulze-Delitzsche types ; and the third with the several types of Marketing, Purchasing and Machinery Societies as well as a few Co-operative Stores.

(* By Kiyoshi Ogata, Protesser of the Special Department of Commerce, University of Commerce, Tokio, with a Preface by Sir Sidney Webb and published as No. 69 in the Series of Monographs by writers connected with the London School of Economics and Political Science, pp 362).

The *Ko* or *Mujin*, dating probably seven or eight centuries back, like its prototype the Chit fund of the Madras Presidency (known also as the *kuri* in Malabar), is a temporary association of subscribers to a common fund which is distributed among the members either by drawing lot, bidding or by both. It is universally prevalent in Japan. Mr. Kiyoshi rightly emphasizes that the *Ko* or *Mujin*, which depends on the good faith of its members, unconsciously fostered that spirit of concerted action, that Mutuality, which is the life-blood of true co-operation, and it moulded public opinion for the reception of the Co-operative Credit Society as it exists to-day.

We miss, however, in India the intermediate link between the *Mujin* and the modern Co-operative Credit Society—the Hotokusha, a purely Japanese institution which owes its inspiration to the marvellous moral and economic teachings of Ninomiya Sontoku (1787 —1856), a great self-educated scholar and philanthropist and a practical agricultural reformer, resembling in many respects his contemporary, Robert Owen, the Father of the Rochdale type of Co-operation. Saturated by moral fervour and acting on the principles of *sincerity, industry, mutual help* and *modesty*, Ninomiya Sontoku helped to create a school of thought in Japan and his followers put his ideals into practice by embodying them in the Hotokusha (the first of its kind being established in 1843 even during the life time of the leader). In itsprinciples of working and development the Hotokusha resembles closely the Raiffeisen type in Germany, but thanks to Sontoku's inspiration the purely business aspect of the movement is subordinated to the inculcation of the social and moral ideals of its founder; it organizes lectures and meetings to instil in the people's minds the high moral ideals of Sontoku and takes upon itself several social, educational, local, administrative and charitable functions which are outside the objects of the Credit Society. There were 543 unit Hotokusha Societies in 1920 in one Prefecture alone comprising a membership of 19,238, further united in half-a-dozen strongly organised federations and granting by way of loans nearly 600,000 yens.* Though there is a tendency among certain Hotokushas to follow conservative methods and look to the moral rather than the material needs of their members, others tend to approximate more and more the business methods of the Co-operative Credit society.

In our judgment the Indian Co-operative movement has suffered somewhat from the absence of voluntary organizations among our rural folk, old and young, to promote the social and moral, as distinguished from their economic, interests. It seems to us that an association based on the cash-nexus cannot give the necessary momentum to the spread of Co-operation and this is one of the lessons we learn from the history of the Co-operative movement in Japan. How we wish to say of India as Mr. Ogata says of Japan on page 98 of his book ! Writes he : "An important factor in Japanese village life is the formation of Young Men's Associations. These societies, which may be likened to Young Men's Christian Associations, differ from the latter, in that they have no religious basis. Their objects are of a social and ethical nature and include physical exercise, early rising, the holding of lectures, encouragement of industry and thrift, provision of

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* 1 yen = Rs. 2 or 1-8 as. approximately.

libraries, etc." Mr. Ogata quotes with approval Mr. Crosthwaite's remarks about them: "Here, in fact, we can see the spirit of Co operation moulding a nation's destiny; and it is the active working of that spirit just where it really is wanted, in the village itself, at the very root of the co-operative tree, that accounts for the wonderful progress made by the Co-operative movement in Japan". ("Co-operative studies and the Central Provinces system" by Mr. Crosthwaite p. 140.)

The main interest in the book, however, centres round the author's description of the modern Co-operative movement in Japan, including the Credit, Marketing, Purchasing and Machinery societies. Beginning with the coming into force of the Co-operative Law in 1900 (mainly modelled on the German Law), the co-operative credit movement received from the first the active support of the State in Japan as in India and the Credit societies are even now vigilantly inspected and supervised by the officials of the State. At the end of 1912, Credit societies numbered 11,480 or 87'6 per cent of the total number of co-operative societies of all kinds (13,106). Of this number there were 2,895 credit societies (exclusively) and the rest are carried on along with other businesses such as marketing, purchasing *etc*, a special feature of the Japanese co-operative movement which we wolud like to see developed in India. Loans to members amounted to about 84 million yens and deposits of members to about 107 million yens which contrast very favourably with the position in India where such deposits form a very small proportion of the working capital. In Japanese Societies the percentage of borrowing members is much lower than that of depositing members, the annual percentage of the former being 50 to 70 per cent of the total members. We would strongly recommend to Indian Co-operators to adopt the methods followed in Japan in collecting and encouraging deposits. Some 17 methods are enumerated in page 133 of Mr. Ogata's book. The aggregate number of members approaches 2½ milions of whom 80 per cent of the members of all societies are agriculturists; half of the agricultural population has been converted to the principle of co-operation.

The rules regarding the Reserve Fund and granting of loans seem to be somewhat elastic in Japan. Unlike the Stiftungsford in the Raiffeisen Societies, the Reserve Fund in Japan is not the permanent indivisible property of the Society, but each member can lay claim to it, *i.e.*, when a member leaves a Society or when a Society is wound up. Loans in the form of overdrafts of current account granted against material security or personal surety may also be found in some Societies, especially in such Societies where there are many merchants among the members.

As the Directors are very closely bound up with the prosperity of the Society, their election in Japan is effected by a special method. At least half of the total members must be present, and in order to be elected, a candidate must have at least three-fourths of the votes of those present. India can well follow this.

The chapters dealing with the Marketing, Purchasing and Machinery societies are specially noteworthy. The problem for the ryot is not one of *finance* only, but the facilities that exist for purchasing the things he wants to buy and marketing the goods he wants to sell are of equal importance. In this matter Japan has made considerable headway and India can well follow her example. As we saw, most of these activities are carried on in conjunction with the others, notably as a part of the activities of credit societies. This is as it should be. The chief articles marketed in co-operative ways are silk and rice and commodities bought are agricultural implements, manures, and machinery as well as a few "consumers' goods". In India rice is chiefly produced for consumption in the village itself, but as the ryots have to sell a certain quantity to meet the Government demand and to make other purchases, there is some scope for co-operative marketing of rice. But the need is greater in the case of wheat among food crops and of cotton and jute among commercial crops. Cotton is only a raw material and sooner or later the co-operative cotton marketing societies, even as in the case of the Japanese silk marketing societies, would find it necessary to take up to spinning and weaving and undertake to sell its own cloth; the competition between capitalism and co-operation will be keen indeed when the development reaches that point as we find in Japan, but the only remedy is to strengthen the "co-operative spirit" among members to withstand the temptations placed by profit-seeking capitalism.

Want of space forbids us to describe, even briefly, the working of these societies. Co operators in India can take several useful "hints" from Mr. Ogata's book. In the words of Prof. Sidney Webb who contributes a Preface to this volume "it ought to find a place in every economic as well as every co-operative library."

ART, LIFE, CO-OPERATION.

This pamphlet of 12 pages, published by the Co-operative Union of Manchester, is the substance of an address delivered by Charles E. Tomlinson to the Pioneer Group of Co-operators of Manchester. In these degenerate days of utilitarianism which is at once the cause and consequence of capitalism the author puts forward a vigorous plea to enrich life by encouraging the artistic productions of the race and he is of opinion that it can be done only through Co-operation. "To-day the brain and fingers of the craftsman make not a 'thing of beauty and joy for ever' from out a shapeless mass and dedicate it to the service of the people. Machinery, and not Man, is the master of things. And man suffers in body and soul under the domination of the Frankenstein of his own creation. The mission of Art is to inspire Man to take possession of himself, and the ministry of Co-operation is to help him to do so by teaching him how to become the master of the machine, the commander of his soul". (p. 7).

The Pamphlet contains many nuggets of truth beautifully expressed, e. g., "The ideal of Co-operation is beauty in living, the perfection of Humanity." "True art and true Co-operation can only spring from free and voluntary effort; and in their expression they are above nations. The empire of Art is worldwide, and Co-operation is enthroned in the great heart of Humanity". "Competition truly is death the death of all the highest motives in man—the annihilation of the soul. Co-operation is life—the preservation of the noblest ideals " the uplifting of man to the heights of eternal verities". " There is no other fine art than this—the passing of a man's soul into the work of his hands."

The pamphlet further contains fine photogrammes of works of art, neatly executed, of which Lincoln Cathedral and Louvain Town Hall are works of Mediaeval art, while the 'Italian basket' is the work of the Wood Carvers' Guild, a member of the Federation of Productive Guilds of the Province of Florence, Italy, which was founded in 1915 by four Co-operative Societies.

REPORT OF THE REGISTRAR OF CO-OPERATION MADRAS OF THE YEAR 1922—23.

The annual report on the working of the Co-operative Societies Act in the Madras Presidency for 1922-23 has been issued by the Registrar with the Government review thereon. The report deals with the various defects in the working of the machinery and especially in regard to the collection of overdues but fails to trace the success or otherwise of the application of the remedies suggested in the previous year's report. A review of the salient features of the report will be made below.

Establishment Official and Non-Official.

There were 23 Assistant Registrars besides one personal Assistant and eight probationers of whom 5 were in charge of sections and three were under training. The Agency Division was in charge of the Co-operative Assistant to the Agency Commissioner. There were in all 74 Honorary Assistant Registrars. The cost to Government on establishment and contingencies was Rs.6,19,254 and to the non-official agencies Local unions and Dt. Councils of Supervision the cost was Rs. 1,56,374 and there was a closing balance of Rs. 1,10,059 under supervision fund. There were 247 local unions which represented the agency to administer the fund. There does not seem to be any illiberality on the part of Government or on the part of the non-official co-operators in setting free funds for the efficient upkeep of the co-operative institutions. But the results obtained do not appear commensurate with the expenditure incurred by the Government and the non-official agencies. As observed by the Editor in the Bulletin of February and March 1923, there does not appear to have been instructed a system of co-ordination of the work of the official and the non-official staff. *It was suggested last year that this can be arranged satisfactorily if the Registrar will arrange for a conference of Assistant Registrars and the leading co-operators of each District in suitable centres. This suggestion is again repeated and it is hoped that necessary action will be taken by the Registrar.* It is also regretted that the Department has not arranged for a systematic training of the official and non-official staff inclusive of new Assistant Registrars and new Honorary Assistant Registrars. This question coupled with the question of co-operative education of co-operators, office-bearers and managers of co-operative institutions have to be

tackled as expeditiously as possible if we expect any decided improvement in the working of co-operative organisations. The definite formulation of a suitable scheme for such a purpose and its practical application seem to be a real remedy for the evils noticed by the Registrar in the working of rural credit organisations and for the breakdown of the trading organisations in rural areas. The clamour for transference of responsibility to the non-officials can be easily satisfied by the formulation of a definite arrangement as regards the work to be done by the official and non-official staff. After all, there is not much of difference between the official and non-official staff if the conception of the official staff that they are to control the non-official staff is dropped and if the official staff with its limited knowledge due to absence of efficient training in the matter of working in unison withthe non-official staff, will realise that they are there to *serve* and not to command. This view of interrelation between the official and non-official agencies has to be emphasised.

Provincial Bank.

3. The paid up share capital and the reserve fund of the Provincial Bank was Rs. 7,75,050 and its borrowing power was 77½ lakhs. It has utilised the full credit power. The Registrar notes that "owing to the decreasing demands from central banks, several of which derived an increasing proportion of their working capital locally, the Madras Central bank did not find it necessary to use to any appreciable extent the overdraft allowed by the Imperial Bank of India, so that the flow of deposits which would in the ordinary course have gone to finance central banks went to reduce the overdraft of the Imperial Bank." He also notes that Central banks are becoming more able to support themselves from local sources and less dependant on the Central bank.

This is an ideal state of the improvement and it is hoped that this will remain a permanent factor. But this state of things is, it is feared, due to reduction of transactions in some Districts brought about by the withdrawal of long term loans by the Provincial bank to central banks and by the latter to primary societies. Such a position is felt in the Ceded Districts, Chittoor, North Arcot, Salem, Chengleput, South Arcot and Trichinopoly —In some Districts the attempt at consolidation of the work of the existing societies has revealed overdues in a large number of them and this situation has affected the enthusiasm of both the official and non-official agencies. They have withheld giving credit accommodation freely to even non-defaulting members of co-operative organisations. When overdues have swollen from causes beyond the control of Co-operator borrowers, a way should be devised to give extensions of time suitable to the repaying capacity of the borrowers and to give further credit accommodation. This step has been recommended by the Registrar in his report of 1921-22 but it is regretted that adequate steps have not been taken in this direction. The reason for this remissness noticed in the Districts of Coimbatore, Salem, North Arcot, Trichinopoly, Madura and Tinnevelly appears to be that the District Banks have not interested themselves in the matter and that the official staff did not care to bring about the desired reformation owing to the fear of interference with the non-official organisatons. A policy of drift seems to have been practised with the result that stagnation is felt in such places and co-operators are losing confidence in the ability of central banks to finance them.

Central Banks.

4. The central banks had share capital and reserve fund to the extent of 40·37 lakhs and the credit power was 320 lakhs of which 205 lakhs alone was utilised. Co-operators can well understand that there is adequate credit power in central banks and that resources will be forthcoming to that extent if the power to use such credit is made available. But the arrangement for dispensing credit accommodation seems to be defective. It cannot be contended that co-operators have got all the credit accommodation they require. Hence it seems advisable to tackle the question of unused credit power in each District and to find ways and means to utilise the credit power available with each District Bank. It may also be noticed that there is still with primary societies on unlimited liability basis paid up share capital of 14·55 lakhs which gives a reserve credit power of 116 lakhs.

The total working capital of all financing banks rose from 286·13 lakhs to 333·27 lakhs, a healthy sign of the financial machinery of the co-operative movement. The Imperial Bank of India rendered great assistance to the movement particularly in regard to the provision of fluid resource by allowing overdraft to the financing banks to the extent of 39·16 lakhs. This generous provision can be utilised in full if the overdrat accommodation is transferred by central banks to primary organisations for two purposes:—

(1) For issuing crop loans to well conducted societies for a period ranging from 6 months to one year till the time of the harvest and raising the required credit on the pro notes of such societies and their guarantee for repayment on the due dates. If this system be adopted, the movement can tap more credit accommodation from the commercial banks inclusive of the Imperial Bank of India.

(2) For the purpose of attracting local deposits in rural areas, Primary organisations are unable to attract more deposits owing to their inability to meet the obligations to the depositors in time due to the absence of fluid resource. It is gratifying to note that as the result of the permission by Government of the investment in central banks, of railway surplus, surplus funds of local bodies, (Local Boards and Municpalities) security deposits of abkari and jail contrartors and provident fund of employees of local boards the amount received was Rs. 38,93,596 against Rs. 9,22,830.

Net Profits.

The book profit amounted to 5·64 lakhs while the net divisible profit amounted to 5·40 lakhs. This is satisfactoty as a whole but 23 banks alone out of 33 banks were able to declare a dividend of 9 per cent. In some central banks, a lower dividend paid to shareholders is due to the unpaid dues under interest by primary societies to central banks. This is assuming larger proportions year by year in the districts of Anantapur, Cuddapah, Kistna, Kurnool, Nellore, Madura, and Ramnad Districts. The lower dividend than 9 per cent in central banks does not affect merely the individual shareholders who are non-borrowers but it affects the primary societies as they hold 15·58 lakhs out of 28·58 lakhs in the central banks. Hence it is in the interest of not merely individual shareholders but also in the interest of the co-operative society that a close investigation should be made to secure the wholesome position of every primary society meeting its obligations under principal and interest to its central bank. Remedial measures for removing the defect noticed are suggested below.

(1) Reloaning of collections in primary societies should be absolutely prohibited except when the dues of the central bank under principal and interest for the whole year are met even in advance.

(2) Distribution of loans by primary societies suitable to the repaying capacity of the members should be insisted on both by the local unions and the inspecting staff, official and non-official.

(3) Repayment dates by co-operators to primary societies should be suitably fixed so as to suit the time when each borrower is expected to get his income.

(4) Extensions should be given after exercising due caution in the cases of default for causes beyond the control of the borrowers.

(5) Free flow of credit accommodation should be arranged for all the co-operators at all times so as to prevent their going for short term credit to outside money-lenders whose demands are generally met in preference to the demand of the societies.

Primary Societies.

During the year 894 societies were added in rural areas. The total working capital rose from Rs. 222,92,429 to Rs. 2,65,35,957 and the paid up share capital from Rs. 23,11,104 to Rs. 28,74,138. Deposits by individuals rose from Rs. 4,73,0524 to Rs. 2.04,91,263.

The volume of such deposits is large in the Districts of S. Canara, Trichinopoly, Chingleput, Tanjore, Malabar, and Kistna. As noted already, S. Canara and Malabar have peculiar facilities of attracting people as members who are occupied in trade and agriculture. In Tanjore, Trichy and Kistna, which are deltaic tracts mirasdors of standing are members and contribute large deposits. In the case of Chingleput, the Kilacheri union finances the societies affiliated to it through the exertions of Rao Sahib Aruliah Naidu, who has placed his resources at the disposal of the union. The slow growth of deposits by members and the rural population is due to the suspicion that rural organisations are not able to pay back the deposit amount on the due date. This difficulty would be solved by the central banks guaranteeing such payment by the system of overdraft being extended to primary societies on safe and well defined lines.

Overdues.

6. The overdues to primary rural societies by members are increasing year after year and it is time for the officials and non-officials of the move-

ment to investigate the matter in detail for each District and apply suitable remedies. The Registrar in his report narrates the general causes which resulted in the growth of such arrears under Principal and interest.

(1) The ryot uses short term loans for long term purposes and becomes a defaulter. The Registrar says that efforts are being made to prevent this reprehensible practice. Long term loans are wanted in preference to short term loans in some Districts such as Salem, Coimbatore, North Arcot, Trichinopoly, Madura and parts of Tinnevelly—

The co-operators have got accustomed to such long term loans and the sudden change to the issue of short term loans has led to their using short term loans for long term purposes. This will settle down in course of time. At the same time, it cannot be said that the Department pursues a wise policy in restricting long term loans altogether which can be allowed even with the present financing machinery to a much larger extent than the Department is prepared to allow. Some freedom of action should be given to the central banks by the Department. Anyway, this question should be settled by the Registrar and the non-official agencies by laying down a clear line of policy as regards the limit up to which the financing institutions can issue long term loans.

Bad season in some parts.

(2) Here again the unions, the Central banks and the primary societies should be allowed greater freedom or rather there should be less interference by the Departmental officials in giving extensions of time in cases of default from causes beyond the control of the borrowers.

Bad Management of societies and inefficient supervision by local Unions.

(3) These defects can only be removed by co-operative education and by the Departmental staff advising the non-official agencies to practise disciplinary action. The Registrar and the non-official agencies have to take steps to remove these by a well regulated arrangement. As a matter of fact, the non-official agencies have not been made to realise their responsibility as they look up to the Government Staff for doing this work. A sudden dropping from this work by the Departmental agency has aggravated the position. On the contrary where the offical staff continued to be vigilant in collection work as in Tinnevelly, Chingleput, and South Arcot, better results have been secured.

Trading activities.

7. The Registrar notes " The transactions of trading societies and the joint sale by other societies continued to decline. Only the fringe of the question of joint sale has so far been touched and up to the present no satisfactory system of joint sale has been successfully instituted. Attempts are now made in different lines. For a variety of reasons trading unions have not on the whole been working well and the ryots generally have not learnt fully to appreciate the value and potentialities of such societies". The ryots can easily understand that they pay a heavier toll to the trader than to the money-lender. The trader gets at the ryot before the latter begins his cultivation and swallows his produce under terms very disadvantageous to the ryot. The co-operative organisations should reach the ryot with credit facilities as the trader does. As regards the disposal of the produce, trade in bulk with the grains produced by the ryot is not easy of accomplishment on a large scale as in the West. It would seem to be enough if the ryot is given credit accommodation on the produce so as to enable him to wait for a favourable market and to dispose of it when favourable conditions prevail. Co-operators will be glad to know from the Registrar by the issue of a communique to the bulletin the details of the attempt made in different lines noted in his report.

Building Societies and Land Mortgage Banks.

8. It is a good feature that building societies are being started with the help of Government funds though the progress is bound to be slow.

The Registrar notes, "The question of forming Land Mortgage banks and of issuing land mortgage debentures was under discussion but no decision was reached." It is doubtful if the Registrar's observations under building societies can be interpreted to mean that land mortgage banks are to be confined to urban areas where alone building societies seem to be required. What the country wants is the invention of a system whereby long term deposits can be secured for the benefit of the agriculturists either by floating land mortgage banks or by authorizing the existing financing banks to issue debentures on the security of immovable property in rural parts.

Weavers' Societies.

9. The Registrar notes that "Efforts have been made to organise local industries on co-operative lines but little result has been yet achieved and after some enquiry and discussion the suggestion to organise the Ellore carpet weavers on such lines had to be abandoned. The social and economic condition of these weavers, their habits and indebtedness to the master weavers and merchants, their illiteracy and indifference to co-operation render it an impossible problem at the present stage. It is hoped that some progress will be made among the blanket weavers in the Ceded Districts".

There does not seem to be sufficient reason to be so discouraged as the Registrar feels to be about the weavers. Mr Gray, suggested a scheme in the last administration report to open strong central societies in selected centres to tackle this problem. The Registrar does not say that any vigorous attempt was made in that direction to any appreciable extent. Co-operative Handloom industry in regard to female cloths has very great chance of success as there is an assured market and it is not beyond the capacity of co-operators interested in the movement to work this industry on co-operative lines.

Urban Banks

10. There has been gratifying increase in the paid up share capital, Deposits of individuals, Reserve fund, loans from central banks in urban banks. The Registrar notes that " several of the urban banks have grown to a considerable

size and there have been discussions on the desirablity of organising more such banks in one place and limiting the size of each. To some extent they take the place of small limited liability credit societies and the argument against the unrestricted growth of urban banks is that they lose the personal knowledge of their constituent members which is so valuable to a co-operative credit society. They are apt to become unwieldy and the management depending generally on the continuous activity of one or two gentlemen who cannot readily be replaced at short notice becomes somewhat precarious. It is a much simpler matter to find adequate management for smaller societies. On the other hand, the larger urban banks attract deposits from people who would not so readily put their money in a small credit society.. The matter is under discussion. Co-operators in urban areas and financing banks which give credit accommodation to such urban banks should pay attention to this question. At the last Provincial Conference, the question was put before the co-operators who resolved that it is not desirable to split up urban banks as such a course will destroy the reputation of the bank and confidence of the people and the principle of centralising finance holds good in the case of urban banks as well.

It may be suggested that a solution of this difficult question is likely to be found in the direction of strong urban banks being allowed the privilege of financing smaller urban societies within its jurisdiction, the latter contributing the required share capital to the parent bank and the rate at which loans are issued being settled suitable to local conditions according as the resources of the parent bank are dependant upon local deposits or on borrowings from financing banks.

General.

11. The progress during the year can be fairly regarded as satisfactory though the problems awaiting solution are many and not tackled as rapidly as co-operators would wish. Non-official co-operators should be taken more into confidence in regulating the policy of the movement and complaints by non-officials should receive attention from the standpoint of the merits of the complaint rather than the kind of persons who lodge such complaints. Individual shareholders in central banks have begun to feel that they are not wanted in the movement as the society representatives have in some places taken a hostile attitude as they rightly or wrongly believe that central banks could be run by them without the individual shareholders. If the position of the societies is really such that they can be expected to manage the financing banks themselves no one interested in the movement will resent the removal of individual shareholders from the financing banks. At any rate, the process of elimination of individual shareholders from financing agencies should be gradual and proportioned to the efficiency attainable by the society representatives. This aspect of the question should be closely considered by the officials and the non-officials interested in the progress of the movement in the Presidency.

Besides expansion, there was a good deal of consolidation work during the year. This is a proper step as pointed out by Government review.

A. VEDACHALAM.

REVIEW OF THE ADMINISTRATION REPORT OF TRAVANCORE CO-OPERATIVE DEPARTMENT.

The working of the Co-operative Department in Travancore for the Malabar year 1098, that is, 1922-23 A D., is a record of steady progress all along the line. We content ourselves with drawing the attention of our readers to a few prominent features of the report.

The outstandings of the Central Bank by way of principal was 56·5 per cent of the demand and 41·2 per cent in the case of interest. We hope that more vigorous steps will be taken to see this blemish removed.

We are glad to note that the Government have come forward with liberal subsidy of 75 per cent of the pay of supervisors appointed by the Supervising Unions, and in response to this generous offer four more unions have sprung into existence making the total number five. We hope that in course of time the non-official leaders will realize that co-operation after all is a people's concern and will be able to start more such unions and leave the work of the Department confined merely to audit.

Another special feature deserving mention is the slow vanishing of the communal societies, which was a very marked feature of the co-operative movement in that country. All the new societies started during the year were not communal and many of the old societies, which were exclusively communal, have become local, throwing their membership open to members of all castes and communities living in a particular locality.

We are surprised to hear that societies are unwilling to invest their reserve fund in the Central Bank and that they clamour for their right of utilizing the reserve fund as working capital. Much educative propaganda has evidently to be done to make people realize the significance of the reserve fund.

We notice that capital is still shy and that most of the societies have to depend entirely upon their own subscribed share capital, which after all may not be much. Co-operation has to justify its existence by removing the incubus of indebtedness from the poor and by affording an opportunity for safe investment to the rich. It is only by inducing the rich men of the land to deposit their surpluses in the co-operative societies that they will be able to finance the needy to the extent of their requirements.

We are glad to see that some more urban banks have come into existence, but there is scope for ten times the present number. The Registrar's report gives detailed account of the working of societies for Government servants, Industrial Societies, Societies for the Depressed Classes, etc. We hope the Provident Deposit Scheme which seems to have been introduced would be availed of more and more by the middle class people. Those who depend upon their monthly wages and expect to go out of employment in their 55th year cannot have a better method of saving and providing something to fall back upon than this Provident Deposit Scheme.

We may be permitted to observe that there is more of co-operative activity north of Quilon or at least north of Trivandrum than to the south of it. We hope this one-sided development would be attended to and vigorous steps would be taken to spread the movement in South Travancore where the majority of the people come under Makkathayam law and amongst whom therefore there will not be any trouble regarding the formation of societies on unlimited liability basis.

EXTRACTS FROM THE AUDIT ORDERS OF THE REGISTRAR.

I. The Madras Central Urban Bank Ltd. (1923-24)

The by-law of the bank were amended during the year so as to enable the Central Banks to take additional shares in place of the Preference Shares which were ordered to be redeemed in the previous year. The maximum limit up to which a Central Bank can now take shares has been raised to Rs. 30,000. One thousand and eighty eight Preference Shares were bought up and extinguished during the year and a corresponding number of shares was taken up by the Central Banks.

There was an all round increase in the transactions of the bank as the following figures show :

	1922-23	1923-24	
1. The net amount due to the Imperial Bank of India on the last day of the year ...	1·85	4·13	lakhs
Deposits	75·84	79·36	"
The amount drawn from and paid into overdraft account during the year ...	175·25	177 53	"
The amount outstanding against Central Banks	67 79	78·54	"
The indebtedness of Primary Societies to the Central Urban Bank. ...	0·91	0·53	"

The Bank earned a divisible net profit of Rs. 1,52,392-13-4 during the year

Owing to the large influx of money from Local Boards and Municipalities into District Central Banks there was some difficulty in finding an outlet for the funds of the Madras Central Urban Bank. The Bank had therefore had to invest a considerable sum in other Provincial Banks. A sum of Rs. 5 lakhs was invested in the Bengal Provincial Bank during the year and a further investment of Rs. 3 lakhs has since been made in the Burma Provincial Co-operative Bank Ltd.

II. The Central Co-operative Printing Works, Ltd. (1923-24)

Membership in the Press is open only to co-operative societies and the number of members rose during the year from 118 to 129 and their paid up share capital from Rs. 9,632-10-2 to Rs. 10,049-15-6.

Actual Press work :—During the year, the gross value of the work executed by the Press is Rs, 19,965 as against Rs. 20,716 in the previous year. Out of this amount a sum of Rs. 5,515 represents the cost of printing and binding materials used up while another sum of Rs. 6,293 was paid towards labour and the work done in other presses, thus leaving a gross profit of Rs. 8,157 for the year as against Rs. 8,497 in the previous year. Deducting a sum of Rs. 195 out of this amount for any probable sums that may be found to be unrealizable on account of non-recovery of bills or superseded forms, registers, etc., the net gross profits work out at Rs. 7,962.

Machines and Types

During the year machines and types worth Rs. 577 were purchased making the gross value of the purchase of types and machinery of Rs. 12,709. The net value at which they are now taken credit is Rs. 6,593 deducting value of articles actually disposed of and allowing a depreciation for those in stock at Rs. 2,007 in addition to Rs. 3,960 already made in the previous years for depreciation.

Net Profits

The net divisible profit earned for the year works out at Rs. 2,009-6-5 as against Rs. 1,945-2-1. Under by-law 24 one fourth of this amount, viz. Rs. 502-5-8, should be carried to reserve fund The. balance is available for distribution as dividend, common good fund and plant reinstallations fund, subject to the maximum prescribed in the Act, rules and by-laws.

Reserve Fund

The amount to the credit of the reserve fund according to the audit certificate of the previous year is Rs. 1,988-14-3. With the addition now made it will rise to Rs. 2,491-3-11. The Registrar has been pleased to sanction in his order No. Dis. 555-24 dated 9-2-1924 the utilization of the reserve fund in the working capital and it is accordingly done.

III Madras Christian Central Co-operative Bank, Ltd, (1923-24).

2. *Members and share capital.* Though the number of individual members fell from 147 to 146, their paid-up share capital rose from Rs. 93,580 to Rs. 93,639. The number of society members rose from 258 to 482 and their share capital from Rs. 10,898 to Rs. 22,372. There are still 296 societies financed by the bank, which have not become members of the bank. The bank is now insisting on every borrowing society becoming a member before a loan is disbursed.

3. *Borrowings.* The total borrowings rose from 5·96 lakhs to 8·00 lakhs. ***There is an increase in all the important items.*** Deposits by individuals rose from Rs. 5,75,077 to Rs. 7,11,072. The transactions under current accounts are developing very largely. 11·91 lakhs were received and 11·77 lakhs were drawn under current accounts leaving a balance of Rs. 1,34,994 on June 30th last as against Rs. 1,20,434 at the end of the previous year. The Reserve Fund investments of societies increased from Rs. 21,191 to Rs. 32,800.

The overdraft account of the Imperial Bank of India was freely operated upon.

4. *Loans.* During the year 357 loans amounting to Rs. 10,13,276 were disbursed to primary societies, while a sum of Rs. 8,24,360 was repaid by them. At the end of the year, 853 loans amounting to Rs, 3,05,848 were outstanding against 663 societies excluding a sum of Rs. 10,000 against the Salem District Urban Bank, as against 642 loans amounting to Rs. 6,26.932 at the end of the previous year.

These 663 societies financed by the bank are spread over 23 districts in the Presidency. Rs. 2,41,994, the largest amount for any one district, was outstanding against the societies in Madras Town.

5. *Overdues.* A sum of Rs. 66,823 was overdue under principal and Rs. 2,474—8—5 under interest as against Rs. 45,243 and Rs. 1,782 respectively at the end of the previous year.

6. *Net Profits.* The bank earned a net divisible profit of Rs. 17,136-13-9 for the year under review as against Rs. 16,285—8—0 in the previous year.

7. *Reserve Fund.* The amount to the credit of the reserve fund according to the audit certificate of the previous year was Rs. 12,326—6—5. A sum of Rs. 2,007—10—3 being the undisbursed profits for the half-year ending June 30, 1922, was carried to reserve fund by the resolution of the meeting of the General Body held on August 31,1923. With the addition now ordered the reserve fund will amount to Rs. 18,618—4—1,

IV TRIPLICANE URBAN CO-OPERATIVE SOCIETY, LTD., (1922—23).

2. *Membership and share capital.*—The number of members and their paid-up share capital fell during the year from 3,914 and Rs. 55,808 to 3,853 and Rs. 53,458 respectively. Eighty-four members reduced their share capital by Rs. 2,067.

3. *Borrowings.*—The society had no borrowings of any sort except the voluntary deposits of its own members on which the maximum rate of interest paid was 6¼ per cent. The total amount outstanding in deposits on the 30th June last was Rs. 80,952 as against Rs. 80.044 in the previous year.

4. *Credit branch—Loans.*—Four hundred and forty-nine loans amounting to Rs 46,340 were disbursed during the year as against 387 loans for Rs. 27,648 in the previous year, the rate on interest being 1¼ pies per rupee per month for simple and mortgage loans, 1½ pies for suretyship loans. Loans repaid by members amounted to Rs. 30,654. 425 loans amounting to Rs. 37,291 were outstanding against members at the end of the year. Out of Rs. 6,890-7-8 outstanding against certain primary societies, a sum of Rs. 530 was realized, leaving a balance of Rs. 6,360-7-8 outstanding at the end of the year.

5. *Distribution branch.*—The society purchased goods to the value of Rs. 6,97,141 during the year as against Rs. 8,56,096 in the previous year. The amount realized by sale of goods was Rs. 7,83,172 in the year, as against Rs. 8,97,298 in the previous year. The gross profit earned in this branch, during the year, was Rs. 63,850 as against Rs. 65,072 in the previous year.

6. *Net profits.*—The net profit earned during the year was Rs. 20,974-2-4 as against Rs. 22,813-4-1 in the previous year. Out of this sum, a sum of Rs. 521-7-9 appertains to the credit department and the balance of Rs. 20,452-10-7 to the distribution department as against Rs. 153-13-0 and Rs, 22,659-7-1 respectively in the previous year. Under by-laws 62 and 63 the entire profits of the credit branch viz., Rs. 521-7-9, and one-tenth of the net profits of the distribution branch viz., Rs. 2,045-4-3, should be carried to the credit of the reserve fund. The total amount that has thus to be credited to the reserve fund is therefore Rs. 2,566-12-0. The balance is available for distribution as interest on share-capital, dividend on purchases, common good fund, bonus to employees, etc., according to the limitations and maxima laid down in the by-laws.

7. *Reserve fund.*—With this addition the total amount to the credit of the reserve fund will be Rs. 67,186-8-5.

Government Order.

The Government have given most careful consideration to the suggestion that the clearance of the lands in the Trichinopoly and Tanjore Districts, which have been covered with sand by the recent floods, should be undertaken by the Government agency. They have come to the conclusion, however, that the adoption of this suggestion is neither feasible nor desirable.

The approximate extent of land covered with sand is 10,000 acres and the the depth of sand varies from a few inches to something like 5 or 6 feet. In some cases, the owners of the land will no doubt prefer to remove the sand themselves. In others, the depth may be so great or may be accompanied by so much scouring that it would be more profitable to use the land to grow cocoanuts or casuarinas than to clear it. The Government have neither the plant nor the staff required for a wholesale clearance and apart from the fact that in a matter of this kind, Government agency must from the nature of the case, be more expensive than private agency there is the serious objection that the Government would have to deal with a very large number of ryots in the two districts; and in order properly to safeguard the public interests, would have to enter into a special agreement with each ryot concerned. In a compact block a single ryot by refusing his consent could seriously embarrass the successful working of the whole scheme.

In these circumstances the Government consider that the initiative must be left to the ryots themselves. Individual owners of large areas may prefer to make their own arrangements for clearance with the help of loans from Government, where necessary. Smaller owners will probably find that the best prospect of success lies in the direction of co-operative effort and the Government are prepared to give all possible assistance on the following lines.

The Co-operative Department will assist in every possible way and an officer will be placed on special duty for this purpose. The Government believe that the compact areas covered with sand at Murungapettai in Trichinopoly and at Koviladi in Tanjore are particularly well suited for experiment. The Government will, if necessary, finance societies by the grant of loans at 6 per cent interest. They will also lend free of charge,and pay the cost of transport of such tramway plant as is available and will, if necessary, place an officer of the Public Works Department on special duty to give advice to the societies on the various technical questions which will arise. A rough survey of the lands will be necessary in order to ascertain approximately the depth of sand on each holding, and the Government are prepared to have this survey carried out for the societies.

NOTES AND NEWS.

Our appeal and its response. We have published elsewhere a list of persons and societies that have responded to the appeal of the P. C. U. on behalf of the distressed in the Flood affected areas. Though the amount realised is not much yet we are grateful to the donors. The subscription list is not yet closed and any contributions, however small, will be thankfully accepted. We have remitted the amount collected to the Central Flood Relief Committee and they have acknowledged the receipt of it in their lists of subscriptions' received published from time to time in the local papers.

The Coming Conference and our questionnaire. The Provincial Co-operative Union has sent out copies of a questionnaire about the topics that are to be taken up for discussion at the Thirteenth Provincial Co-operative Conference to be held in Madras during Christmas Week of this year.

It is hoped that all leading co-operators in the Province and all societies interested in the progress of the Co-operative Movement will give their best consideration to the questions raised therein and give us the benefit of their mature opinions on them.

We may perhaps remind them that it is not obligatory on any one to supply answers to all questions, and each individual or society will do well to confine himself or itself to those aspects of co-operation with which he or it is in intimate touch.

Our Finances. Civilization has been defined in various ways, and the definition that appeals to us co-operators is that 'it is the capacity for co-operation.'

May we request our readers to co-operate with us in making the Bulletin more popular, more instructive and more of a success financially.

We have at present 721 subscribers, and our annual income from subscription to the Bulletin is Rs. 2896. The amount contributed by the Governments of various Provinces and Native States, who subscribe for copies is Rs. 1860 so that the amount contributed by the non-official co-operators of the Province comes to Rs. 1036.

Is it too much on our part to except every co-operative society that transacts business to the extent of over 20,000 rupees a year, and that has on its rolls at least 15 members who are capable of reading and understanding the English Bulletin to subscribe for a copy and thus benefit itself and benefit us ?

Our Essay Competitions. We are glad to announce that we are opening an Essay Competition on subjects connected with co-operation. The competition is open only to supervisors in the employ of Unions in this Presidency. The successful candidate will get a small prize in the shape of a book or a medal, and his article may be published in the Bulletin.

The subject for the first competitive essay is: ' The real Test of a Rural Co-operative Society."

The essays should reach the Editor of the Bulletin addressed to the Bulletin Office, Royapettah, on or before December 10th, 1924.

The G. O. on the reclamation of sand silted areas. A Government Order published elsewhere gives an idea of the help which the Government is prepared to render to the ryots in the flood-affected areas. Though it is not very much that they have promised, yet, we are thankful for what they have agreed to do for the ryot.

A Tip to T. U. C. S. The Derby Co-operative Society has got a motor driven shop to enable the society to reach the many outlying and scattered districts around the place. The vehicle is so constructed that there is a window through which sales could be effected, and there is accommodation for the seller and his assistant to stand inside that shop.

We hope that the T. U. C. S., the premier Consumers' Society in the Presidency, will follow this example, and introduce up-to-date methods of transporting its goods from its headquarters in Triplicane to the branches throughout the City.

We may add in passing that such a motor driven lorry will enable the T. U. C. S. not merely to supply articles from the headquarters to Mambalam, Saidapet, Royapuram and such far-off places, but, properly utilized, it would serve as an excellent medium for advertising the T. U. C. S; for it must be admitted that a cause, however good it may be, does not of itself appeal to the people at large unless it is brought home to them in some tangible manner. A motor lorry plying between different divisions of Madras with prominent advertisements about the T. U. C. S., will bring the existence of this institution within the easy comprehension of the man in the street, and will indirectly be an inducement to him to join the Stores.

Further, fitted up as a movable shop, it could be taken on fixed days of the month to different localities, especially Cheries, where the depressed classes live, and the poor people there might be induced to buy good articles for cash. The numerous Audi Dravida societies that exist in the City would co-operate with the T. U. C. S., and would enable the members of the depressed classes, who are under an obligation to the village Sowcar or the private shopkeeper, to gain their economic freedom, so that they may buy for cash and benefit themselves and benefit the T. U. C. S.

Look at this Picture and that. The Triplicane Co-operative Society, which is the premier consumers' society in the Province, nay perhaps in the whole of India, taking the annual turnover into consideration, declared at its last general body meeting a dividend of 3·6 pies and 2·15 pies for two successive half-years of 1922-23 for every rupee of purchase.

The Co-operative Society of Adelaide, Australia, has on its rolls over 10,000 members, and it recently declared a surplus dividend of one shilling in the pound on the purchase made by members.

We know that many ardent co-operators decry the English craze for "divvy" as it is called, which is condemned as the bane of English Co-operation; but it is worth while on the part of the authorities of the T. U. C. S. to find out whether they could not make purchase from the Stores more attractive, make members more loyal to the Stores by managing their business more economically and efficiently, so that the consumer will have a reasonable rebate at the end of the year.

A suggestion to Co-operators in the Districts. We take this opportunity of informing our co-operative brethren all over the Presidency that the Governing Body of the Provincial Co-operative Union has at one of its meetings recently held resolved to publish the speeches of the Reception Committee Chairman and the President of the District Conferences and the resolutions passed therein, if the District authorities concerned agree to give the Bulletin as many reprints as we require of the said speeches and the resolutions, the Bulletin Office agreeing to pay the striking charges and the cost of the paper for copies supplied to it.

The District Conference authorities will, therefore, be so good as to arrange to have the reports of such conferences printed in size uniform with that of the English Bulletin, so that such reports of conferences might be sent out along with the Bulletin as supplement. This would enable the Bulletin Office to publish such reports in time as well as give an opportunity to the District authorities to give their proceedings a much wider publicity than otherwise is possible.

A suggestion to District Banks. We have received the report of the working of District Banks from Coimbatore, Conjeevaram, Madura, Ramnad and Guntur.

There are signs of progress everywhere, and we would suggest to the authorities of these various institutions to see that they co-operate with non-officials of the District to have District Councils of Supervision established where there is none at present and heartily co-operate with the existing non-official agencies by liberally financing them.

What Anantapur has taught us. Our co-operative brethren at Anantapur have set a noble example to co-operators in other districts by requesting such an experienced Co-operator like M. R. Ry. T. Srinivasa Rao Avl., to preside at their District Conference held recently.

Sometimes we see how co-operators are actuated by various motives and go in for presidents that have not much experience in co-operation, so that very often the first sentence in the presidential address is a confession of that illustrious personage of his own ignorance about matters co-operative And yet, he goes on manufacturing a speech full of platitudes and containing no suggestion of a constructive nature born out of personal experience.

Another matter in which other districts could do well to copy Anantapur is their holding their co-operative conference simultaneously with the Educational Conference, an Agricultural Exhibition, etc. It is time for us to recognize that co-oporation is after all only one branch of a citizen's activities and that the Movement stands to gain when Co-operative Conferences are held along with other functions, so that all the leading persons of a District might gather together and spend two or three very useful and happy days discussing all the multifarious problems connected with the District. This would conserve popular energy, enthusiasm and finance.

And we hope that in other districts also a District week, as it were, will be celebrated which would be crowded with conferences of various bodies all having the common aim of the betterment of the District in a comprehensive manner.

Bravo! Pattambi. The Pattambi Co-operative Union deserves to be congratulated on the excellent work which it has been able to accomplish in the matter of suppressing the arecanut disease called Mahali.

The Union has published a brief account of the work done, the difficulties which it had to encounter, the measures adopted in order to get the necessary finance, etc. It is gratifying to learn that there was hearty co-operation between the Departments of Agriculture and Co-operation, both official and non-official, and volunteer agency.

To have saved over 18 lakhs of trees from the attack of this disease and to have saved over 9 lakhs of rupees for the cultivator by the application of scientific preventive methods, is an achievement of which Malabar can very well be proud, and we hope that their efforts will be more vigorous in the coming year, so that by the successful continuation of the process of spraying they could exterminate the disease altogether from the district.

Business-like South Canara. We have great pleasure in acknowledging the question papers set for the Supervisors' Test in October last by the District Council of Supervision, South Kanara, at Managalore.

It is one of the few Councils of Supervision in the Presidency, that have taken up their task in right earnest, and it has been systematically conducting training classes and holding periodical tests,

We recommend their noble example to co-operators in other districts.

A co-operative enterprise deserving encouragement. We have great pleasure in announcing that the Hosur Co-operative Society has got a large stock of silk cloths for coats, turbans, upper cloths, *etc.*, manufactured by the members of the said society.

We hope co-operators all over the Presidency will encourage this indigenous industry.

Another Swadeshi Industry to be encouraged. The Managing Director of the Andhra Ayurvedic Pharmacy, Limited, informs us that the Company recently received an application from a co-operative society formed in the Godavari District for agency to sell the medicines of the said Pharmacy. This has induced the Company to make a general offer to all co-operative societies that the Pharmacy is prepared to recognize co-operative societies all over the Presidency as their agents, provided the application for supply of medicines be sent to them by the President of societies either through their respective supervising Unions or through the Provincial Co-operative Union. The Company is further prepared to allow credit to the extent of Rs. 100, provided 25 per cent of the value of medicines indented is sent along with the indent.

In these days of national awakening, when the people of the Presidency have rightly recognised the usefulness of Ayurvedic treatment, the co-operative societies will be combining business with patriotism, if they encourage an indigenous enterprise like the Andhra Ayurvedic Pharmacy, Limited.

The Victories of Peace. The transition from a state of war to one of peace is often figuratively expressed as swords being beaten into ploughshares. Making certain adaptations required by the changed conditions of warfare now, we find our fellow-citizens of South Africa are making use of aeroplanes manufactured in plenty during the war-time for locating the places of origin and breeding of locusts, a pest which all agriculturists are terribly afraid of.

What America is doing. We in this country are accustomed to Cattle Fairs and shows which are intended to serve as occasions for discussing problems connected with the improvement of livestock. But Saskatchewan is not satisfied with organizing such a show in one locality and leave it to the farmers' sweet will and pleasure to come there or not, benefit thereby or not as he pleases. The authorities are bent upon bringing the best scientific knowledge on the subject within the easy reach of the farmer near his home. They run a demonstration special train throughout the territory, the staff equipment thereof being supplied by 10 associations of Railway and Agriculture. The train is to consist of 16 cars, containing the feed of the animals, Bulls of various sorts adapted for various needs, sheep and swine, dairy cattle, and poultry, a demonstration car, an exhibit car, a lecture car, a motion picture car, a Forestry car and an office and staff car. Where are we in India compared with these up-to-date methods? Yet we cannot afford to stand in proud isolation and let all these "thunder past and plunge in thought again."

A noble sacrifice. It is very refreshing to note in these days when there is an incessant clamour everywhere for money and for more money, that the 10 per cent reduction in the teachers' salaries which the Government of the Irish Free State was forced to make was cheerfully accepted by the teachers of Ireland, who felt how important was their work and who were anxious to play their own part in the building up of the New Ireland.

Co-operative Insurance elsewhere. The first New South Wales Co-operative Congress was held on 5th April last and it was a great success. Among the various resolutions passed at the Congress the one about the starting of a co-operative insurance society deserves special mention. We extract the closing portion of the president's pithy address:

"Join in a movement that has proved its worth to the workers in all their struggles. Join in a movement that can and will be of lasting benefit to you. Join in a movement that gives practical expression to your ideals." We echo these sentiments and request all patriotic Indians to join the co-operative movement.

Co-operators as employers. We are glad to learn that at the conference to be held under the auspices of the British Co-operative Union the question of the policy that should be adopted as co-operators with regard to labour they employ will come up for discussion. As it is, responsible co-operators have no definite labour policy of their own. As co-operators they ought to be model employers, and their labour policy ought to be based on clearly defined principles.

We had the curiosity to know how the tea estates of the English Wholesale are being managed and our inquiry addressed to the headquarters brought us the reply that the C. W. S. is not a co-partnership organization, and that it is managing its estates through agents like any other capitalist. We were sorry to hear that because we hoped that the premier co-operative organization would have a more reasonable and more humanitarian labour policy.

Workers organize Co-operative Burial Society. The business of dying may have to be done individually, but there is no reason why the business of burying should not be done co-operatively. That is the same logic of the workers in Harrisburg, Illinois, who have decided to carry co-operation to the grave itself.

They have organized the Union Co-operative Undertaking Establishment which has built up a successful business by saving its members the exorbitant fees charged by private undertaking houses. Property to the value of 12,587 dollars is now owned by the co-operative, which has officiated at more than 1,230 funerals. An experienced undertaker is employed by the co-operative on a full-time basis. This co-operative burial society is one of the most unique institutions in the country. But its common sense and sound organizations make it a model for other communities to follow.

Co-operators in Schools and Colleges. In this country the importance of starting co-operative societies in schools and colleges with a view to familiarize students with the ideals of co-operation is not fully realized. A graphic account of what Sofia, the capital of Bulgaria, has done in this matter is given in an American Journal of co-operation. The parents of pupils are the active members of school societies and the teachers are associate members.

The societies purchase school supplies, clothing, shoes, etc., and they hope in course of time to organize libraries, reading rooms, gardens, holiday camps, etc. The International Labour Office has entered on this unique experiment emphasising the educational value that such training has both for parents and for children.

We hope this aspect of the question will receive greater attention in this country.

The prosperous Punjab. The Indian Journal of Economics for July contains a very interesting article on the rise in the rural standard of living in the Punjab by Mr. Darling. The writer takes a particular village in one of the channel colonies as a type and shows how propperous the village is. There is a higher standard compared with other Indian villages in the matter of food, clothing, housing and the general amenities of life. We wish the same remark could be made of other parts of India. There is plenty of darkhast lands available, which would amply repay the labours of pioneers. What we want is that our middle class youths who are spoiled by the modern education and who flock in such large numbers to towns and cities for eking out a miserable livelihood should turn more and more to land as a means of employment and then we can have many more villages like the typical village described by Mr. Darling.

STATEMENT OF RECEIPTS FOR THE FLOOD RELIEF FUND

STARTED BY THE MADRAS
PROVINCIAL CO-OPERATIVE UNION LTD., ROYAPETTAH.

Date	A. SOCIETIES	Rs.	A.	P.
18—18—24	The Mattigiri Urban Bank, Salem Dt. ...	1	8	10
	Kamalapuram Co-operative Society, Salem Dt.	1	1	10
	Karatholuvu Co-operative Society, Coimbatore Dt.	1	9	9
23— 8—24	Tiruvallur Co-operative Union, Chingelput Dt.	5	11	5
	Ramaiyampatty Co-operative Society, Salem Dt.	1	13	6
25— 8—24	Watrap Co-operative Society, Ramnad Dt. ...	1	8	5
26— 8—24	Anantapur Central Co-operative Bank, Anantapur Dt.	2	0	0
28— 8—24	Pullaramapakam Co-operative Society, Chingelput Dt.	1	11	5
	Karamadai Co-operative Union, Coimbatore Dt.	1	11	10
29— 8—24	Ranimukkanur Co-operative Society, Salem Dt.	1	13	5
30— 8—24	Koilpatty Co-operative Union, Tinnevelly Dt. ...	1	0	4
3— 9—24	Nellore District Banking Union, Nellore Dt. ...	25	0	0
	Maickampalayam Co-operative Society, Coimbatore Dt.	1	11	5
9— 9—24	Little Conjeevaram Urban Bank, Chingelput Dt.	25	0	0
22— 9—24	Nallatinputhur Co-operative Society, Tinnevelly Dt.	1	1	10
27— 9—24	Srivilliputur Co-operative Society, Ramnad Dt.	10	0	0
29— 9—24	Hospet Co-operative Central Bank, Bellary Dt.	15	0	0
4—10—24	The Madras Provincial Co-operative Union, Royapettah	45	1	0
	Dommeru Co-operative Society, Kistna Dt. ...	5	0	0
7—10—24	Tenali Urban Bank, Guntur Dt	25	0	0
9—10—24	Maipadu Co-operative Society, Nellore Dt. ...	10	0	0
14—10—24	The Madras Provincal Co-operative Union, Royapettah	12	0	0
16—10—24	Paragi Co-operative Society, Anantapur Dt ...	5	0	0
20—10—24	Hindupur Co-operative Town Bank, Ltd., Anantapur Dt.	10	0	0
22—10—24	Paramakudi Urban Co-operative Society, Ramnad Dt.	10	0	0
23—10—24	Kollipara Co-operative Society, Guntur Dt. ...	10	0	0
24—10—24	The Madras Provincial Co-operative Union Ltd., Royapettah	41	2	0
31—10—24	Mangalagiri Co-operative Society, Guntur Dt.	9	8	0
7—11—24	Ramachandrapuram Co-operative Central Bank, Godaveri Dt.	25	0	0
13—11—24	Kalluru Co-operative Society, Anantapur Dt. ...	2	14	0
20—11—24	Allur Government Servants' Co-operative Society, Bellary Dt.	11	0	0
21—11—24	Pannimadai Co-operative Society, Coimbatore Dt.	5	0	0
		326	1	0

B INDIVIDUALS

		Rs.	A.	P.
10— 9—24	V. P. Raja Bhushana Mudaliyar Esq., Purusawalkam.	11	11	1
15— 9—24	S. Ramanatha Aiyar Esq., Echur, Arcot Dt. ...	2	5	5
17— 9—24	K.V. Jaganadha Rao Esq., Zamindar of Polavaram	10	0	0
24— 9 24	The Assistant Registrar of Co-operative Societies, Rajshahi Division.	40	0	0
29— 9—25	Asundi Bhima Sena Rao Esq., Hospet ...	5	0	0
	A.D Thandu Mudaliyar Esq., Hospet ...	5	0	0
	P. Nagappa Chetty Garu Esq., Hospet ...	5	0	0
	K. Krishnamachari Esq., Hospet ...	3	0	0
	S. Hanumanthar Esq., Hospet	1	0	0
4—10—24	A. Venkata Chari Esq., Conjeevaram ...	1	0	4
	Total.	84	0	10
	Total from Societies	326	1	0
	Grand Total	410	1	0

THE SIXTH

Anantapur District Co-operative Conference

Anantapur, 8th November, 1924.

Rao Sahib T. Srinivasa Rao's Presidential Address.

BROTHER CO-OPERATORS.

I thank you for having done me the honour of asking me to preside over this conference. Feeling conscious as I do that this honour is a high one, perhaps the highest, in the gift of co-operators in a district and that it should accordingly have been conferred on one superior to myself in every respect, I recognize that it is your desire to do this honour to one who spent some years with you in the cause of the co-operative movement in this district and your kindly feelings towards me personally that have prompted you to select me. Naturally, being unwilling to give a negative answer to a requisition coming from old friends and co-workers, I felt it to be my duty to accept the offer and have done so though not without some diffidence, hoping that by doing so I might have an opportunity of further serving the cause of the movement by placing at the disposal of co-operators the results of my experience extending over nearly ten years of my connection therewith. Eminent persons, Executive Council Members, Ministers, High Court Judges and Legislative Council members and other co-operators of eminence have graced the presidential chair and guided the deliberations of District conferences. They have given an account of the progress made and the results achieved in other countries and other provinces in India and some of them also an account of what they have personally observed and studied elsewhere. They have pointed out what the movement stands for and what it is intended to achieve in so many spheres of human activity, economical, social, moral and educative, in fact activity of every kind tending to rural reconstruction which is of such great importance for the uplift of our country. I do not propose to traverse the same ground.

The notice of this and other conferences to be held at this station to-day and to-morrow and the programme thereof bear testimony to the activities in this District in so many directions calculated to reconstruct life in rural parts. This morning you have had Agricultural, Industrial and Educational Exhibitions. Now we are engaged in Co-operation and to-morrow we are to have village Panchayat and Educational Conferences. What a happy blending of so many activities!

Turning to the direct activities of the movement, we find that it has to a large extent concentrated its attention on the manipulation of credit. The credit aspect is not the end and aim of the movement. The non-credit aspect is most fruitful and most likely to benefit the people and lead to the progress of the country. However, credit co-operation furnishes the training which is so essential for the successful transaction of non-credit work and any amount of exertion will not be too much in the direction of consolidating the ground covered so far.

I propose therefore to confine myself almost solely to a review of the present situation in respect of credit co-operation and to offer suggestions such as would help towards improvement in the working of credit societies, so that the movement may in due course of time come to be self-controlled and be able to stand on its own legs and also to get more and more fitted to undertake non-credit activities.

EXTENT OF PROGRESS—CREDIT AND NON-CREDIT ACTIVITIES.

According to the latest report available, namely, the one for the year ending 30th June 1923, there were 8161 primary societies in the Presidency of which as many as 7905 or 96·8 per cent were credit societies and only so few as 256 or 3·4 per cent non-credit societies The working capital of both these classes of societies amounted to 378 lakhs and this sum was distributed over credit and non-credit societies in the proportions of 96 per cent and 4 per cent respectively, these proportions almost corresponding to the number of societies in each of those classes. Classifying the societies under the heads of agricultural and non-agricultural, which classification in practice almost corresponds to societies established in rural and urban areas, you will find the percentages to be 88 and 12 as regards numbers and 71·3 and 28·7 as regards working capital. Thus credit operations absorb 96 per cent of the working capital, 70 in rural parts and 26 in urban areas; while non-credit operations absorb only 4 per cent, 1·3 per cent appertaining to rural parts and 2·7 to urban areas. Taking credit and non-credit both together, the working capital sunk in rural and urban areas work out to 71·3 and 28.7 per cent respectively. These figures indicate the amount of importance and attention which credit societies in general and rural credit societies in particular demand.

URBAN CREDIT SOCIETIES.

The Urban credit societies are reported to be getting on well and a few matters concerning them are under the consideration of the Department. These raise their working capital, at any rate the major portion of it, from their members and directly from the depositor. They in fact are expected to do so. The depositor who deposits is expected to know from personal knowledge about the management of the society and decide whether he may lodge his savings with the society at his station. These societies we may accordingly leave alone.

RURAL CREDIT SOCIETIES.

The case with rural societies is different. The money required by the rural society, at any rate most of it, is found for it by the provincial or central banks which raise deposits from various sources and from all parts of the Presidency. The management of rural societies is therefore a matter of great importance in the interests of all concerned. Their present general condition however is not viewed with satisfaction either by the official or the non-official.

OFFICIAL REPORT.

Taking the first: It shews that there has been an increase of overdues all round as compared with the previous year, the percentage of unrecovered amounts from members being 36, as against 31 in the previous year. The percentage of instalments left unpaid to Central Banks also rose during the year. The Registrar considers that this matter requires very careful consideration, for the reason that the credit of the movement and its power to attract deposits at reasonable rates must depend to a great extent on the promptitude with which payments are made. He further observes that, though the overdues may be accounted for, he cannot view the steady rise in the proportion of overdues with satisfaction. He recounts a number of reasons for the overdues and with reference to almost every one of them he observes that there is manifestation of irresponsibility on the part of the member and the panchayat of the rural society and that the need for supervision is more apparent than ever. Speaking of Unions in this connection, the Registrar says that, though there has been a great increase in the number and efficiency of Unions it would be idle to suggest that they have yet reached the state of active efficiency when they can replace official supervision. The amount spent on supervision by Unions amounted for the year 1922-23 a little over a lakh and a half, that sum bearing a proportion of 25per cent of the amount spent on the Government staff. The volume and nature of non-official supervision are, it is said, not adequately represented by the amount expended by unions, for there is a large body of unpaid honorary workers without whose assistance effective supervision would be impossible except at very considerable additional cost to the State. Coming to the results of the working of these societies, the Registrar's report shows that the total divisible profit earned was Rs. 4·06 lakhs as against 3·38 lakhs in the preceding year and that the total loss not yets recouped on the 30th June 1923 was Rs. 4·51 lakhs as against 3·17 lakhs at the close of the preceding year. Of the 7100 rural credit societies, only 3332 made a divisible profit, the remaining 3768 societies, which form 53 per cent of the total number, having worked at a loss, the average loss per society amounting to Rs. 120. This loss, it is said, will be made good when the overdue interest has been recovered which, however, remains unrecovered year after year. The work of weeding out bad societies, the Registrar says was continued, the number of societies cancelled during 1922-23 being 69 as compared with 69 and 39 in the two previous years. A great deal of time and attention was devoted to the reconstitution of societies which were working badly and to the stimulation of activity in societies which were becoming dormant. There was some conservatism in registering new societies this being the necessary result of the time of Government officials being occupied in supervision and in the work of consolidating the existing societies. It is said that efforts are being made to organise more and more effective supervision and the Registrar trusts that this will before long result in a general system of efficient supervision.

This in brief is the official account of the working of rural societies, of the supervision exercised over them by unions and the Government staff. There are no doubt certain points for gratification but taken as a whole the testimony borne has to be regarded as unsatisfactory.

NON-OFFICIAL ACCOUNTS.

Non-official accounts of the working of societies, such as are available from first hand sources in respect to certain localities, such as appear from speeches made at various district conferences, and in the Legislative Council at one of its recent sessions—these go to show that the working of the rural societies is by no means satisfactory. In some respects, the non-official reports give even a gloomier picture.

That such should be our present position as the net result of the combined efforts of the official staff, and the non-official institutions, and individual honorary workers is, I may say, a matter which should engage the very serious attention of co-operators. Is the combined work of both the official and the non-official incapable of producing a better result, or do the present methods of work call for change or improvement which, if effected, will tend to improve matters. The official staff which can by no means be said to be undermanned, is working with a sole eye to improvement and the non-officials are asking for non-officialisation of the movement, whatever that term may mean. Yet neither of them is able to give a satisfactory account. I, for one, feel, and strongly feel that with the existing materials available for work at the present day, better results can be expected and in due course achieved, provided some changes are introduced in the present methods of work.

PRESENT METHODS.

In the early stages of the movement there was a time when there existed only primary societies in villages and one Bank at the Presidency for financing them. Then, of necessity, the Government staff undertook responsibilities appertaining to finance and supervision, in addittion to the duty of auditing which devolved on them under the statute. Propaganda then was solely in charge of them. As the movement expanded and developed, central banks have come into existence for undertaking finance at close quarters, and unions have been started for undertaking supervision at closer quarters and with personal knowledge and under personal guidance. In some districts, the district federation of Unions has also been organised for co-ordinating and regulating the working of Unions. The Provincial Co-operative Union has existed for a good length of time with the professed object of assisting the work of unions and the district federations of Unions, to propagate the principles of co-operation and to serve as the recognized exponent of non-official co operative opinion in the Presidency. These institutions—the central banks (to a comparatively large extent) and Unions (to some extent) have been doing their respective duties. However, the functions devolving upon these—of course some of them—are still being performed by the Government staff. There is no clear demarcation as to the duties performed by either. As things obtain, both may take credit for what is done and neither need acknowledge responsibility for what is left undone. Such a state of things hardly conduces to good work; on the other hand it breeds, has in fact bred, irresponsibility on either side. The rather indiscriminate handling of work devolving upon unions both by the Unions and the Government staff has stood in the way of responsibility being felt by Unions. Nothing would awaken the sense of responsibility so much as actual responsibility given. From a summary of the official report already given, you will see, Gentlemen, that the Registrar's observations apply in general to Unions all over the Presidency. Does this mean, I ask, that no unions can be singled out as coming up to a 'state of active efficiency at which they could displace official supervision? It can hardly be said that there are no unions of this kind anywhere in the Presidency. There are, I am sure, some unions which can be placed under this category, though their number may not be large. Again, many unions are in varying stages of development with the need for official help for supervision correspondingly varying. In several unions, there are a few societies which the Unions may not be, in fact are not, capable of tackling.

CHANGES SUGGESTED.

Every year, simultaneously with communication of the results of audit of societies affiliated to it, each union should in my opinion be told what all things await its attention and asked to state which of them it would undertake to discharge, of itself, without extraneous help. This way, the union should be made to realise what its responsibilities are; to declare to what specified extent it thinks it could, in its present condition and with its present facilities, undertake to bear its responsibilities, and in what directions, and to what extent, it would require help from the Government staff. This done, arrangements should be made for the rendering of such help as the Union may in its own estimation stand in need of, and ask for, by deputing the services of a Government Inspector or otherwise. The Union should also be called upon to state whether there are any societies out of those affiliated to it which it cannot manage and if there be any such societies, the supervision thereof should be undertaken by the Government staff. With the programme of work for the year chalked out in this manner, the union will be obliged to begin work with a full consciousness of what it will have to do in the course of the year, of itself, and on its own undertaking, and unaided by the Government staff. At the same time the Government staff will have a corresponding programme for the year of work legitimately devolving upon the union which, by reason of the union's inability and on its application, the said staff undertakes. To the extent, and in the directions, it undertakes its duties, the union should be left free quite free, to do its work in its own way. The Government staff should not be allowed to meddle with it. It does not even matter if it should commit mistakes. It is only by making mistakes that it will learn to avoid them. At the commencement of the next year, and during audit, the work of the union will come under the review of the auditor, when it will be known how far the union has fulfilled its own undertakings, whether it has or has not discharged the same fully, and how far short of its promises it has fallen. The division of duties for the next year will follow with reference to what is left unattended to whether by the union or the Government staff. The performance of either will come under distinct notice and separate review, and each will have to render an account of its omissions and failures. Under this method of regulation of the work devolving upon unions, improvement is bound to follow. In the very first year, we shall be able to know how many unions there are which do not stand in need of any help from the Government staff and to what varying extents the remaining unions seek help from the said staff. We shall also know how far unions come up to fulfil their undertakings. Immediate improvement on any large scale may not be achieved but every succeeding year will record a distinct improvement over its predecessor. Even at the risk of an initial setback in some unions, a method of business regulated on these lines, in my humble opinion, calls for immediate introduction.

To an extent, smaller though, this manner of regulation of work is called for in regard to *Central Banks* also. To quote an instance there is not, at present, the Registrar observes, any systematic use made by Central Banks of the method of granting extensions, when, by reason of a bad season or seasons, the rural member is unable to repay and in consequence the rural society, is unable to repay. Other instances of a like kind may be multiplied but for obvious reasons I refrain from mentioning them. Similarly in the case of the *Primary Society* the panchayat is not obliged to realise its responsibility. To quote an instance; In the matter of collection of instalments as they fall due and chiefly in the matter of taking steps for the recovery of the overdues, the rural panchayat is generally indifferent and highly so in several instances. The reason for this is that in the majority of cases one or more panchayatdars are themselves defaulters and dare not insist upon payment by others or take coercive proceedings against them. Under one of the by-laws of the rural society, namely, by-law 24, a panchayat member who commits default in respect of a loan taken by him shall *ipso facto* be considered disqualified to continue to hold his seat on the panchayat. He may, for good cause shown to the satisfaction of the general body, be reinstated if the default does not extend to over three months. If, however, the default exceeds three month, he must vacate his seat. This by-law notwithstanding, several panchayat members continue to serve on the panchayat for years after occurrence of default. Such panchayat members feel immunity from any proceedings against them being taken, though by action under by-law 62 and consequential procedure incidental to such action it is possible to keep such panchayat members out of office, and also possible to take steps for reconstituting the panchayat and in that way or otherwise improving the working of the society, or if that be not possible for ending the society. Other directons in which the rural panchayat require to be obliged to realise their responsibility may be cited.

These classes of societies viz., the rural society, the union and the central bank have thus, in various directions, to recognise their responsibilities or be obliged to do so, in an increasingly large measure, and the extent of fulfilment watched and reviewed from year to year. Change of methods of business on these lines cannot but be productive of improvement. In the early stages the reformed method may not produce any tangible improvement. There may even be considerable difficulty. When however work on these lines is persisted in, improvement is sure to follow. The necessity, the pressing necessity, for the introducttion of the proposed methods of business need hardly be emphasised. It will more than anything else succeed, in infusing a spirit of responsibility in the several institutions, responsibility *first* in undertaking duties and *next* in filling them.

DISTRICT FEDERATION OF UNIONS.

I have so far made little mention of the part which the District federation of unions, known also by the name of the District Council of Supervision or by the name of the District Committee of union representatives. stands to play. The functions of this institution are to co-ordinate and regulate the working of the several unions in the district. Individual unions may not be capable of handling several questions coming up for their consideration and decision. Questions of policy or procedure and questions of general applicability throughout the District, the selection, training, transfer etc., of supervisors, require to be dealt with by a central authority in the District. Certain questions, though appertaining to supervision, directly affect the working of the financing Central Bank and such questions, in the interests not only of the Central Bank but in the interests of the unions themselves should be dealt with by the central authority. The taking of the necessaay steps to give effect to resolutions passed at the annual conferences can be attended to only by that authority For the discharge of these and various other similar duties the District federation is indispensable. There appears to be divergence of opinion as to what exactly should be the function of this institution, whether in the first place it should have anything to do with supervision or whether it should not restrict itself to propaganda only. It may at once be stated that it should take up propaganda and also, without prejudice to the autonomy of unions, the function of coordinating and regulating supervision. There are a few other matters of difference and all these must be discussed and settled. Just as the Central Bank undertakes the financing of the societies within the area of its operations, the District Federation must undertake the regulation of work of the Supervision as well as propaganda. In the absence of the federation or even where it exists, if it does not function properly, these duties will necessarily devolve on the Assistant Registrar And so long as the Assistant Registrar happens to continue to perform these duties, there will not be much prospect of the responsibility of supervision being felt by or passing into non-official hands. Briefly stated, the unions and the District Federation, acting in conjuntion with one another, should in due course assume responsibility for everything connected with administration of societies except what devolves on the Registrar under the Statute, viz., auditing and certain other functions more or less incidental or consequential thereto. This high ideal should be held in view, no matter whether with its present capacity and facilities the Unions and District Federation are able to reach it or not. Starting with these aims in view, the District Federation will in due course build up its business and methods of work. As long as the Assistant Registrar continues, in his own office, to deal with matters relating to supervision, so long will real progress in the passing of control to non-official hands not begin. In the early stages, as in the case of the union, the District Federation in some or perhaps many districts needs the the help and the guidance of the Government staff which will of course be forthcoming. In districts, however, where competent men are forthcoming the District Federation should be left free to do its work. This institution will in due course be of considerable service in securing efficiency in societies and unions. The need for the formation of this institution wherever it does not exist already—it does not exist in most districts—and the need for the existing institutions assuming the responsibilities mentioned, if they have not already done so, can hardly be over-estimated.

Let me now refer to a question which for some time has been engaging the attention of co-operators in several parts of the Presidency, namely, **The Transference of Control from Official to Non-Official hands.** This same thing is also referred to as non-officialization of the movement. This subject was dealt with by the Hon'ble the Minister for Development in his address to the Guntur Co-operators at their last Conference. I am afraid there is wanting in some quarters a right appreciation of what exactly is meant by the terms used. Thanks to the early organisers of the movement, every type of institution is provided with a democratic constitution. But for certain respects in regard to which power or control is reserved in the hands of the Registrar, and these after all are not many, the constitution of every type of society is, if I may say so, absolutely democratic in character. Whose is the fault, I ask, if the institution does not function properly ? The fault is its own, not of the Registrar or the Government or any body else. Except for the few reservations referred to, what, I ask, is there, for the non-official (by which term I mean every type of institution) to seek at the hands of the Registrar or the Government, in the matter of control of societies, or for the Registrar or the Government to bestow. The term 'transfer' implies that there is something which but for the transfer by one the other cannot assume. There is hardly any such thing. Societies of all types have straightway to realise their responsibilities and proceed faithfully to bear and discharge those responsibilities. When they do so the Registrar and the Government will surely relinquish the power of control as to certain matters which, in the best interests of the societies themselves, they have reserved in their hands. And then the transference of control, or non-officialisation, call it by whatever name you please, will have become an accomplished fact.

The mere existence of a large number of Unions with most primary societies affiliated to them, the expenditure of a lakh and a half rupees on supervision by the non-official agency, the appointment of a number of Honorary Assistant Registrars—the policy underlying whose appointment and distribution over unions is not clear—the provision of peons to the honorary workers, these by themselves do not connote much in respect to non-officialisation, the more so when these facts are considered side by side with the expansion of the official staff from four Assistant Registrars and 54 Inspectors in 1913-14 to 22 Assistant Registrars and 340 Inspectors in 1922-23 and the increase of cost to Government from Rs. 1·20 lakhs to 6·19 lakhs. In saying so I do not forget or ignore the vast expansion of the movement in this period. Yet the comparison is not without use in considering how far the movement has come to rely upon itself. Nor do the facts that some unions directly recommend loans to the Central Bank and do the collection work nor the disposal of arbitration suits by Honorary Assistant Registrars, which work after all its purely mechanical (the decisions being *ex parte* in 99 out of 100 cases) constitute "non officialisation". This term, as already explained, comprises much more. What is of prime importance to effect is—*first*, the recognition by each type of institution of the sum total of its responsibilities; *next* the undertaking of the discharge of the whole or part of such responsibilities, of itself, without extraneous help, *thirdly*, the actual carrying out of such undertaking ; *fourthly*, the several types of institutions comprising each of the so-called arms of co-operation——Finance and Supervision——co-operating with one another, the more intelligent and the more capable of them supplementing the defects of others ; and *lastly*, a review of the actual fulfilments each year with an encouragement to secure further advance the next year. It is regulation of work on these lines that

will effect "Non-officialization", and it is for you, Gentlemen, to consider whether it is not high time to regulate work accordingly.

Let me not, please, be misunderstood as belittling the value of the immense service rendered to the movement by the Government staff in respect of duties which do not devolve upon them under the Act. In what I have said above, I have only sought to emphasize the necessity and importance of each of the several types of societies realising, or being obliged to realize, its responsibility, and co-operating with the rest of them for the attainment of the end in view, namely, the proper working of the whole co-operative machinery, with as little help from the Government staff as possible. It will take time to reach this goal ; but there should be a definite programme showing distinctly what progress is made from time to time and indicating, though roughly, how long it will take to reach the goal. A competent authority has observed that executive official activity and interference at a time when co-operation is young and undeveloped proves to be weakening and misleading, that the spirit of self-realiance and free-thought is stunted, that the privilege of making and profiting from mistakes is denied and that there grows up a tendency to call always for official assistance without realising the value of one's own effort. To this view I would invite the attention of both the Government staff and the co-operators engaged in the management of several types of institutions.

AUDIT.

As to the statutory duty of audit and also certain other functions devolving on the Registrar under the Act these will continue to be performed by the Government staff. At all times, and more so now when the work of supervision by unions is so far backward, the importance of audit cannot be over estimated. The ordinary purpose of audit is to see that the accounts are properly kept and to present to those interested a correct statement of the financial position of the concern. Having said so in his Manual, the late Mr. Hemingway of revered memory proceeds as follows: "This is as necessary in the case of a co-operative society as in the case of any other business body. But there are special features about the audit of a co-operative society. The Registrar (who is responsible for accepting the audit and who must prescribe its conditions-is bound by his duty to the public to see not only that the audit is mathe)matically correct, but also that the affairs of the society are conducted in a truly co-operative spirit, or in the words of the Act (Section 4) in accordance with the principles of co-operation. This needs a more detailed scrutiny into the policy of the acts of the society than would be required of an auditor." Furthermore, Mr. Hemingway adds, the Registsar is concerned not only to discover and expose what is wrong about the working of the society, but also, and even more so, to assist societies to correct their mistakes and do their work rightly in future. This makes it necessary that the audit of a co-operative society should go much beyond the scrutiny of what has been done in the past. Indeed the inspecting (or rather the auditing) officer is as much the guide, counsellor and friend of the society as an inquisitor into its mistakes." Such being the scope and importance of audit, co-operators cannot feel too thankful to Government for their undertaking the work. Not less important, however, is what devolves upon the supervising agency in relation to audit. The responsibility of the auditor will end with communicating the results of audit and giving instructions and directions for carrying out the necessary corrections and improvements.

Though this business devolves in the first instance upon the society concerned, it remains for the supervising agency to see that the needful is done by the society concerned, or is got done under its supervision, should the society fail in its duty. In other words, the audit should be made effective. The points noticed in the audit for any year should have received attention and been set right before the audit for the next year begins. When this is done, the continuous bad condition of some societies, the same lasting (as it now does) over a number of years will necessarily become a thing of the past.

RURAL SOCIETIES—RECONSTITUTION OF PANCHAYATS &c.

All that has been said above concerning credit co-operation, when reduced to a nutshell, amounts to seeing that every primary society does its business and does it well. The primary society is the pivot on which the movement turns for its weal or woe. Whatever, therefore, the provision for supervision or audit, and whatever the control over supervision or audit, the whole thing will be as remote from success as anything, until the primary society begins to realise its responsibility and does its work satisfactorily. It should therefore, Gentlemen, be the aim of the rural co-operators assembled here to see that every primary society does its work well. The proper conduct of work therein depends upon the integrity of the panchayat as well as its competency. Too much care cannot be exercised in organising societies, the organisation being restricted only to villages where men of character are forthcoming. In existing societies, the reconstitution of panchayat wherever it is called for requires early attention.

TRAINING CLASSES.

So far, no serious attempts have been made anywhere except at at Villupuram in South Arcot District in April last for holding classes for training the secretaries of rural societies in the performance of their duties. The Government staff does the teaching work in individual societies but this is neither adequate nor systematic. The holding of regular classes does not admit of further delay. Classes are equally urgently called for, for the training of members of the governing body of unions and for the training of union supervisors. These also should be arranged for as soon as possible if early improvement in the working of societies is to be expected. It is the duty of the District Federation of Unions and the Provincial Co-operative Union to arrange for these. Both these institutions lack both men and money. They have a legitimate claim for State Aid for this purpose and should apply for it. As for men, the prominent non-official co-operators in districts should make a sacrifice of their time and offer their services. The District Official staff will certainly co-operate A move in this direction may at once be made. The Provincial Co-operative Union, to the very limited extent open to it. will be willing to Contribute its mite. To the official authorities we may suggest that training classes for auditors may also be arranged for.

SOME IMPORTANT QUESTIONS.

Having now finished what I wished to state in regard to improvement called for in regard to administration of credit co-operation, I shall proceed to deal with a few important questions concerning credit co-operation, which have been before co-operators in recent months.

Taking up *Overdues* first: I have already referred to the subject and I wish to add that at present there is no systematic treatment of it. In the latter months of the year a considerable amount of anxiety is evinced both by the Union and Government staff but their efforts are not attended with commensurate results. On the other hand the responsibility of the panchayat of the society gets weakened. The year ends and attention to the subjects ceases or gets much slackened. Unless with the commencement of each co-operative year a close examination of the overdues by the panchayat, and if necessary also by the Union, is insisted upon; unless the cause in regard to each individual defaulter is ascertained by local inquiry; unless extensions are granted when they are deservedly called for; unless, as the result of these measures, steps are taken for recovery, through coercive processes if need be in all cases in which the panchayat declares its inability to collect otherwise; and unless also the progress is watched by the union and the Central Bank month by month, from the very commencement of the year right through to its end, there is not much hope of any progress worth the name. In view of the present position in this respect vigorous measures are called for. In the execution of these measures, bad societies, of the redemption of which there is no hope, should be singled out and recommended for cancellation. This process requires early attention, lest indifferent and wavering societies should grow worse. The weeding out of hopeless societies appears to recive greater attention in Bombay and Mysore and I think we have to proceed in this work with greater speed than we have been doing.

One of the reasons accounting for the overdues is said to be that loans are not granted in recent years for a term of ten years, as they used to be in the previous years. There is a demand in several districts for the extension of long term loan to ten years. The reasonableness of this demand is recognised by the Hon'ble the Minister for Development in his Guntur address but the Minister considers that Banks and societies can hardly be expected to take the risk involved in lending for long terms out of deposits for short periods. This question the Minister adds has been under the consideration of Government for a long time past and Government, it is said, are now well on the way to organise four land mortgage banks in four localities. The question of land mortgage banks is still in a stage of contemplation and experiment and it will be long, perhaps very long, before such banks come to be established in all Districts. Meanwhile it is for co-operators in several districts to consider whether by offer of higher rates of interest, they may not try to raise deposits for longer terms than now obtain wherewith to grant loans for ten years.

Gentlemen, I would next invite your attention to the question of *Reserve fund*. It is a matter for regret that the chief objects for which the Reserve fund is intended are lost sight of, viz., that, in addition to being a provision for meeting unforeseen losses, it is intended to serve as an asset of security for borrowings and to build up an owned capital for each society, which in due course will be sufficient to meet all its needs and displace the borrowed capital. It is to be regretted again that responsible co-operators argue that in unlimited societies the reserve fund is not an important feature and that much importance need not be attached to it. It is to be regretted also that responsible co-operators consider that there is no harm in the violation of the rule issued by Government in regard to the building up of reserve fund, notwithstanding the fact that the rule intends that in due course the reserve fund should reach a figure wherewith the borrowed capital may be displaced. If the various arguments advanced are at all tenable then there is no place for the rule in question on the Statute book. It should accordingly be wiped out. To let the rule stand as it is, without taking any step to have it rescinded or altered, and at the same time argue in the above strain are hardly compatible with one another. Either the rule should be obeyed or it should be modified or cancelled.

Every society applying for registration accepts or must be taken to accept the guiding principles of the movement. And does not the rule referred to lay down a guiding principle, viz., the principle that the society should not for all time to come be dependent for help on others but that in due course it should build up a fund of its own, where with to transact its business. Can it be, then, that it is open to co-operators to argue in the way described above. Compliance with the rule means, or rather necessitates, the maintainance of a certain minimum margin between the borrowing and the lending rate, which cannot be further reduced. If, maintaining such a margin, a society cannot finance its members at a rate of interest at which or below which the members can raise the money outside the society, that means, as has so well been pointed out by the Maclagan Committee, that there is no need in that locality for the credit which the society can supply. The society is established not for a year or two but for the long future. Unless it enables itself in due course to find its own capital. it will be hard to find adequate justification for the large expenditure incurred by the State on the movement from the general revenues by way of cost of establishment and by way of exemption from stamp and registration fees, etc. I shall close my remarks on this subject by quoting what that great authority on co-operation, Mr. H.W. wolff, says in the chapter " Village Societies" in his work "Co-operation in India :—

" There is one rule which certainly should be " fixed and staunchly held by, and that is, that the first claim on surplus, even though it should be to the exclusion of other claims, in all cases must be the claim of the Reserve Fund. A Reserve Fund is an inexorable necessity. You *must* have it. And the larger it is the better will you fare. You can never have too much. In early days it will need special nursing, such as may call for some sacrifice. But you cannot stint it. This is the rock upon which, according to the parable, you may with confidence set up your house."

The matter was interpellated upon in the Legislative Council by a Co-operator of your District, Mr. G. Rameswara Rao. He questioned whether as contemplated by the rule the Government expect that the reserve fund will come to 50 per cent of the liabilities at any time. The reply was given that the accounts would have to be examined before an answer was given to the question. Mr. Rameswara Rao further questioned whether the lessening of the margin between the borrowing and lending rates was not responsible for the society's inability to build up reserve fund. Notice of the question was claimed and no answer was given. Let us take it that the matter is under the consideration of Government.

Proceeding to other questions, we find that. there is a strong desire expressed in some quarters that *the rural society secretary should be remunerated* for his services lest the working of the society should suffer. There is a similar desire again for *enhancement of the rate of dividend on* the members' share capital invested in rural societies from 6¼ to 9 per cent. *The average expenses of management per society* which vary from Rs. 4 in one district to Rs. 74 in another seem to be excessive in some districts and in some societies. The present *contribution to supervision fund* levied at 8 annas for Rs. 100 of working capital is found insufficient for carrying on efficient supervision and propaganda in some quarters.

These items of expenditure, including the contribution to Reserve, must be met out of the margin between the lending and the borrowing rate of interest and certain other minor sources of income. The condition of different societies differ in these respects, the difference being due to various reasons. This is an important question and I would request you, Gentlemen, to examine it closely and carefully, and satisfy yourselves that in respect of every society an adequately sufficient margin is maintained, so that you may be able to provide for the necessary and statutory obligations therefrom. Otherwise you will break the law or spend out of capital; and, certainly, neither of these courses will commend itself to you.

Another matter which is lost sight of in some places and to which I would invite attention is an essential feature of credit co-operation, namely, that it combines in the same institution both the borrower and the lender, so that the usual conflict of interest between them may cease. However, it is observed that in Central Banks, as in primary societies, in certain localities, the members in their individual capacity as borrowers, seek concessions without much concern as regards the interest of the institution in its corporate capacity as the lender. In private money lending the sowcar has the upperhand and the tables will only be turned, should the attitude noticed in certain localities prevail of the individual members of co-operative societies not paying due regard to the interests of institution in its corporate capacity which interest after all is ultimately identical with theirs.

I have done with credit co-operation, I have tried your patience and I would beg of you, Gentlemen, to pardon me. My excuse is that I cannot think of passing over important matters. Conferences such as this are occations for taking stock of our position, and for considering ways and means for our improvement. I have endeavoured to be brief, but the variety and number of subjects and their importance more than myself account for the length.

NON-CREDIT ACTIVITIES.

Before closing I shall say a few words in regard to non-credit activities and in regard to the movement in your District in particular. Non-credit co-operation is, it is said, backward in all provinces and that this province is not more backward than others. A meeting of the Board of Agriculture (comprising representatives of the Agricultural Departments of all Provinces) and of the representatives of the Co-operative Department, recently held at Bangalore, is reported to have held that the progress of non-credit agricultural co-operation must depend on the successful expansion of credit work as a good credit society is the best training ground for the more elaborate and efficient forms of production and sale. Credit co-operation to become efficient, so much awaits to be done and when it becomes efficient, non-credit activities, whether agricultural or non-agricultural, will progress at a much faster rate. That however is no reason why non-credit activities should not be undertaken in places where good credit societies already exist.

REGARDING ANANTAPUR DISTRICT.

Now, Gentlemen, I shall just refer to a few matters concerning your District in particular. You have had a succession of unfavourable seasons which are said to account for the heavy overdues. For two years past the Central Bank has not had sufficient funds to finance societies. One reason is stated to be that the Central Bank lacked the requisite share capital. This is much to be regretted. Under due regulation of business, the Central Bank should be able to command the requisite share capital at any time and it is hoped that the Directors will take the necessary steps in this matter, if they have not already done so. It is, however, a matter for congratulation that the Central Bank gave extensions to societies in respect of as much as Rs. two lakhs. It is hoped that the Central Bank has taken care to see that the concession reaches members of the rural societies concerned. The few non-credit societies existing have not done well and some of them are undergoing voluntary liquidation. As elsewhere, the weavers' societies do not get on well in this District also. One has been liquidated and the working of the other is hampered by absence of demand for the manufactured product due to adverse season. The Unions in the district, fifteen in number, are said to be poor in point of capacity; nor do they appear to be rich in point of funds. The amount available for expenditure on supervision did not amount to more than Rs. 617 per Union and this is hardly sufficient for running the administration of any Union even fairly efficiently. Some small amount of agricultural activity was displayed in some societies and Unions. Unions and rural panchayats stand in need of education in this district, as in any other, and you will do well to take up this question, without loss of time. The distribution of the staff of Inspectors between audit and administrative work does not appear to be viewed with favour in this district. This was found to be the case at least in one other Disttict, namely, Godavari. I may be permitted to point out that this is an arrangement which should be welcomed rather than resented. No doubt, the change may be attended with some difficulty in the beginning, but it is sure to be productive of good results. Until relieved of the responsibility for supervision, an Inspector cannot be expected to discharge his duties as auditor quite as he ought to. The Chairman of the Reception Committee, Mr. Hatti Siva Rao, referred to the immense possibilities which exist in Kalyandrug Taluk of organizing Labourers' Societies in connection with the work of collection of Tangedu bark. If, as he stated, the Tangedu bark contractors realize a profit of Rs. 12,000 a year, after maintaining an establishment costing Rs. 12,000 and paying the actual workers' wages amounting to Rs. 6000 only, the scope for the improvement of the lot of the labourer is certainly immense and no time may be lost in organizing Labourers' Societies. In opening the Conference, Rao Bahadur Mr. N. Gopalaswami Ayyangar drew your attention, among other matters, to the necessity for paying due attention to principles. The need that exists in this respect cannot be over-emphasized. With over 360 rural societies in the District, less than 30 get the Telugu Bulletin of Co-operation (Andhra Sahakari). Every society should get the journal and benefit itself by reading it. Useful as the "Andra Sahakari" is, the Tulugu Districts should take greater interest in it and make it more useful. I was present last June at a meeting of Unions in Telugu Districts convened at Bezwada bv the "Andra Sahakara Sammelanam", but the meeting was not attended by any Union from Anantapur District. If the Unions here do not care to join the Andra Sahakara Sammelanam, there is no reason why they shonld not join the Madras Provincial Co-operative Union. There was a time, Gentlemen, when your District was in the forefront of other Districts and there is no reason why you should not try to reinstate yourself in that position again.

I greet you, Gentlemen, on behalf of the Madras Provincial Co-operative Union and wish the Conference every success.

The Central Co-operative Printing Works, Ltd., Chintadripet, Madras.

THE THIRTEENTH

Madras Provincial Co-operative Conference.

The XIII Madras Provincial Co-operative Conference will be held on 21st, 22nd and 23rd December under the presidency of Sir K. V. Reddi Naidu, B.A., B.L., K.T., Ex-Minister for Development. Rao Bahadur A. Vedachalayar will be the Chairman of the Reception Committee. We have great pleasure in requesting you to attend the Conference.

Yours very sincerely,
M. S. SESHACHALAM,
K. G. SIVASWAMY,
S. K. YEGNANARAYANA AIYAR,
Secretaries.

ROYAPETTAH,
21st Nov., 1924.

To members, contributors and subscribers.

REGISTERED—No. M. 1284

The Madras Bulletin of Co-operation

Issued every month in two languages—English and Tamil.

> "If the system of Co-operation can be introduced and utilised to the full I foresee a great & glorious future for the agricultural interests of the country"—
> His Majesty's Reply to the Delhi Municipal Address, 13th December, 1911.—

Vol. XVI.] **DECEMBER 1924.** **[No. 6**

PRINCIPAL CONTENTS

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Office of the
Madras Provincial Co-operative Union, Ltd.,
Royapettah, MADRAS.
Subscription per annum for individuals and non-affiliated Societies Rs. 4, and affiliated and contributor Societies free.

N.B.—Complaints of non-receipt of parts will not be attended to if not received within a fortnight after the due dates.

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THE MADRAS BULLETIN OF CO-OPERATION
P.C.U.
ALL FOR EACH and EACH FOR ALL

Vol. XVI.] DECEMBER 1924. [No. 6.

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

AN ADDRESS ON CO-OPERATION.

By Mr. G. K. Devadhar.

Vice-President, Servants of India Society.

Mr. G. K. Devadhar, Vice-President of the Servants of India Society, now on a visit to the flood-affected areas in the South, came to Thirukattupalli from Tanjore at 5 P. M. A meeting was convened by the Central Flood Relief Committee under the Servants of India and Y. M. C. A. Flood Relief and the local co-operators in the Local High School premises. A gathering of more than 530 people assembled from the villages that have suffered from the recent floods. M. R. Ry V. Gurusami Sastrigal B.A., L.T., introduced Mr. Devadhar in suitable words. He detailed the humanitarian work done to afford relief and he showed how a sum of a little over Rs. 1000, was got for the work in that locality only and how thankful the mass should be to the unselfish and disinterested members of the Servants of India Society. Mr. Devadhar addressed the gathering as follows :—

"Business," says Henry Ford, "exists not for profit but for service."

My dear Brothers and Sisters,—I am very glad to see you here and I want to thank you for the trouble you have taken in coming from your villages and staying here at such a late hour. I am really sorry that I am not able to speak to you in your own language, to express our deep sympathy for the troubles through which you have passed and through which you will pass for some months more. You have thanked the members of the Servants of India and Y. M. C. A. for the assistance they have given you and for the service they have rendered to make you happy and comfortable. They have done so as a part of their duty towards their countrymen. They have done no obligation. They have done just like one who loves his country and his countrymen ought to do. They are servants of the people and as servants of the people they have done their duty and through you they have served their God.

Additional relief to the sufferers.

I have listened to some very interesting and informing speeches made by your own representatives, (pointing to a Panchama member who spoke detailing the needs and requirements of the poor people) my dear friend over there as also that lady who spoke just now. They have been able to tell me much more impressively than probably the more learned speeches, of the great needs and requirements from which you are at present suffering. Your difficulties are you want cheap grain and I tell you that on behalf of my Committee and on behalf of your own brothers and sisters in Bombay who are sending small contributions to help you, a cheap grain centre will be opened from to-morrow and the first dole will be given out from to-morrow to help you to spend the Deepavali Holiday. In addition to a measure of rice for a family, one piece of cloth will be given for each family and I believe that will to some extent help you to spend your Deepavali with the help of your own friends from Madras, Bombay and other parts of our country in a somewhat happy and cheerful manner.

Their disabilities—how to remove them.

Then you have spoken to me about your difficulties so far as clearance of silt and sand is concerned and I thoroughly agree with my friend, K. G. Sivaswami, who has preached to you the gospel of self-help and self-reliance. Any help of other people and of the Government will be of no avail, will bear no fruit, if you will not learn to stand on your own legs and exert yourselves to the utmost to utilise to the fullest advantage, the little help which Government may give you and also the little help others may give you. If you are to make yourselves really happy, you must use in the best way possible the assistance which Government is prepared to give, as also the help which your own countrymen in other parts of the country are prepared to send you. I shall be very glad to send you after some time some bundles containing very good pieces of cloth and I am glad to hear from Mr. K. G. Sivaswami the work that has been done by the members of the Servants of India Society with the help of the funds that have come from the People's Fund, Madras, from the Madras Central Fund, from the Labour Commissioner and from the Servants of India Society from Bombay. A sum of little over Rs. 4000 has been spent and I am sure that this will be appreciated and, if you learn the lesson of self-help and co-operation to make yourselves happy without depending upon other people, I believe you may probably expect to get more help.

The history of a nation is made by its labouring men. Its historians and statesmen merely write about it and talk about it. The labouring men produce the wealth of a nation. The merchant princes, the captains of finance and industry merely collect that wealth, and the war makers destroy it.

JOIN THE CO-OPERATIVE SOCIETY, THE KAMADHENU OF MODERN INDIA.

That your condition is very bad, your economic position is extremely poor and miserable, you have no education but you have many vices, I am sorry to say. Your social position is what it ought not to be. All these are great evils and to remove these evils and to cast them off there is only one remedy in my opinion and that is Education and keen Co-operation. If you learn to send your children to school and if some of you go to night schools and if you learn to join Co-operative Societies, whether they be for supplying seeds or manure, cheap credit or Joint purchase for you or for the purposes of collecting together and sending to the dearest market the produce of you lands, what-ever the purpose or the direction of the Co-operative Society be, I am sure you will not always cry for help from outside, and you will try to learn to help yourself. That is a very great lesson. No one can really be happy with receiving constant help from outside. If you want to be happy, if you want to be cheerful, if you want to be strong, if you want really to be true citizens and good workers and helpers of your countrymen and of your own castemen and of humanity, you will be so only when you begin to learn by going to school, by joining the school of an efficient Co-operative Society. **My faith in co-operation is so strong that I would**

Even as the dogs wag the tail, so the wise wag the heads of the foolish. The kings of old ruled with strong arms. The kings of to-day rule with long heads.

always advise, have always been advising, elderly people as also women to join a co-operative society because, though a co-operative society does not ask you to bring your slates, grammar, pencils and chalks, it gives you lessons in far greater varieties in a practical manner and it brings you that self-reliance first and foremost, be he a farmer, or be he a small tenant with a small piece of land measuring 40 cents. What I mean is this a co-operative society, if its principles be properly understood and what is more important, if the principles of co-operation be practised everyday by making yourselves thirfty and honest, will largely be a very great solvent to several economic and social problems from which you are suffering to-day. I have not much time, otherwise I would have described to you how co-operation has improved the condition of people like you and your own co-operators here might try your education by the several co-operative societies. I am told that the District of Tanjore is the strongest place probably in this Province for co-operation and I would therefore advise and ask everyone of you who is an honest man, who wants to be honest at any rate, if he is not to-day, to join a society, and then improve his economic position first. With the improvement of economic position will also come the improvment of your social position and with the two-fold improvement of your social and economic positions, I am certain your educational improvement, your cultural improvement is bound to follow. It may not be in your case and, if you learn the lesson, if you give up the habit to drink, if you learn to clean yourselves every day, if you learn to keep your body clean, if you put on clean cloths as far as possible, if you do not tell a lie, if you always help each other and love each other, you would be more amiable and people will banish your untouchability from the rest of the castemen. I do not mind mixing amongst you. I have often lived among depressed people but I insist on them to be clean men, cultured men, educated men, honest men and women and also true patriotic citizens. If you want to improve, the first lesson will be from a co-operative society. If you join the co-operative society after understanding the principles and its practice, I am perfectly sure that God will assist you in your onward march and let us all pray there will be no more floods and no more listening to a few words of advice probably with the expectation of getting something by way of rice or by way of cloth. God imposes the condition to help only those who help themselves. God does not help the idle. God helps all those that help themselves. I would therefore pray that God should give you strength enough to cultivate the virtue of self-reliance and by making you much better citizens

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Wages mean more than the price of a certain number of hours of work; they mean life and a chance to enjoy and advance the civilization of the day.

with the help of your education and with the help of the co-operative society. Co-operation to me is something like the great Kamadhenu of which great poets have spoken. The Kamadhenu is supposed to be that cow which yields everything which a man wishes. If you therefore want to improve your houses, a co-operative society can help you. If you want to get cheap grain it will help you. If you want to clear your lands of silt, the society will do it. I want you therefore, to learn co-operation and I think it is not possible to learn this without faith and confidence in those who have undertaken to improve you and serve you. If you will therefore keep in mind the advice they give you—each one will ask you to be honest and to help others—if you learn to remember this advice, your improvement will not be a difficult task. I wish to be excused for having kept you so late. I have asked my friends here to get a co-operative grain shop started from to-morrow and I believe they will do it. You will get in the course of a few weeks some kind of clothes by way of shirts, coats, caps etc., the offering of your dear sisters and brothers of my part of the country. I thank you again. (Loud applause)

M. R. Ry. K. G. Sivaswami Aiyar Avl. translated the above English speech for the benefit of the people and again impressed upon the people the necessity to rely upon self-help. M. R. Ry. N. Panchapagesa Aiyar Avl. B.A., L.T. thanked on behalf of the Co-operators assembled, Mr. Devadhar for his interesting and inspiring lecture. He requested the members to learn and practise co-operative principles and others to join a co operative institution to help themselves.

Then the meeting dispersed at about 8-30 p.m.

HONORARY ASSISTANT REGISTRARS.

By M.R.Ry. Rao Sahib A. Vedachala Aiyar.

The article of Mr Rao Sahib T. Srinivasa Rao in the September issue of the Bulletin on this question of the appointment of Honorary Assistant Registrars by Government raises many issues which require careful investigation by the Government and by the co-operators for whose benefit the post of Honorary Assistant Registrars is created. The term itself indicates what the Government expects the Honorary Assistant Registrars to do. They are to be non-official Assistant Registrars and to do such duties as the official Assistant Registrars do. It is not a good argument to say that the post of Honorary Assistant Registrars does not fit in with the scheme of the non-official machinery of the co-operative movement as regards

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"What's the matter?"

"I wrote an article on fresh milk, and the editor condensed it.

supervision, propagandist work and organisation. These have in their capacity as Honorary Assistant Registrars nothing to do with the constitution of District Federations and District Banking Unions. The same is the case with the official Assistant Registrars. If the institutions of Local Unions, District Federations and District Banking Unions work efficiently, there will be no necessity for the Government staff except for statutory audit purposes. Have we reached that stage in any local area or in all the Districts? The answer to this question solves the problem of the utility of either official Assistant Registrars or Honorary Assistant Registrars.

2. In para 8 of his article, T. Srinivasa Rao rightly points out the opinion of an Ex-Registrar, Mr Hemingway, who is mainly responsible for the creation of this office that it was the policy of the Government to recruit Honorary Assistant Registrars from among the representatives of Local Unions with a view to carry out the working thereof in an efficient manner and also with a special view to afford greater scope for expanding the work of primary societies in other directions than credit.

3. The non-official Honorary Assistant Registrars can, if they are well equipped with the required knowledge, replace the official Assistant Registrars in specified areas and can be expected to guide the movement in those areas without any interference of the Government agency. This arrangement is not inconsistent with the work to be done by Local Unions District Federations and District Banking Unions.

4. The proposal to subsidise local unions and District Federations to the extent of expenses incurred in regard to Honorary Assistant Registrars may be a popular one but is not one which is likely to make the unions self-reliant and self-supporting.

5. The present feeling of the co-operators against the Honorary Assistant Registrars is due not merely to the selection of men for such *honors* but also to the imperfect knowledge with which they are equipped for the work expected of them. Similar is the state of feeling entertained by co-operators when official Assistant Registrars are dumped upon them with imperfect knowledge.

To be sure, they have been blinded to a great extent in the past; for each person in America has hoped some day to win a competence and live without working ever after. But that hope seems to be passing, thank God. They are now beginning to perceive the greater hope of living in a world completely organised for service.

6. Government help for the non-official machinery should be given so as to secure the passing of control of co-operative societies into the hands of non-official institutions with adequate funds and efficient machinery for discharging their work.

This kind of Government help would seem to be required until local unions and District Federations will be in a position to keep a trained inspecting staff and have on the board of management members as efficient and equipped with knowledge as an official Assistant Registrar or a non-official Honorary Assistant Registrar to guide the movement in all aspects of co-operation.

CO-OPERATIVE CREDIT FOR PRODUCTION AND DISTRIBUTION.

The Co-operative movement in the Madras Presidency was started in 1904 having had its main object, the relief of indebtedness of the rural population. Reports that have been published show that this movement has been of great benefit to ryots in making credit available at a reasonable rate of interest. In addition it has encouraged ideas of thrift and business-like methods, the value of which cannot be estimated. The real benefit of the co-operative movement however will only be realised when there is co-operation for productive purposes and the sale of agricultural produce is undertaken co-operatively.

The question is of vital importance to the agricultural industry not only in India but throughout the civilised world. In this short note an attempt is made to show importance from an agricultural point of view.

Co-operative purchase of Farm requisites :—The purchase of goods by an associated group of persons was one of the earliest forms of co-operation in England. But the value of the application of this principle to the purchase of farm requisites has not been fully appreciated in the past and it is only during the last 20 years that any considerable advance has been made in the formation of societies for this purpose.

"Co-operation without education is like a house without windows. People on the outside can't see in and those on the inside can't look out." So writes one Co-operator. He believes in the American Magazine, "Co-operation," as a medium of education. He spends all his spare time getting subscriptions for it. He is an enthusiastic co-operator in the employ of the Franklin Creamery.—'Go and do likewise'.

In this country the advantages of co-operative purchase are obvious more especially as the bulk of the agricultural population consists of small holders. Farm requisites are required in small quantities and the saving that can be effected in purchase and cost of transport is considerable. There is also the question of the use of improved implement which would not in some cases be of economical value unless purchased and used co-operatively. In the case of seed and manure the time at which supply is required is governed by local agricultural conditions and seasons The small ryot stands to lose if he purchases his requirements at the time of greatest demand and often he is not in a position to incur the expenditure before the harvest of the previous crop. In the case of manure, purchase is delayed until there is prospect of a moderately good season in the tract in which he is farming

In addition to the question of purchase in a favourable market and supply at specified periods as an aid to the small holder, another question of no less importance is concerned with quality. With the gradual extended use of manures such as poonacs, fishguano and bonemeal small dealers have come into existence to meet the demand. The best firms give a guaranteed analysis of fertilisers offered for sale whereas small merchants who deal in retail give no such guarantees and more often than not such manures contain a large proportion of adulteration which is of little or no manurial value. The ryots can therefore safeguard themselves by co-operative purchase through their societies. In the sale of seed similar practices are adopted and new seed is adulterated with old stocks of the previous year.

In the Godavari District where the Agricultural Department has advocated the use of green manures the sale of seed is practically in the hands of merchants. Owing to the poor quality and low germinating capacity of the local stocks of sun-hemp seed available last year the Agricultural Department at the request of a leading landlord purchased good seed for sale to the local ryots. Purchase by the local co-operative in this case would have reached a larger number of ryots and would have safeguarded many against poor crops. At the same time it would have been possible for the society to guarantee its members, seed of known purity and germinating capacity.

Production:—The object of all good farming operations is not only to produce food, raiment and other necessities of life but also to build up the fertility of the land and by a wise use of capital and labour to increase the capacity of the soil to produce. The Indian ryot, however, owing to his indebtedness is often compelled to adopt bad methods of cultivation whereby he not only lowers production but also lowers the productive capacity of the soil. This practice is specially evident in the cultivation of groundnut, cotton, jute, and other crops the sale of which is largely dependent on an overseas market with high prices.

No great aim has ever been accomplished without vision.

This process of land deterioration has been a slow one in India owing to the great fertility and recuperative power of the land and also on account of the absence of intensive systems of cultivation. There is evidence however that deterioration of land has affected the yields of crops in India compared with other countries where the economic condition of the cultivating classes is of a higher standard. How far climatic conditions limit production in this country is outside the scope of this article. The broad fact remains however that increased production is dependent on co-operative credit. The indebtedness of the cultivator is therefore a formidable obstacle in the adoption of improved methods and this has been the experience of agricultural officers in course of their demonstration work in the villages.

The methods by which wealth is amassed at the expense of the tenant farmer need not be enumerated here. The main cause of this indebtedness which is not confined to the small holder is more often than not due to compulsory sale of crops to speculators at low prices to realise cash for the payment of debts. The organization of village co-operative societies is gradually removing this indebtedness.

Co-operative sale of produce:—Co-operative Societies have been formed not only for the purpose of purely credit work but also for the co-operative purchase of household requirements and provisions. The purchases involved are necessarily on a small scale and are therefore not of much financial importance but are of great value in promoting the co-operative spirit among the members of the Society making such purchases. The possibilities of co-operative sale of farm produce which would involve big financial transactions of direct advantage to the producers have not been realised.

The organisation which exists at present for the business transactions of co-operative societies is a limited liability concern usually called a Trading Union. Such unions are expected to keep themselves informed regarding the requirements of the members of the society affiliated to the Union. Indents are collected and a small charge is made on the value of article purchased in addition to interest on capital outlay. The capital

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Guard your actions and bridle your tongue ;
Words are adders when hearts are stung.

of the Union is in the form of paid up shares contributed by each society affiliated to the Union. In addition credit is raised on the share capital. The officials of the Unions are honorary officers drawn mainly from the professional and intellectual classes and have no experience or interest in trade. The Unions as they exist at present are not organised for dealing with the complex problems of marketing produce and the number of societies usually served by a Union would not justify the re-organisation required for dealing with co-operative sales.

The advantages to be gained by co-operative sale are great. It is suggested that conditions are most favourable for such an enterprise in important deltaic tracts where the co-operative movement has made the greatest progress and where the difficulty of marketing would be minimised by handling only one kind of produce. With the formation of more co-operative societies in the taluks where such crops as groundnut, fibre and cotton are cultivated conditions would be equally favourable. There are great possibilities in this direction in the Vizagapatam District where mills and oil presses are to be fonnd in the actual locality where these crops are grown. The formation of co-operative growers' associations for the sale of such raw materials direct to the mannfacturer would cut out the middleman.

No reference has been made to the advantages to the producer of grading produce which a system of co-operative sale would make possible. The financial gain would be considerable in dealing with all fibre crops and for other produce which is exported to foreign countries.

Conclusion:—Only a brief outline has been given of this important subject of co-operation in the production and sale of agricultural produce as regards improvement of the land. Co-operative societies in this Presidency have yet much to learn regarding the advantages of co-operative purchase of manure, seed and implements and experience in this kind of business is desirable before the more complex problems of marketing are tackled. The existence of middlemen and merchants who act as the connecting link between the producer and the consumer, absorb a large proportion of the profits of production. It is by reducing the number of such distributing agents by the formation of Co-operative Growers Associations, that larger profits will be obtained by actual producer thus enabling him to invest money in improved methods of production.

A Los Angeles judge sentenced Harry J. Dunlap, convicted bandit to two terms of life inprisonment and 214 years additional. Worse still, the sentences are to run consecutively, so by the time Dunlap has served two life terms, one after the other, he still has 214 years coming to him.

The economic condition of the cultivating classes is often the limiting factor in the adoption of improved methods of cultivation. Where this condition exists the ryot is therefore unable to take full advantage of the construction of irrigation works, wells and other sources of water supply and the economic value of water in such cases, is comparatively low. It is by co-operation among the actual producers that this condition will be improved thus enabling the ryots by better methods to increase the produce of the land and to realise a larger proportion of the profits of production.

A. C. EDMONDS,
Deputy Director of Agriculture.

SIR,

May I call the attention of your readers to the following article on the creation of a new force for Peace in the Housewives' and Mothers' International which has just been formed. The "Women with the Basket", the organised purchasers, are the typical representatives of the great industrial Co-operative Movements, whose interests override national boundaries and whose prosperity rests on Peace.

Co-operative Guildswomen are ardent supporters of international co-operative trade and friendship, and now that they are organised into an International Guild, they will be a new instrument for Peace. But the funds of the new organisation are very inadequate to the work that is opening before them. There may be men and women in many countries who might be glad to support this young and promising organisation of the mothers of the world, whose motto is "For Co-operation, For Peace, For Life".

The Officers of the Guild would be delighted to give any further information desired, and to receive any donations or subscriptions.

Yours etc.,
A. HONORA ENFIELD,
Secretary,
International Co-poerative Women's Guild.

29, WINCHESTER ROAD,
HAMPSTEAD,
LONDON. N. W. E.

Debt is a devilish contrivance designed for the destruction of domestic happiness. Death and doom begin with the same letter. If you are asked to dip into debt don't do it.

FOR CO-OPERATION AND PEACE.

The Housewives' and Mothers' International.

A new force for Peace and for the progress of the Co-operative Movement has come into existence. Up to the present time, the mothers and housewives of the world have lacked an international Association. In ten countries, working women have combined into their national Co-operative Guilds, coming out of their homes to join in the great Co-operative Movements, whose prosperity rests on the active support of the women with the basket power. The English Guild with its membership of over 50,000 women has led the way, and now the possibility of international work has been secured by the formation of the International Co-operative Women's Guild. This new organization will be able to express the views of mothers and housewives and to take effective action in all the weighty questions affecting them in co-operative and international life.

Over 100 co-operative women came to Ghent for the Women's Conference held on August 29 and 30, some as voting delegates from nine countries with national women's Guilds, and others as fraternal representatives of Germany, Russia, United States, Czecho-Slovakia and three other countries where co-operative women are not organized nationally, while co-operative men from Italy, India, Japan and Latvia watched the proceedings with interest.

Enthusiastic desire to promote the Co-operative Movement was shown in the two sessions devoted to co-operative questions, and the congress called on all co-operative women to come forward as workers for the cause, and asked co-operative Unions of every country to afford women the necessary facilities for taking part, through their own organizations and representatives, in all co-operative developments.

The delegates felt strongly the barriers raised by language to free discussion at the Conference. They would have liked to understand at first hand the eloquent welcome given by Mdlle. Dejardins (Belgium), the appeals of the German and Swiss delegates, and the description by a Russian representative of what is being done for women in Russia. The Conference therefore welcomed warmly the proposal of Miss-Meyboom (Holland) that Esperanto should be taught in the peoples' schools in all countries. The practical determination of co-operative women to support an international language had been shown by the opening of the Conference with a song in Esperanto.

Health is Nature's reward for getting into harmony with her laws.

The strength of the feeling against war amongst international Guildswomen was shown by the prominence given to peace at their first conference. A paper "Death or Life?" was read by Miss Llewelyn Davies, which depicted the horrors that science is preparing for the next war, and explained how economic rivalry and nationalist pride are the twin causes of war. The paper showed that economic rivalry can only be overcome by the development of international co-operative trade and finance, and pointed out the necessity for completing nationalism by internationalism, and for a new patriotism which recognises that to serve our country, we must show active goodwill towards and give service to the whole human family. At the same time, just as our economic system must be adapted to the materially unified world of to-day, so our education must be adapted to a co-operative form of society.

Besides a resolution urging Guildswomen as co-operators and citizens to carry out the practical peace programme outlined in the paper, and another congratulating the Labour Government of Denmark on the lead they are giving to the world by their Disarmament proposals, a striking resolution was addressed to the Assembly of the League of Nations, now in session. It urged the imperative necessity for more far-reaching measures to organise the world for peace, and expressed the conviction of co-operative women that, owing to the progress of scientific invention, complete destruction or complete disarmament are the only alternatives open to mankind, and called the assembled nations of the world to face this vital fact, stripped of any temporary political considerations, and to agree on common action leading to general disarmament.

The International Co-operative Women's Guild was formally constituted at the Conference, with ten affiliated national Guilds, Austria, Belgium, England, France, Holland, Ireland, Norway, Scotland, Sweden and Switzerland. Each of these will appoint a member of the committee, and the officers elected by the Conference were, the president, Frau Emmy Freundlich, a member of the Austrian parliament and on the committee of the Austrian Co-operative Wholesale Society, who had presided over the two days' meetings, and the Hon. Secretary, Miss A. Honora Enfield, General Secretary of the English Women's Co-operative Guild.

The great need of our day is an organized religious movement expressing the principles of co-operation and world unity.

THE PAKOKKU CO-OPERATIVE WHOLESALE SOCIETY LTD., PAKOKKU.

Constitution. The Pakokku Co-operative Wholesale Society Ltd. was registered under the Co-operative Societies Act, 1912, in December 1915 only although it began to organize co-operative sale of groundnut in the Pakokku district since 1912. The success of the enterprise eventually led to the registration, under the Co-operative Societies Act, of the Society as a co-operative institution with limited liability, and its by-laws having the following as its objects:—

1. To eliminate middlemen by conducting direct sale, on a commission basis, of agricultural produce of its affiliated societies to other co-operative societies, merchants, and consumers;

2. To purchase such commodities as are required by affiliated societies direct from wholesale dealers, and distribute same, charging a small commission for the service;

3. With a view to obtaining better prices than are usually obtained by other suppliers to offer for sale agricultural produce of purer quality only;

4. To classify all commodities sent to the wholesale society for sale into three grades of quality, and sell accordingly: provided that fair and reasonable prices are obtained for each grade;

5. To promote direct business dealing between its affiliated societies and exporting merchants, and take such steps as are deemed necessary to ascertain the requirements of the latter;

6. To erect oil presses and other necessary plants for the purpose of crushing and pressing oil from oilseeds cultivated by members of affiliated Societies.

7. To act as a broker for the sale of agricultural produce and other commodities of members of affiliated societies to local traders and merchants and charge commission for the service: provided that (*a*) non-members may be permitted to sell their goods through the wholesale society and (*b*) the commission charged for such service in the case of groundnut should not be more than Rs. 2-12-0 per 100 baskets;

8. To purchase land and erect buildings for the promotion of the objects mentioned above.

Signor Marconi, speaking in Rome, promised that before long speech will be heard by radio from a given station all over the world at once.

Membership. Its membership is confined to co-operative societies situated in the Pakokku, Myingyan and Lower Chindwin districts. Almost all the present members are societies situated in the Pakokku district.

Working Capital. Its authorized share capital is Rs.50,000 made up of 1,000 shares of Rs.50 each, of which 370 shares to the value of Rs 18,500 have been subscribed and fully paid up on the 30th June 1923.

The owned capital of the Society, on 30th June 1923, amounted to Rs.30,093 which was made up follows:-

		Rs.
Share Capital	...	18,500
Reserve Fund	...	11,167
Other Funds	...	426
		30,093

The Society was also given a cash credit of Rs. 50,000 by the Pakokku District Central Co-operative Bank Limited, and so far it has had no occasion to draw upon it.

Management. The Society is managed by two sets of committee one of management and the other of supervision. The first one consists of five non-members who reside at the headquarters of the Society and manages the Society in accordance with the Rules of Business approved of by the Committee of Supervision. The powers of the Committee are limited by these rules, and are in fact confined to routine matters only.

The Committee of Supervision is composed of nine members of whom the chairman of the District Central Co-operative Bank is one and the others are elected from the members of its affiliated societies. The chairmen of certain unions of co-operative societies are ex-officio members of the Committee of Supervision.

The Committee of Management usually holds their meetings monthly for the transaction of current business, and the Committee of Supervision quarterly. In the former the transactions of current business and others routine matters take place, and in the latter the scrutiny and confirmation of the matters dealt with in the former are the chief items in the agenda, and in addition to this, matters of importance other than those connected with routine are put up for consideration and decided.

By providing for the three-fold need of education, information, and recreation for every class, sex and age of the population, the public library can be made one of the most vital factors in national welfare.

In all matters connected with the business of the Society the highest authority lies in the General Meeting whose decision is final.

Business. The business conducted by the Society may be divided into two heads, viz: (*a*) Sale and (*b*) Purchase and distribution.

(a) Sale. The sale business is done in two ways, viz: one is to sell locally all agricultural produce and commodities to traders as they arrive and the other is to make sale to big traders and merchants after storage in the godown.

The first kind of sale generally takes place when the current prices, compared with those of previous seasons, are fair and reasonable. When the carts arrive bringing in goods for sale from the country they are arranged in the wholesale compound for inspection by intending buyers, and offers are then made and accepted on the spot according to quality and ruling market rates of the day. The agricultural produce of members residing within radius of twenty miles from Pakokku finds their way to the wholesale society. The business is generally done and finished in the morning, and the members can go home in the evening or early next morning.

The second kind of sale is not encouraged by the Committee unless the ruling market price of any commodity, especially that of groundnut, is exceptionally low at the beginning of the season when compared with prices that prevailed in corresponding periods of previous years. The members store their produce in the godown belonging to the Society at their own risk and free of any charge. The Society takes no responsibility for the goods thus stored in the godown although it takes every possible precaution against fraud, and loss by fire or theft. For such goods there is paid an advance of 50 per cent of the nominal value, which is so fixed by the Committee of Supervision as to leave a fair margin against loss on account of prices falling, and which bears 10 per cent interest per annum. Any co-operative credit society which stores up sufficient quantity of groundnut or other produce to cover the principal and interest instalments due to the District Central Co-operative Bank is granted extension of time of payment of its dues by the Bank until the sale of goods is effected.

The sale business transactions are carried on by paid employes who have the proper training and necessary experience in this kind of business under the direction and subject to the approval of the Committee of Management.

Slavery to priestcraft—to bankers—to politicians—to drug doctors— MUST GO.

It has been the aim of the Society to be able to do direct business with Rangoon firms buying groundnut for the manufacture of groundnut oil, and exporting groundnut cake, a bye-product of the oil pressing process. So far the advances made by the Society have not met with success, which may be due to their preference of buying through their local agents only, or to the fact that, owing to fluctuations of the groundnut market in recent years, they are unable to make any firm offer which will hold good for a few days even. It is to be hoped that, with the establishment of normal trade conditions favourable to export trade, which is now in progress, and introduction of better business methods in the working of the Society, the direct sale of groundnut in bulk to Rangoon firms will be effected in the near future.

The chief kinds of produce that is sold through the Society are groundnut, jaggery and tamarind. The total value of sales made through the Society during the last five co-operative years are as follows:—

		Rs.
1918-19	...	1,64,428
1919-20	...	1,18,469
1920-21	...	99,910
1921-22	...	84,905
1922-23	...	61,968

Purchase & Distribution. The chief article purchased and distributed to its members is rice, and during the last year millet is added to the list. Rice is purchased on the indent made by its members through their respective Unions, and the Committee generally keep a small quantity of rice in bags in stock when demand for same becomes general. The Society usually makes its purchases of rice direct from millers at wholesale rates. The price charged for cash sales is usually same as the local current price, and sometimes a little less; and for credit sales interest at the rate of Rs. 10 per cent per annum is also added. In the latter case the chairman and two committee members are required to execute a document in which they promise on behalf of the Society to pay a certain sum of money being the price of rice supplied together with interest at 10 per cent per annum to the wholesale society at a certain future date, and the payment is guaranteed by the District Central Co-operatve Bank on condition that the debt is covered by the undrawn balance of cash credit of the Society with the Central Bank.

Wakeful Feature.

Mother, "Is daddy asleep?"

The child, "Yes, mother—all except his nose."

When payment is made before due date a rebate is allowed, and when it is made after due date a fine of annas eight per bag per month is levied.

The total value of purchases of rice and millet made and distributed during the last five years is shown below :—

		Rs.
1918-19	...	45,382
1919-20	...	57,573
1920-21	...	44,064
1921-22	...	25,771
1922-23	...	23,831

Profit and Reserve Fund. The commission realized on sales and purchases made on behalf of the members forms the chief source of its profit. After deducting 15 per cent of its net profit for certain funds the whole of the remaining net profit goes to build up the Reserve Fund, during the first five years of its existence, and from the sixth year onwards 25 per cent of the net profit is added to the Reserve Fund, not more than 10 per cent may be paid to the executive committee as honorarium, 5 per cent may be used for the spread of co-operative knowledge, and the balance is avilable for payment as dividend, provided that not more than 5 per cent of the net profit should be paid out as dividend on shares, and that the balance after paying dividend on share should be distributed as dividend on custom.

The practice of selling goods at current market rates, and charging commission at rates calculated to be the same as those charged by other brokers is not in accordance with ideal co-operative principles but it has its own advantages. It minimises possible competition by concerns doing similar business, and serves as a means of increasing the Reserve Fund, and thereby, its working capital.

The profit and Reserve Fund of the wholesale society for the last five years are as follows :—

Years.		Profit. Rs.	Reserve Fund. Rs.
1918-19	...	4,249	2,104
1919-20	...	4,372	6,354
1920-21	...	3,004	9,417
1921-22	...	3,996	10,168
1922-23	...	2,586	11,167

Building Fund. The wholesale society now owns about 5 acres of freehold land in a quarter suitable for its business, and a pucca godown for the storage of members' produce, and a few other outbuildings erected on it. The total value of the land and buildings as shown in the Balance Sheet dated the 30th June 1923 is Rs. 3,932 which is considerably below the market value.

Small minds make large fusses over small matters.

Finance. The matter of financing co-operative wholesale societies has been receiving the consideration of all officials and non-officials interested in this branch of co-operation, and the problem has not yet been solved satisfactorily. Unless members are given an advance on goods stored in the godown of the wholesale society so that they may not be forced to sell their crops at unfavourable prices in order to meet current expenses they cannot be induced to deal exclusively with the wholesale society for the sale of their produce, and purchase of their requirements. The District Central Co-operative Bank is not in a position to fully cope with the situation; it allows extension of time of repayment by societies until produce stored in the godown has been sold, and grants a cash credit which is quite inadequate should the wholesale society be working to the fullest possible extent. In order to finance the society properly means for raising funds from outside the movement on the security of goods stored in the godowns or by discounting bills of credit sales guaranteed by the Pakokku District Central Co-operative Bank must be found. This cannot be done as there is no Joint Stock Bank near by that knows the working of the society and is willing to make short term loans on the pledge of goods stored with the society. It is, however, to be hoped that if the amount of business to be done in this manner justifies the expenses of sending one of their agents to the headquarters of the wholesale society in order to take charge of the keys of the godowns this difficulty may be overcome. With a view to this end provision in the by-laws which are now being revised will be made giving full powers to the committee to pledge the goods stored in the godowns.

Reform of Local Customs of Trade. Apart from benefits enjoyed by members by dealing with the wholesale society it is also responsible for reforming the trade conditions of Pakokku. Before the society was formed groundnut was sold by measure, which led to many kinds of unfair practices by the buyers. With the formation of the wholesale society it was found possible to sell groundnut by weight, which is fair to both the producer and the consumer as the value is determined by its oil contents.

The practice of demanding to contribute two annas per cart to the funds of the Chinese Club by Chinese traders, and of taking one to five

All evil exists because SUPPORTED and PATRONIZED by ignorant and selfish men and women.

viss of groundnut for permission to tether cattle in the compound of the purchaser have been greatly checked by the example set by the wholesale society in refusing to comply with their demands. Such practices as those mentioned above are no doubt unfair, and not justifiable in any way, and they should have disappeared long ago but for the existence of brokers whose custom is mainly made up of dealings with Chinese firms, and who consequently dare not offend them.

General. From the above it will be easy to gather how the wholesale society has been working. It in fact started working since 1912 before it was formally registered. At that time the groundnuet crop became to be extensively sown, and a demand for it arose. Messrs Mohr Bros. of Rangoon, offered to buy 50,000 baskets of groundnut (25 lbs.), delivery at Rangoon, at a price which was much higher than the market price, which was accepted. The society was careful to supply groundnut of good quality only with the result that the company was much pleased with the way in which the business was conducted and promised to do business with the wholesale society next year. Then War broke out and since then, no more business with any Rangoon firm could be arranged although attempts had been made in that direction.

Cases of Decline. From the figures given above it will be seen that the volume of business done by the wholesale society in each year become less and less, especially so, during the last three years. The causes are many, and a few of them are mentioned below.

Loyalty. In the by-laws no provision exists to enable the committee to compel members to make sale of their produce, and buy their requirements through the wholesale Society only. Perhaps such a course may not be found practicable in actual working although it is universaly accepted that without loyalty of members no society of this type can work with success. "Good business methods, fair dealing, and attractive prices are," it is said, "the only passport to a member's custom." With a view to this end a paid manager has recently been appointed, and it is hoped that matters will improve in due course. In this connection it may not be out of place to say that trained managers are very difficult to find, and the Society has to be content with one who, though lacking in business experience, is enthusiastic, intelligent and very willing to learn and work for the good of the Society.

A preacher really has a tough time of it. He has to stand and look a bunch of sinners in the face for an hour, and then shake hands with all of them as they pass out.

High Price of Groundnut. The price of groundnut which is the most valuable crop cultivated in the district was good during the last three years, and consequently cultivators were able to get fair prices locally. As co-operation is rooted in necessity it will not thrive when that necessity does no longer exist.

Competition. Worse than disloyalty is the competition in business set up by men who should have encouraged sale by co-operative methods. It weakens the hold of the wholesale society upon its members. Agents and relatives of union chairmen are doing business as brokers during the groundnut season, and naturally the members of the affiliated Societies go to them for the sale of their produce instead of coming to the wholesale society. In the revised by-laws it will be necessary to provide that such union chairmen should not be allowed to serve on the committee of supervision.

Old Ties. The ties of friendship begotten by long intercourse in business matters serve to check the expansion of the activities of the wholesale Society. A great many of the members had had business connections with many brokers who, in addition to finding buyers for their produce, sold them rice and other simple articles of food on credit, and often made them small advances of cash, which puts the members under an obligation to continue their business connections. These ties can only be broken when the wholesale Society can offer better service on more reasonable and fair terms, and when the members themselves realize the advantages of dealing with the wholesale Society.

Disability. The wholesale Society is under a disability when compared with individuals in respect of finding means to please the customer: its strength lies in its fair dealing and better service while that of the latter lies in his power to please his customers without paying much regard to the moral side of the question. Country folks are more or less simple, and they are easily duped by the artifices of the town brokers who more often than not bleed them and treat them lavishly with their own money. Until the member himself knows and understands the advantages of dealing with the wholesale Society and the trick played upon him by most of the town brokers he will continue to deal with his old brokers. Propaganda in this direction is clearly necessary.

Adulteration. Adulteration of produce with stuff of inferior quality is a practice which is very hard to cure. The buyers are unwilling to offer as an encouragement better price for better quality, or the price offered is

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The consumers' Co-operative Movement has been a factor in eliminating false advertising and the adulteration of goods.

such as will not cover the trouble and expense incurred in the process of grading the grain. In the case of groundnut that is stored up in the godowns for sale gradation of quality is made in order to enable the society to make equitable payments to owners out of sale proceeds, and not for the purpose of selling according to quality since the higher price generally offered for each grade does not justify the trouble of selection and gradation of produce. The quantity of groundnut that passes through the society's warehouse for sale is comparatively very small, and hence it is not in a position to effectively check adulteration of produce but if all the members deal exclusively with the society it is to be hoped something might be done for improvement in this direction.

Triple Alliance. The most successful years of the wholesale Society were when its chairman was the chairman of the District Central Bank, and the District Agricultural & Co-operative Association. At that time there was co-ordination between the three central institutions, which facilitated the better working of the wholesale Society. With the election of a separate chairman for the wholesale Society the ties that brought about its success in previous years became weakened, and a gradual decline was clearly noticeable from the returns.

Revision of By-laws. In order to remove the defects mentioned above, and especially to ensure better business methods and better service, and to introduce new facilities and services for the benefit of members the present by-laws are under revision. With revised by-laws, and with the appointment of a paid manager who can give whole time attention for the improvement of the Society it is hoped to arrest its gradual decline and make it flourish again in due course of time. The manager will be required to tour the in district, and preach the advantages of dealing with the wholesale society Thus, by disseminating knowledge in addition to offering better service and facilities than local brokers, a strong spirit of co-operation may be formed, in which atmosphere alone a co operative institution like the Pakokku Wholesale Society can be expected to thrive.

The permanency of a co-operative society should be the first consideration of its members. To insure it, liberal depreciations of property and equipment and adequate appropriations to reserve are necessary.

DEPARTMENT OF AGRICULTURE, MADRAS.

Subject.—*Seeds, manures etc.—sale to co-operative societies and unions—circular instructions to officers of the Agricultural and Co-operative departments.*

CIRCULAR.

The Director of Agriculture has for some time had under consideration, in consultation with the Registrar of Co-operative Societies, the question of placing on a sound and business-like basis the dealings of the Agricultural with the Co-operative department in the matter of the supply to co-operative societies of the agricultural requirements of their members such as manures, seeds and implements.

2. It was decided at the conference of the officers of the Agricultural and Co-operative departments held in July 1918 that Assistant Registrars of Co-operative Societies should do their best to get the societies who ordered seed from the Agricultural department to specify clearly such facts as the date by which it was required and the railway station to which it should be consigned; also, in the case of cotton seed, whether it was wanted for sowing or for cattle food (see paragraph 8 of A in the note of the conclusions of the conference communicated with this office circular R. Dis. No. 331, dated 1st October 1918). Again, it was resolved at the conference held in December 1920 as follows:—

"A standard form of contract should be drawn up specifying the price, the quantity, the date of dispatch and the place of delivery. Assistant Registrars are recommended to assure themselves of the genuine nature of such indents by obtaining the names of, and quantities asked for by, individual indentors. As a general rule, all indents for seed at concession rates should be sent to the Agricultural department through Assistant Registrars, although Assistant Registrars are at liberty to prepare a list of reliable societies which may indent direct in order to save time."

(See this office R. Dis. No. 86, dated 8th March 1920)

3. The system, known as the "indent trade," of arranging for the co-operative purchase of the agricultural, domestic and other requirements of the members of an ordinary credit or agricultural society, or a trading society without a regular store, or a local supervising union, and of finan-

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It would be of much value to the community, and lay the foundation for better citizenship, to have in our State schools some instruction explanatory of Co-operation—that is, commercial economy—included in the curriculim.

cing such purchases without accepting any risk of loss, may be briefly described as follows. The secretary of the society obtains an indent of the needs of each member, who either makes an immediate cash payment or obtains a short-term loan from the society to meet the cost of his indent. The secretary then consolidates the indents of individual members, orders the articles required, and pays for them either in cash or by cheque from the co-operative central bank to which his society may be affiliated, or in both ways (one of the commonest mistakes committed by societies and unions, however, is that, owing to the careless preparation of indents, more articles are ordered than the members actually required). The articles immediately on their arrival are distributed to the members and the transaction is closed, except for the fact that the society has still to collect in due course a few short-term loans given to its members. The society or union is thus freed from the necessity for storage and the charge for godown rent and does not run the risk of loss of interest owing to non-payment by members; nor is it subject to losses arising from surplus stock left unsold on its hands, wastage, the depredations of rats and other vermin, the unexpected fluctuations of the market, and the carelessness, and even perhaps the dishonesty, of the paid staff of a regular co-operative store: in fact, under such an arrangement, the society or union disclaims all liability for loss occurring in the transaction such as from a fall in prices or other cause and acts merely as the agent of its members, the purchases being made only to the extent of the requirements of those members who are able to pay in cash or to whom the society is able to give a loan for the payment of their purchases. It is only when co-operative societies join for purposes of trade a separate union called a "trading union", organized with sufficient share capital, that the union not only buys on indent as described above but, with special attention to the improvement of cheapening of agriculture, undertakes the risk itself.

(See pages 9, 19, 26, 31, 82—83, 85, 116, 184, 198, 251and 266 of the *Madras Co-operative Manual*, 1921.)

4. The instructions now issued for dealing with the indents of co-operative societies and unions for the purchase of seeds, manures, etc., from the Agricultural department, which have received the concurrence of the Registrar of Co-operative Societies and the Accountant-General, are printed as an annexure to this circular, and the officers of the Agricultural and Co-operative departments are requested to study them carefully and follow them rigorously in all future transactions.

War is the very limit of human folly, the most idiotic procedure of which men are capable. The brutes are quite incapable of the like: they do not kill their kind collectively and seldom individually.

ANNEXURE.

Instructions for dealing with the indents of co-operative societies and unions for the purchase of seeds, manures, etc., from the Agricultural department.

(i) If a co-operative society or union desires to purchase agricultural articles such as seed, manure or implement from the Agricultural department, its secretary shall place himself in communication with the agricultural officer concerned and ascertain whether the article and the quantity of it required are available and, if so, at what price. If the article to be supplied is cotton seed, it should be specified whether it is wanted for sowing or for cattle food. It is left to the option of the society or union whether, prior to the actual supply of the article, it should satisfy itself as to its suitability by approving a sample or specimen of it.

(ii) If the article of the kind and in the quantity in which and the date by which it is required is available, and the price quoted by the supplying officer is agreed to, the secretary of the society or union shall proceed to prepare and forward a written indent to the supplying officer in the manner hereinafter prescribed.

(iii) The secretary of the society or union shall ascertain from each individual member his definite requirements of the article in question and then prepare a consolidated indent and forward it to the supplying officer through the Assistant Registrar of Co-operative Societies having local jurisdiction, who will satisfy himself as to the genuineness of the indent. It should be clearly understood that credit sales are strictly forbidden. The indent shall invariably be accompanied (1) by a remittance of the cost of the consolidated indent at the rate agreed to or by a cheque on the co-operative central bank with which the society may have arranged for credit to finance the transaction and (2) by a guarantee for the payment, within the limit of time to be prescribed by the supplying officer in each case, of any balance, inclusive of all incidental charges, that may accrue, due, in default to pay interest at six per cent per annum from the date of the expiry of the prescribed time. The paramount importance of the society

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Women form the great bulk of the purchasers, and thus hold immense power for good or evil in their hands—for it is the DEMAND of the purchasers that decides what the SUPPLY shall be.

or union basing its indent on the known, genuine and individual requirements of its members, and never on mere guess work on the part of its secretary or members, cannot be too strongly emphasized. The indent, which shall be in writing and signed by the president, secretary, or other official of the indenting society or union duly authorized in this behalf, shall clearly specify the following particulars :—

(*a*) The name, postal address and the nearest railway station of the indenting society or union, or of the consignee, if he is different from such society or union. In cases where the society is distant from the railway, it should submit the name and address of its agent whom it wishes the goods to be consigned to ;

(*b*) The rate or price agreed upon, which shall on no account be departed from ;

(Preferential or concession rates for articles to be supplied will only be allowed where their co-operative purchase would save the Agricultural department such superfluous or incidental charges as godown rent and sale commission.)

(*c*) The quantity required ;

(*d*) The amount for which a remittance or a cheque at the rate or price agreed upon and for the quantity indented for accompanies the indent ;

(*e*) The date by which the supply is wanted ;

And shall contain an undertaking to pay within such time as may be prescribed by the supplying officer in each case, any balance, inclusive of all incidental charges, that may accrue due : in default to pay interest at six per cent per annum from the date of expiry of such prescribed time.

(iv) The supplying officer, on receipt of the consolidated indent prepared as laid down in clause (iii) above, shall satisfy himself as to the correctness of the remittance, including the guarantee referred to above, received with the indent and then proceed, without delay, to make the supply according to the terms of the transaction and the sample or specimen, where one has been approved by the indenting society or union, and shall send prompt intimation, by telegraph in each case, of the dispatch of the goods to the consignee so as to insure alike the prompt delivery of the goods at the destination and the saving of any demurrage charges to the society or union. The railway receipt, in the absence of any instructions to the contrary, should be sent to the indenting society or union or the consignee as stated in the indent (see clause (iii) (a) above) by the very next post after the consignment has been booked. The Agricultural department cannot accept any responsibility for delays in taking delivery, nor are their officers to be utilized as consignees The supplying officer shall also take prompt and effective steps to recover any balance accruing due from the indenting society or union and to close the transaction finally at the earliest practicable date.

Art and Co-operation seek not to make profit, but to bring joy into life.

MADRAS, H. C. SAMPSON,
The 15th June, 1922. *Offg. Director of Agriculture.*

REVIEWS OF THE WORK OF AGRICULTURAL DEPARTMENTS

I. Canadian Department of Agriculture.

BY RAO SAHIB A. SETURAMA AIYAR, NIDAMANGALAM.

On the Desirability of our present Agricultural Department publishing bulletins on the census of Agriculture on the model of the Canadian Department of Agriculture.

We have perused with pleasure twelve pamphlets received from the Canadian Agricultural Department regarding certain Agricultural Statistics from the census of Agriculture on the 6th census of Canada on 1st June 1921. These are the tabulated results of the census of Agriculture in connection with the census of the population on the same date and contain various figures for the area under field crops, yield of the same, average yield per acre, value of field crops etc. classified for several provinces. A return of all crops, livestock products are also compiled and thus a comparison is made between the various census. The number and size of farms, tenure of farms, value of farm property and the condition of farm land are all dealt with there.

These bulletins are very valuable to the Agriculturists in the fact that they clearly show to the people the true work of the Agricultural Department and help to find out whether the money spent by the Government has adequate return to the people. They also reveal the economic condition of the ryots from one decade to another, whether it is improving or growing worse, and the causes for the same.

Before the reorganization of the present Agricultural Department in the Madras Presidency, we have perused the statistical atlas of the Madras Presidency compiled by Mr. Benson. This work is being continued by the present Department by publishing a general survey of the statistics of the important field crops and the area under them. These give us only a

By the percentage of co-operative productions sold in their shops will co-operators be judged.

vague idea of the rural economy prevailing here. The condition of the agricultural labourers such as permanent and temporary coolies should be scientifically studied and an economic survey of their conditions also made once in a decade which will greatly help to enlighten the people as to the real state of Agricultural affairs.

As regards capital invested in land, the true capital represents the sum spent in the shape of buildings, on irrigation works and other improvements and this is called the Fixed capital but the capital we have mostly to do with is the moveable capital which represents the will and deadstock of a farm, the seed grain etc. set apart for next year's saving. Census taking will show the condition of the fixed capital and moveable capital of the ryots in its true colour.

In India cattle comprise the wealth of the ryot and the statement that ryots' capital lies in his livestock is literally true. Cattle census are taken in India both in farms and villages. From the tables published the Agricultural Department finds out whether the quantity of cattle is adequate or inadequate for agricultural purposes. This will not do. Great attention should be paid for breeding of cattle by the department which should see that the typical breeds are not in any way deteriorated. The important breeds of cattle such as the Amruthamahal, Alampady Kangayan, Nellore, Guzerati etc. should be taken into account and pure breed strains in working and milking cattle should be evolved.

We find in one of these census in Canada that pure bred cattle had increased more than cent per cent when compared with the previous census and we understand that the Indian type are much in favour with the American Cattle owners and their popularity is declared to be due to their colour, their adaptability to localities notorious for poor grass growth and drought conditions, their complete freedom from ticks, lice and other pests which infest these regions, their alertness and their prolificacy.

The Madras Government in one of its G. Os. promulgated that a maintenance grant of Rs 100 will be given to any ryot who keeps a breeding bull or buffalo. Has this G. O. really produced any practical effect? If not why?

A great deal of these things can be done by Co-operation. Why not selected Co-operative societies be given such work for improving cattle with the help and supervision of the Agricultural Department?

Co-operation takes over from a capitalistic enterprise all that is good and useful in the latter and aims only at the abolition of capitalistic profiteering and exploitation.

In conclusion, though the present Agricultural Department is trying to do its best by researches, yet a great deal has to be done by following the policy and work of the Agricultural Department in the United States and Canada.

II. Bihar and Orissa Department of Agriculture. Annual Report 1923.

The Government in reviewing the report of the Director of Agriculture for the year ending 30th June 1923 for the provinces of Bihar and Orissa, are glad to see that Central Co-operative Banks and Unions are in close touch with the Agricultural Department and help the department very much in their propaganda work.

Special paddies with increased yields are in process of multiplication and those which are available for distribution are rapidly gaining popularity.

A variety of groundnut has been discovered suitable to the peculiar conditions of Chota Nagpur and this with the Soya bean enables good profits to be made from the uplands which now produce scanty crops of millet hardly worth the cost of cultivation. In the Ratna circle the groundnut is becoming popular and its popularity increasing every day. The Director points out that the dissemination of groundnuts and Jypsum on suitable soils affords a good opportunity for commercial organization on a profitable basis for co-operative societies in this tract. We hope that the Co-operative Department will take the initiative and will not lose this good opportunity to promote agricultural co-operation in this tract.

We note with pleasure that co-operative societies are extending their activities in close co-operation with the Agricultural Department and experimental work is being carried on by the central Banks at Supaal. Seeds and implements have been distributed by co-operative societies to their members, both for sale and experiment. In the Orissa circle, the provision of sugar cane mills and pans is being taken up by the Central Banks.

We would suggest that instead of leasing out the agricultural work to private parties, special types of co-operative societies might be organized to look after this section of the work.

Co-operative Manure societies also may be organized for the supply of Jypsum, sulphate of ammonia and other manures found suitable for groundnut and other crops.

As a rule, man's a fool,
When it is hot, he wants it cool;
When it is cool, he wants it hot;
Always wanting what is not.

III. Assam Agricultural Department. Annual Report for 1923.

We find from the annual report of the Department of Agriculture, Assam, for the year ending 31st March 1923, that the department has succeeded after many years of effort in establishing close contact with the cultivating classes and we agree with the Government that it is most important that the Department should continue to maintain this relation.

On account of the general appreciation of the improved canes, there appears to be no longer any necessity for sugarcane demonstrations except in restricted areas.

Potato is the main crop in the Upper Shillyng farm. The improvement of seed potato was continued and the area under the superior varieties of potato is rapidly extending. Experiments to improve the method of storage by ensuring a cooler and uniform temperature throughout the season are carried on.

Agricultural lectures and exhibitions have been organized at important centres.

We would like to suggest that these lectures and exhibitions might be conducted in conjunction with the Co-operative Department, so that better results might accrue.

We would like to add also that the storage of potato, the sale of sugarcane etc. can be done on a co-operative basis. We hope that the Assam Department of Agriculture will find the Co-operative Department beneficial, not only to the Department itself but also to the Agriculturists.

IV. Department of Agriculture. United Provinces of Agrah and Oudh.

The Report on the administration of the Department of Agriculture for the year ending 30th June 1923, for the United Provinces of Agrah and Oudh is very attractive, in that it is very readable, instructive and full of interesting information.

The lands in the Provinces are mainly divided into two classes, those possessed by the Zamindars and small holdings by petty ryots. It is to be regretted that the Zamindars, who can well afford to introduce improvements in their lands by direct supervision and by the introduction of improved methods in well-ascertained truths, care more for rent than for improving the produce of their estates and thus increase the wealth of the country; nor do they care for introducing co-operative methods in their estate management as in France and Italy.

Self-satisfaction and content with present conditions are most dangerous factors in the life of any individual, any community or any nation and only lead to stagnation.

The vast portion of the country is however in the shape of small and scattered holdings under petty landholders and tenants. Agricultural improvements among these small people, in spite of their indebtedness, can be effected by co-operation. Given capital and means for co-operative marketing, there is vast scope for enormous economic improvement.

It has been found that where the best of lands yield only about 200 mds. of sugarcane per acre by the careful selection of seedlings, as much as 1000 mds per acre have been produced at the Shahjahanpur farm.

Sugar in the provinces is manufactured chiefly by bullock power. By the introduction of machinery greater price can be extracted with less cost and the Director of Agriculture points out, that, given the capital the petty landholders can conjointly manufacture their sugar by means of machinery and derive greater benefits. Similarly also for sinking tube wells to get a good supply of water. The Co-operative Department can help the ryots by giving loans for the outlay of the cost of the machinery etc.

It is pleasing to note that the engineering section has done good work. In one year, out of 624 tube wells bored, 75 per cent has been successful and nealy 40,000 feet have been bored. Since water is one of the main requisites of Agriculture these tube wells have been introduced by the department with much benefit to the ryots and it will not be, out of the way, here, to point out that this engineering section is, unlike in Madras, under the control of one and the same Director.

The Director has given attention not only to the supply of good seeds through co-operative societies but also to the storage of paddy etc. in special godowns for the supply of pure seeds.

We conclude with an extract from the Director's report.

" It is clear however that the maximum efforts of the department in this direction can have but small effect on the province as a whole and this must be so as long as the individual cultivator does not store his own stock of seed for sowing and expects to secure his total requirements of good seed at the cost of the seed sold in the bazaar. Such an expectation admits of nothing to meet the cost of collection, cleaning, storage and distribution. In wheat alone, 68 lakhs of the mds. are required for sowing; the produce of some six lakhs of acres. To obtain this stock the department would have to control one atenth of the wheat area of the province.

The conquest of fear is the greatest victory that man can win. This battle is yours when you fully accept the fact that nothing can harm you except your own unkind thoughts and mean actions.

Clearly this is beyond its capacity. Agencies are required to take up this work, and such agencies will only arise when the business is shown to be profitable. For such a development two things are necessary viz, the education of the cultivator to the fact that good seed is worth paying for and the establishment of agencies. For the latter purpose, zamindars organizing home farms of 100, 200 or 'even 300 acres with a developed water supply and with the cultivation of valuable crops with due regard to rotation; supplying water, manure, seed and such like as well as harvesting of produce on a co-operative organization between tenant and landlord, bearing the essential features of the Metaya system of co-operation in France and Italy. are suitable.

This co-operation is very different from that co-operation which features so largely among the smaller cultivators and which it is the function of the Co-operative Department to foster. Co-operative Societies do the seed, manure distribution now and their activities could be extended with much profit."

THE IMPORTANCE OF PUNCTUAL REPAYMENTS IN CO-OPERATIVE SOCIETIES.

Although punctual repayments by a co-operative society of the money it has borrowed and of the interest due thereon is not, by itself, an infallible test of the soundness and efficiency of the society it may safely be said that no really good society will ever fail to pay its dues on or before the proper dates. If the members of a society are not punctual in their payments the society itself cannot keep its engagements with its creditors. It follows therefore that a member who defaults in the payment of his dues to his society, without very good reason for doing so, brings discredit not only to himself as a co-operator but also to his society. It has been well said that "unless loans are repaid punctually co-operation is both financially and educationally an illusion, and no exertions are wasted which aim at ensuring promptitude in this respect".

2. The vast majority of the co-operative societies in Madras Presidency are agricultural credit societies and the bulk of the money invested in the co-operative movement is represented by loans to members of such societies. If we examine the figures showing the arrears due to such societies by their members, we find that in recent years unpunctuality in repayment has been steadily increasing both in the case of principal and of interest. On 30th June 1920, the balance overdue by members of such societies throughout the Presidency was 23·98 per cent of the total demand for the 12 months immediately preceding. The corresponding percentages for the next 3 years were 30·66 per cent on 30th June 1921, 31·08 per cent on 30th June 1922 and 35·96 per cent on 30th June 1923. The percentage on 30th June 1924, is not yet known but it will probably show a still further deterioration. Arrears under interest show a similar steady increase.

3. Many reasons have been given in explanation of this unsatisfactory state of affairs. Most of these reasons hold good no doubt for particular areas or particular periods but even when taken together they do not account for the major portion of the heavy and steadily increasing proportion of arrears. The chief reason is increasing laxity in regard to punctuality of repayment, a laxity which if unchecked is bound to affect adversely the credit and reputation of the co-operative movement in the Presidency. This state of affairs must obviously give rise to very serious misgivings in the minds of all good co-operators who have the healthy development of the movement at heart. Credit once lost is difficult to restore.

4. It is the duty therefore of every rural co-operator not merely to repay punctually his own dues to his society but to induce his fellow members to do the same. There will of course always be cases in which owing to loss of crops or, for other exceptional causes members cannot repay on the due dates. But such cases should be comparatively rare. The panchayatdars of co-operative credit societies must themselves set an example to the other members in the matter of punctual repayments. Otherwise their exhortations to defaulting members will have no force. A panchayatdar who defaults does the greatest possible disservice to his society. Every member of the governing body of a local supervising union has a very heavy responsibility to fulfil in regard to the punctual collection of the money due to the affiliated societies by their members. Most local unions employ supervisors one of whose duties is to watch collections and see that repayments are made punctually by the members of the affiliated societies. But in addition to this the members of the governing body

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War is a useless relic of savagery. It is the most wasteful of all enterprises, and it becomes increasingly wasteful as society becomes more complex. Real war is brutal, bloody, cruel; there is little noble, or worthy of emulation about it. The time for teaching the truth about it has come.

Fourteen thousand Japanese co-operative societies, with three-and-a-half million members, have combined in founding a central co-operative bank to serve as financial clearing house for the nation's co-operative enterprises.

should themselves do all they can to stimulate punctuality and for this purpose should divide up the affiliated societies among themselves, each member of the governing body making himself specially responsible for a few societies.

5. If action is taken on the lines indicated above it will go a long way towards removing the reproach of unpunctuality and unbusiness-like habits which can at present be levelled against so many of the rural credit societies in Madras Presidency.

No. C. 3946/23.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES,
Madras, dated 18th September 1924.

J. GRAY, ESQ., O.B.E., I.C.S.,
Registrar.

CIRCULAR.

In this office Circular No. C. 3946/23, dated 23rd August 1923, Assistant Registrars were requested to look into the savings deposit rules of co-operative banks and to see that they were modified where necessary so as to bring them into line with the orders contained in G.O No. 2260, Revenue (Special), dated 8th December 1919. From the reports on the subjects submitted by Assistant Registrars the Registrar finds that several central banks and primary societies have not adhered strictly to the conditions laid down in the Government Order mentioned above, more particularly to the condition prescribing a notice of thirty days for withdrawals from savings deposit accounts. This particular condition has, however, been modified in G.O's. No. 200, Development, dated 2nd February 1924, and No 1203, Development, dated 2nd July 1924, copies of which have already been communicated to Assistant Registrars, and central banks and primary societies should now have no difficulty in adhering to the condition regarding notice of withdrawal.

2. The conditions to be observed by central banks as well as by primary societies which undertake savings deposits business are indicated below. Assistant Registrars are specially requested to see that these conditions are strictly adhered to in future by all co-operative banks concerned:—

(i) The maximum amount to be accepted from any individual depositor in savings accounts in any given year, or in all, shall not exceed the amount which a depositor could, under the rules then in force deposit or hold in deposit respectively in the post office savings bank, i.e., the total amount at call which can be deposited by any individual depositor in any one year, after deducting the amounts withdrawn during the year, shall not exceed Rs. 750 and the total amount at call which a depositor may have at any time to his credit exclusive of the interest for the current year shall not exceed Rs. 5,000 in the case of an adult and Rs. 1,000 in the case of an account opened on behalf of a minor. These limits will not, however, apply to public accounts, but no public account shall have at any time more than Rs. 10,000 at its credit exclusive of interest for the current year, and no interest will be credited on any sum in excess of Rs. 10,000.

(ii) No society shall accept savings deposits without the special sanction of the Registrar.

(iii) No bank shall allow its savings deposits branch to be used for the purpose of business in current account.

(iv) The rate of interest allowable on savings deposits shall not exceed 5 per cent in the case of limited liability societies or 6 per cent in the case of unlimited liability societies.

(v) A depositor cannot withdraw money from his savings deposit account unless previous notice of at least one month of such withdrawal in each case has been given. No notice of any kind is however necessary for withdrawals from such account up to a limit of Rs. 200 in a week—Monday to Saturday inclusive.

(vi) Not less than 25 per cent of the amount held in savings deposit account must be maintained in the shape of fluid resource. This provision does not apply to (i) limited liability societies (other than Provincial and Central Banks) which do not accept deposits and loans exceeding Rs. 20,000 in all, (ii) unlimited liability societies.

(vii) The savings deposits of primary societies shall be obtained from strictly local sources only.

J. GRAY,
Registrar.

To All Assistant Registrars of Co-operative Societies and the Extra Assistant Registrar of Co-operative Societies, Vizagapatam.

The Japanese Government is contributing one-half of the thirty million yen(£ 3,000,000) capital of the new co-operative bank. The remaining shares are held by co-operative societies.

SUPERVISOR'S TEST, OCTOBER 1924.

8 A. M.—10 A. M.

(Without Books.)

I. You are asked to organise a Co-operative Society, if possible, in a village. What points will you note in your report (1) in favour of and (2) against the organisation of the Society.

II. (1) Why should a Society be registered?

(2) What are the privileges given by Act II of 1912 to Co-operative Societies?

III. (1) Enumerate the important registers prescribed for (1) Limited Liability Societies and (2) Unlimited Liability Societies.

(2) Do you think it necessary that property statements should be maintained by Limited Liability Societies? Give reasons for your answer.

IV. "The security of a village Society is the unlimited liability; in other Societies, it depends upon share capital." Criticise this statement.

V. (*a*) What becomes of the profits of Co-operative Societies?

(*b*) A Society refuses to remit Reserve Fund to the Central Bank and the Supervision Fund to the Union. What will you do?

VI. A Society shall be entitled in priority to other creditors to enforce its claims against members. Explain this rule and quote the exceptions to it, if any.

10-15 A. M.—12-15 A. M.

(With Books.)

I. "The object of the co-operative loan is to improve the position of the borrower and to make him a richer man." How is this object proposed to be achieved in co-operative Societies?

II. Distinguish between Long-term and Short-term loans.

III. You are asked to go and attend the first panchayet meeting of a rural society to give instructions to the new panchayet in the discharge of their duties. What instructions will you give?

IV. It shall be an integral part of the duty of the Supervisor to teach co-operative principles to the members of Societies. What co-operative principles will you teach?

V. What are the main points you will bring out in your inspection report of a rural Society.

VI. Sec 29 (2) of the Act says—Save with the sanction of the Registrar, a Society with unlimited liability shall not lend money on the security of moveable property. Explain the necessity for this provision in the Act.

VII. "Co-operation is an association tending towards the abolition of profits." Examine this statement.

ACCOUNTS & AUDIT.

2 P.M.—6 P.M.

I. You are asked to prepare the accounts of a Society whose records have been washed away by floods—How will you do it?

II. What is the distinction, if any, between
(1) Inspection and Audit. (2) Interim & Final audit

III. What are the special features of the audit of a Co-operative Society?

IV. (1) Define Balance Sheet.
(2) What is the relation between Balance Sheet and the Profit & Loss statement?
(3) Below are two statements prepared by a Supervisor. Explain the mistakes therein, if any, and make out a correct Balance Sheet.—

PROFIT.

1. Interest earned			
(*a*) Actually realised—	2,544	6	2
(*b*) Accrued	361	12	9
	2,906	2	11
(*c*) Accrued interest of last year ...	353	7	7
	2,552	11	4
Other items—			
Entrance Fecs	23	8	0
Fines and Penalties	4	3	4
Interest on Reserve Fund	60	10	6
do. on Bank Shares	23	2	11
Postal charges recovered	1	10	10
	2665	14	11

LOSS.

Interest—			
Actually paid	1,655	12	1
Pending last year	284	2	4
	1,939	14	5
Pending last year	300	5	8
	1,639	8	9
Establishment charges paid	254	1	11
Supervision Fund paid	91	0	3
Deprec ation in the value of furniture ...	1	0	0
	1,985	10	11
Net profit ...	680	4	0
	2,665	14	11

ASSETS.

	Rs.	A.	P.
Cash in hand	2,818	10	5
Share Capital in the Central Bank ...	388	8	0
do. of members	2,922	0	0
Reserve Fund invested in the Central Bank...	1,555	15	8
Loans due by members	22,285	0	0
Interest accrued—			
(1) not overdue	361	12	9
(2) Overdue	48	8	2
Suspense Asset	22	13	7
	30,402	12	7

LIABILITIES.

Deposits of members	4,076	0	0
do. of non-members	3,460	0	0
Loans from Central Bank	11,580	0	0
Interest due	284	2	4
Dividend due	76	4	9
Suspense Liability	2,813	9	8
	22,290	0	9
Net profit ...	8,112	11	10

REVIEWS.

Extracts from the Annual Report on the Working of the Co-operative Societies in the Baroda State for the year ending 31st March 1923.

A. From the Registrar's Report.

Progress of Co-operation. 3. There were 548 Co-operative Societies working at the end of the year with a total membership of 18,151 souls and a working capital of Rs. 26,66,729.

Agricultural Banks, Central Co-operative Banks and Banking Unions 4. Besides the four Agricultural Banks in the State, that advanced money to the co-operative societies as well as to the individual khatedars, there were three Central Co-operative Banks, and two Co-operative Banking Unions, to finance the Co-operative Societies only. The Baroda Central Co-operative Bank with a total working capital of Rs. 5,40,466 is the leading financing institution, so far as the Co-operative Societies are concerned.

Credit and Non-credit societies. Agricultural as well as Non-agricultural. 5. Though advancement of loans to their members is the main function exercised at present by the Co-operative Credit Societies, both agricultural as well as non-agricultural, yet the work of co-operative purchase of the agricultural as well as the domestic requirements of the members was also carried on by some of the agricultural credit societies. Besides these, there were 38 agricultural non-credit societies and 49 non-agricultural societies, credit as well as non-credit, the former comprising 2 milk supplying societies, 5 irrigation societies, 28 fodder storage societies and 3 grain storage societies and the latter consisting of 6 Government Servants' Societies, 25 Weavers', 5 Chamars, 2 Antyajas', 8 Urban societies and 3 Stores.

Reserve Fund. 6. The reserve fund of all the Co-operative Societies at the end of the year under report aggregated to Rs. 3,45,171.

Conferences. 7. Two District Co-operative Conferences, held during the year under report, proved highly instrumental in advancing the noble cause of Co-operation by disseminating its general principles amongst the public as well as by helping the co-ordination of the working of the various institutions in the State.

B. From the Government Review.

Fall in the working capital. 4. There was an appreciable fall in the amount of working capital of the societies. The Registrar attributes this fall to the year of good harvest and prosperity and consequent recovery of large sums of arrears from the members. Fair seasonal prospects need not necessarily go against the popularity of Co-operative institutions.

Baroda Central Co-operative Bank. 5. There was a decrease in the amounts of deposits and the working capital of the Baroda Central Co-operative Bank. It is reported to be due to the refusal by the Bank to entertain new deposits and to renew old ones. This is however hardly business-like. The Bank must extend its business and make investments in some concerns outside their respective institutions.

Agricultural Societies. 7. So far as the Agricultural Societies are concerned the Co-operative results are rather satisfactory. Only five societies increased during the year as against 28 in the previous year, and 16 year before last. The number of members and the amount of working capital also decreased. It is true that more attention should be paid to consolidation rather than extension but at the same time it is equally necessary to see that there is no stagnation.

Object of Co-operative movement. 8. The main object of the Co-operative Department and especially Agricultural societies should be Better Business, Better Farming and Better Living, and this side of the Co-operation should be encouraged.

Milk Societies and their development. 9. Although Government reiterated the importance of organising more milk societies on co-operative basis no progress is yet evident.

Reserve fund of Co-operative Societies. 13. It is pleasing to note that there is a steady rise in the reserve fund of all the societies. It is, however, necessary as the Registrar observes, that these societies gradually extend their sphere of business by investing their reserve fund in outside and safe concerns.

Administration Report of the working of co-operative societies in Assam for the year ending March 1924.

There were 703 societies, of which one was a Provincial Bank, 17 Central Banks, 53 non-agricultural societies and others were agricultural societies. The total working capital was 27 ½ lakhs; 13 lakhs were deposits and 7½ lakhs made up by tbe paid up shares and reserve funds.

The Agricultural and Co-operative Departments were amalgamated and were placed under charge of the Registrar, and it has facilitated the distribution of improved seeds, manures and implements for agriculturists through co-operative societies.

A perusal of the statement showing the operations of Central Banks gives us some salient features of Co-operation in Assam, which differ from our experience in Madras.

Silchar Central Bank is a town bank having 420 individual and a share capital of Rs. 2,484 and is a limited liability society. It was allowed to borrow Rs. 51,209, and its reserve fund is only Rs. 674. Similarly, almost all the central banks borrow more than 10 times their paid up share capital, and the usual dividend paid on shares ranges from 6½ to 12½ per cent. In the Central Bank there is margin of three or four per cent between the borrowing and lending rates; yet the reserve funds of the these societies are very small.

Likewise in unlimiied liability societies the working capital is about 45 times the share capital paid up. Dividend is paid at 12½ per cent; the borrowing rate is 10½ per cent and the lending rate 15-5-8, with a margin of 5 per cent.

We think that a safe standard must be fixed for borrowings in limited liability societies in proportion to the share capital, and this is being observed in other provinces.

Administration Report of the working of Co-operative Societies in Coorg.

There were 152 agricultural societies with a paid up share capital of about 1½ lakhs and a reserve fund of more than a lakh of Rupees, and six cattle insurance societies with 88 members. There was a Central Bank with a membership of 107 societies and 30 individuals. There were six supervising unions also. The establishment charges of these societies rose from Rs. 6,380 to Rs. 7,779.

The rate of interest charged on loans by primary societies was 12½ per cent per annum, the usual rate of interest on deposits being 6¼ per cent.

The question was raised of reducing the interest charged by the societies from 12½ to 9⅜ per cent, and the Registrar called for a conference to focus views on the reduction in the rate of interest. "It was pointed out that the margin between 9⅜ per cent advocated by the by-laws of the societies and 8¼ per cent charged by the Central Bank on loans given to the societies was quite inadequate to meet the working expenses and the societies now want the by-law to be amended and the dividend to be paid." This is a matter that Madras co-operators should also consider.

The usual dividend paid on shares in Assam is 10 per cent. The present margin between borrowing and lending rates is 2 per cent in the Central Bank and 4 per cent in the primary societies.

The societies in Coorg present a very good model to be followed by societies in building up their own resources. In agricultural credit societies the share capital is 34 per cent and the reserve fund 33 per cent of its working capital. And in Grain stores 51 per cent is the share capital and 47 per cent the reserve fund. So, in agricultural societies for a share capital of Rs. 99,000, there is a reserve fund of 81,000 rupees, and their borrowings come to only Rs. 175,000, a little less than the share capital and the reserve fund.

The Mysore Provincial Co-operative Bank, Ltd.

The Mysore Provincial Co-operative Bank must be congratulated on its successful working for the year 1923—24. The paid up share capital of the bank is 1,45,478 and it has deposits amounting to Rs. 3,89,753, and a reserve fund of Rs. 40,723. It has inspected 30 societies during the year through its Secretary. It got a net profit of Rs. 13,045—4—5. Out of

Rs. 4,78,814 outstanding against societies Rs. 1,47,217, about 30 per cent, was overdue at the end of the year; but what amount is overdne in interest is not shown in the Report.

The heavy overdues are attributed to the distress caused by the failure of rains. The Bank sanctioned Rs. 43,000 for relief work in societies in the affected areas.

The Fifth Bombay City Co-operative Conference.

The Reception Address of Prof. H. L. Khaji, President, Central Co-operative Institute, Bombay, at the above Conference, dives very deep into the subject of co-operation and has very valuable advice to the co-operators of the Presidency.

He deplores lack of more societies in the city commensurate with the population of 1,25,0000. Out of 218 societies, 170 are Urban Banks that provide the credit needs of the members. Only 19 are Store Societies, most of them being in a moribund condition. 20 are Housing Societies. About the Store Societies, he says that the members, instead of preferring to meet their needs in common by organized co-operative effort, prefer to meet their needs individually, and they have not learnt that working together would be immensely beneficial. The Credit societies grant loans for consumption, not for production, for non-productive, not for productive purposes. Only overdues, 'that great disfigurement of the Co-operative Movement, that ugly symbol of the non-development of co-operative character', are the necessary corollary to the easy organization of societies.

He also says that the basis of sanctioning loans to members must be altered. The correlating of the capacity to repay with the salary earned or the number of shares is not quite sound. His capacity to repay must be ascertained by his habit of making a savings deposit every month previous to the grant of loans.

Speaking of the depressed classes societies with unlimited liability, he says that this class of societies under the debt redemption scheme have failed and they are more a warning than an example. The problems of the depressed classes require careful consideration, and in Bombay he feels that the time has come for the organization of People's Banks in various localities irrespective of caste, creed of occupation.

He wants to start Provident Fund and Thrift Societies, as money saved is money gained, which is the fundamental creed of co-operation. Large employers are advised to take the lead in organizing such societies for their employees.

About Housing Societies, which are 20 in number, the professor is of opinion that life in the suburbs should be made attractive and safe enough by efficient Police protection, by cheap and speedy local train services and by greater encouragement to co-operative housing societies. We are glad to note that the Bombay Government have lowered the rate of interest charged on long term loans to building societies from 6 to 5 per cent.

Speaking of Store Societies, he says that "they present a tale of failure, almost unmitigated failure. Started under the spur of the days of control, not the outcome of a desire on the part of the consumers of small means to have their own shops for their daily requirements, naturally, the hardships of the control regime over, the societies collapsed, did not command the loyalty of the members." This is the secret of the failure of Store Societies in a nutshell. He suggests that either we should carry on business on a large scale with a competent and well-paid staff or we should have societies small enough to be managed by honorary workers only.

Out of the 19 societies, 2 employees' societies, 2 hostels and 2 College Stores are said to be thriving; and these successes have lessons to teach The employees' societies sell goods on credit in the nature of deferred cash payment, and the purchaser presents a credit card issued by the head of the department, and the amount due is recovered from the pay. The hostels prove that consumers' co-operation can be successfully applied to meet a genuine need. And the success of the College Stores proves much the same thing.

In the Producers' Societies numbering five, the cost of management exceeded the share capital and it was 58 per cent of the working capital. They produce on a small scale, and cannot undertake large orders.

In conclusion he says that co-operation will not achieve miracles, but, if well directed, co-operation lightens burdens and removes difficulties. To be successful, however, it has to be preceded by intensive propaganda, training and education. For such work "financial support is not enough, but workers and leaders are as necessary. Unless the people realize that standpoint of economics which we call co-operation, unless people learn to band themselves together as co-operators for their various ends, small or great, unless people are trained in the small but effective school of co-operation, even Swaraj itself will fail to be a panacea for all evils, as some fondly seem to imagine."

Conference at Bombay on Mortgage Banks.

The Conference of official and non-official co-operators to consider the question of Mortgage Banks held in Bombay on 29th September, 1924, discussed the pros and cons of organizing Land Mortgage Banks in the Presidency, with Mr. G. K. Devadhar in the chair.

The chairman pointed out that the subject was to be considered under three heads : 1. Finance for current needs ; 2. for land improvement and 3. for liquidation of old debts. Mr. Madan thought that the subject could conveniently be divided into short term and long term capital. One member wanted that, as the Mortgage Banks were to float debentures, if they were unable to do it, the Provincial Bank might undertake to do it on their behalf. Hence he wanted that membership in Land Mortgage Banks should be confined to primary societies, not to individuals. This was not accepted by the Conference.

The following concessions were sought for from the Government :

1. Guarantee of rate of interest by Government on debentures to be floated at 6 per cent, if necessary, at a discount, the period of redemption to be 33½ years ;
2. Investment by Government in such debentures ;
3. Debentures to be made trust securities by an amendment of the Indian Securities Act ; and
4. Free supply and advice of expert land valuers for a period of three years.

The Conference also resolved that the loan to be raised on debentures should be limited to twenty times the share capital. The Bombay Government seems to have promised to invest one lakh in each of the four banks to be started during the year.

BOMBAY CENTRAL CO-OPERATIVE INSTITUTE.

Extracts from the Report for the year ending 31st March 1923.

GENERAL.

The year under Report witnessed a further expansion of the activities of the Institute and the sphere of its influence.

Besides the usual Training Classes at Bombay held by the Central Office, 2 Senior and 6 Junior Secretaries Training Classes were held by the Divisional Branches at various centres, as many as 44. Training Classes consisting of series of lectures without examinations were also held by the Branches and were well attended.

The Bombay Co-operative Quarterly and the four vernacular magazines of the Institute are being published regularly, and are growing in popularity. The Standing Committee this year, considering that the Quarterly owing to limitations of space, is not able to give the co-operative news in detail decided to start a new monthly journal in English named the "Bombay Co-operative News" which will be supplied free to members instead of the Quarterly ; and the latter will now be supplied to members at the concession rate of Rs. 2 per year. This new journal is being published since April 1924.

The Konkan Enquiry Committee which was appointed in March 1923, finished its work of investigation into the Co-operative and Economic conditions in Konkan in June and submitted its Report in July. The recommendations of the Committee are under the consideration of the Institute and the Registrar.

MEMBERS.

The number of members of the Institute rose during the period from 3,177 to 3,583 ; 2,927 societies and 656 individuals, of whom 2 were Patrons and 12 Life-members.

MEETINGS OF THE BOARD OF MANAGEMENT AND STANDING COMMITTEE MEETINGS.

Two meetings of the Board of Management were held during the period.

The Standing Committee met 13 times during the period and the Sub-Committee 8 times, the chief points discussed being references from the Government regarding the consolidation of uneconomic agricultural holdings and possibility or organisation of Savings Banks among working classes, the supervision of primary societies, the report of the Konkan Enquiry Committee etc.

PROVINCIAL CO-OPERATIVE CONFERENCE.

The Provincial Co-operative Conference was held at Poona on the 22nd, 23rd and 24th September 1923. About 250 delegates attended the Conference from all parts of the Presidency. The subjects before the Conference were referred to 6 sub-committees; and the draft resolutions proposed by sub-committees were discussed and voted on in the open conference.

The Conference was accompanied as usual by a Conference of the representatives of the District Banks and a special agricultural demonstration was also organised by the Director of Agriculture on the morning of the 24th September, which was largely attended.

CO-OPERATIVE HOUSING.

A Meeting of the Co-operative Housing Societies in Bombay, was held on 23rd May 1923 to discuss problems connected with their difficulties Another meeting of the representatives of the Housing Societies in Bombay was held on the 17th September 1923 to consider the question of the rate of interest on Government loans to societies. It was decided at this meeting that the present rate of interest of 6 per cent on loans to societies being too high, the question should be brought before the Provincial Conference for consideration and Government should be approached with a request to reduce it to 5 per cent. This representation was further supported by the Provincial Conference and also by the then Registrar, Mr. Rothfield; and Government in compliance has already kindly reduced the rate to 5 per cent in case of certain societies which were the most affected.

URBAN BANKS.

A meeting of the Urban Banks in Bombay was held on 23rd June 1923 when the discussion carried on in the meeting held in November 1922 was continued.

NIGHT SCHOOLS.

The year opened with 32 schools; 16 in the Central Division and 16 in the Southern Division.

In order to maintain the literacy of the villagers, after they have completed the course a scheme for continuation work was prepared some time ago by the Institute. Under this scheme the villagers who passed the two years' course were helped to start a village library by a donation equal in amount to the funds they collect, subject to a maximum of Rs. 25. Three libraries were started on this basis in the Central Division, but they have not been well utilised on account of the lack of interest on the part of the villagers. The Night School Inspectors also delivered 28 magic lantern lectures during the year.

TRAINING CLASSES.

The Annual English Training class opened in Bombay on the 23rd July 1923 and received an encouraging response from the college students and the public. The lecturers included distinguished co-operators and professors of colleges. The attendance at the English Training Class was 88, out of whom 18 attended the Honorary Organisers' Class and 12 the Bank Officers' Training Class. The English Training Class examination (*i. e.* Co-operative Certificate Examination) was held on the 19th August 1923 at Bombay. In all 36 candidates appeared for the Examination of which 31 passed, one in the first class and the others in the second class.

CO-OPERATIVE LIBRARY.

The Institute's library has been re-arranged and a fresh catalogue has been prepared.

LEAFLETS.

During the period Leaflet No: 22 on "Consolidation of holdings" was issued by the Institute incorporating the two brochures by Mr. Calvert and Mr. Rothfeld on the subject. Four leaflets Nos: 1,3,6 and 9 have been revised and re-issued.

MAGIC LANTERN SLIDES.

The two sets already prepared by the Institute, one on "Co-operative" Credit and the other on "Co-operative Stores" are becoming very popular; and we have pleasure to report that orders for the same have been received from co-operative and educational departments and associations in almost all parts of India.

THE BRANCHES OF THE INSTITUTE.

The Divisional Branches of the Institute have made good progress during the period under report except the one belonging to the Konkan Division.

INSTITUTE BUILDING.

The site for the Institute Building was taken possession of during the year under report; and the work of construction has recently commenced. The building will consist of one ground floor and three upper floors, and will accommodate the Institute, the Provincial Bank, and the Bombay office of the Co-operative Department. We earnestly hope that the Co-operators will appreciate the importance of the scheme for providing a central meeting place for them all and will help us in our endeavour.

SUPERVISION OF SOCIETIES.

The question whether the Institute should take up the work of supervision was discussed last year at the Provincial Conference which appointed a Committee to consider it. The Committee has reported that in order to provide efficient and useful supervisions, supervising unions should be started wherever possible to take up the work. The Institute, the Committee thinks, should start the unions, and should provide guidance and instruction to them. In backward tracts, however, where it might not be possible to start such unions, the supervision should directly be undertaken by the Institute. The report is at present under the consideration of the Registrar and the Institute, who are taking steps to give effect to the recommendations.

RELATIONS WITH THE CO-OPERATIVE DEPARTMENT.

The Committee takes this opportunity of expressing its thanks to the officers of the Co-operative Department for their cordial help in the work of the Institute. In this connection, the assistance rendered to the Institute by Mr. Otto Rothfeld, I. C. S., the late Registrar of Co-operative Societies, deserves special mention.

GHENT EXHIBITION.

The International Exhibition of Co-operation and Social Welfare which is being held in Ghent in this month invited the Institute to participate and the Institute has accordingly sent some exhibits from Weavers' and Producers' Societies and also a few charts showing the progress of the movement. The exhibits chieflyare Silverware, cloth, hosiery, leather goods, lacquered ware &c. The Government kindly made a grant of Rs. 2,500/- to the Institute to enable it to take part in the Exhibition; and the Institute has to find the balance of the expenses, which are calculated to exceed Rs. 5,000. An International Co-operative Congress will also be held at Ghent in September, for which the Institute was invited to send its representatives. The Standing Committee has accordingly appointed Mr. Otto Rothfeld and Mr. C. B. Huli to represent them at the Congress. Mr Rothfeld will also represent us on the Committee of Honour,

INTERNATIONAL RELATIONS.

In consideration of the growth or the work of the Institute and of the part it is playing and will have to play in the movement in this country, it has been considered desirable to link it with the world movement; and accordingly the Standing Committee has resolved to apply for application to the International Co-operative Alliance. We hope that this resoulution of the Committee will have your approval and full support.

During the year under Report, the Institute completed five years of its existence. During that period, its work as a propagandist and educational institution has given it a place in the foremost ranks of the co-operative organisations, and it is now looked upon as a model institution in that respect by the other Provinces of India. It has upto now worked to the best of its ability as far as the limitation of its funds and workers would allow; and the amount of work put in by it cannot be said to be small. Its income has also grown in proportion to its activities. The Government grant which was Rs. 4000 in the first year has now been raised to Rs. 22,000; and Government have now promised to give a grant equal in amount to the income of the Institute from other sources for which the best thanks of the Institute are due to them.

THE THIRTEENTH

Madras Provincial Co-operative Conference

TO BE HELD AT MADRAS

on the 21st, 22nd & 23rd of December, 1924.

Chairman
OF THE
RECEPTION COMMITTEE
M. R. Ry. Rao Bahadur
A. VEDACHALA AIYAR, Avl., B. A.,
Retired Registrar of Co-operative Societies.

President
OF THE
CONFERENCE
Sir K. V. REDDY, Kt., B. A., B. L.,
Ex-Minister
in charge of Development Departments.

Co-operators! Come in large numbers, voice forth the considered views of your constituent bodies and make the Conference a great success.

For Non-delegates

Copies of notes submitted to the Conference (embodying the views of prominent co-operators all over the Presidency on the problems mooted in our questionnaire) will be available at Re. 1 a copy (V. P. charge extra) from 21st December, 1924.

NOTES AND NEWS.

Our hearty thanks! We have very great pleasure in announcing that in response to our appeal for funds in connection with flood relief work, the Madura-Ramnad Banking Union has sent us a handsome donation of Rs. 200. This is the biggest single contribution that we have as yet received from individuals or from co-operative organizations.

On behalf of the poor people in the flood-affected areas and on behalf of the Provincial Co-operative Union we thank the Madura-Ramnad Bank for its munificant charity.

The Coming Conference. The coming Co-operative Conference bids fair to be one of the most important in the annals of the Co-operative Movement in our Presidency. The Reception Committee has had the good fortune to secure the services of a retired Registrar of Co-operation as its Chairman and a former Minister for Development as the President of the Conference.

The response from co-operative organizations all over the Presidency to our appeal to take part in the Conference has been very encouraging. The questionnaire sent by us seems to have evoked so much of thought, and we are getting reams of answers. The Committee is very busy analysing them, editing them and presenting them subjectwar.

We hope the deliberations of this Conference will have far-reaching influence on the Co-operative Movement in general.

Very Sorry, Gentlemen, We are sorry that we are not able to accommodate some ardent co-operators from the moffussil who wanted to have the dates of the Conference changed. The policy of the Union has always been to hold the Conference at such a time that people coming from moffussil might attend the Conference either on their way to or from the National Congress. As the Belgaum Congress this year is going to be a very momentous one and as almost all the leading politicians of our Motherland are sure to be there, the Reception Committee thought we had better hold the Conference before the Congress, and hence the dates chosen have been fixed.

P. C. U. and its reorganisation. One of the most important subjects that would be taken up for consideration by the co-operators assembled in connection with the Conference would be the reconstitution of the Provincial Co-operative Union.

There is strong desire to make the Union a more potent factor in the working of Co-operation in this Province than it has hitherto been. And the one serious obstacle that has been thwarting all our ambitions of doing useful work has been finance. It is, therefore, intended to throw open the membership to :

1. Individual members who would be expected to pay an annual subscription of Rs. 5. The Provincial Co-operative Union hopes that there would be at least 10 ardent co-operators in each district, and hopes therefore to enlist, at the lowest estimate, 200 individual members ; and

2. Urban Banks and similar co-operative institutions, which should be given direct affiliation to the Provincial Union. It is proposed to get from such of these institutions as do quite respectable volume of business of financial contribution proportionate to their business.

We hope that these thriving institutions will not grudge to lend their financial support to the one provincial non-official organization in the Presidency which alone can voice forth the opinion of the people in an authoritative manner and can act as the exponent of cultured non-official opinion on all important problems connected with Co-operation.

There are a few minor modifications which would also be placed before the Co-operators.

A Long felt desideratum. The necessity for a decent building in some central portion of Madras, which could house the Provincial Co-operative Union and its growing library, has been long felt. An attractive and useful building located in a conspicuous place works silently but effectively to spread the gospel of co-operation amongst the people.

Such a building might be used to locate the Offices of the important co-operative organizations of the city. The co-operators from moffussil would like to spend the few days of their sojourn in Madras in a place like that, if it is fitted up for their convenient lodging with boarding facilities either in itself or in its easy neighbourhood.

It would be worth while even from a business point of view on the part of big provincial organisations like the T. U. C S and the Mylapore

Central Bank to have such a building constructed out of their funds separately or conjointly. We can certainly expect proportionate contributions from all district banks, urban banks and other flourishing co-operative organizations in the moffusal.

The English Co-operative Union has got a big mansion of its own in Manchester wherein till recently the Co-operative College was located. Little need be added to commend this idea to enlightened co-operators in the Province.

A New Literary venture. We have received two numbers of the Brennen College Magazine. In these days when every educational institution is attempting to run a Magazine of its own, this enterprise deserves special mention because of the spirit of Co-operation that seems to permeate the whole enterprise.

The articles are very attractive, and some ofthem from student contributors deserve special mention. There is a vernacular section, wherein also the articles keep up the high standard of the Magazine.

We would like to draw the special attention of our readers to the excellence of printing which is a matter of congratulation to us, because the printing was done by the Sadananda Co-operative Printing Works of Mangalore, the pioneer Co-operative Printing enterprise in the land.

We wish our contemporary all success.

T.U.C.S. In pursuance of our policy of bestowing greater attention upon the non-credit aspect of the Co-operative Movement, we give below an analysis of the purchase and sale of the T.U.C.S. for the past four months, for which figures are now available. We should be very glad to give similar publicity to co-operative activities in other portions of the Presidency also.

		Purchases			Sales		
		Rs.	A.	P.	Rs.	A.	P.
1924	July	66736	5	6	81,087	6	1
„	August	71,599	4	2	90,908	10	9
„	September	88,139	1	8	79,064	11	4
„	October	72,219	1	2	82,966	11	1

Villipuram's solid contributions to Co-operation. We have received an advance copy of the full report of the Training Class held at Villupuram in April last. The papers read at the Conference, together with a detailed account of the training given to rural co-operators, the problems and exercises set to them and corrected, and all aspects of co-operative activity during the two or three busy days at Villupuram, are faithfully described. We understand that a Tamil translation of this is also getting ready. We feel confident that such a book would be of very grat service to co-operators in other districts who intend organizing similar training classes.

A good deal of very thoughtful and useful pioneer work has been done by our co-operative friends at Villupuram, and they willingly place all this at the service of brother co-operators of the Presideny. We know that South Kanara has been doing similar work now for some years, but to South Arcot belongs the honour of having initiated such training classes among the Tamil Districts.

We congratulate them on their successful performance of this difficult task, and we hope their excellent example will be imitated by others.

S. Canara's excellent example. We publish elsewhere *in extenso* the question papers set for the supervisors' test in South Kanara. We have also received a report of the proceedings of the Co-operative Business Conference and the general meeting of the District Council of Supervision of South Kanara held in October last.

As many as 50 propositsons were considered and passed at the Conference and much useful work was done by the exchange of ideas between co-operators of the district assembled together.

We commend the excellent example of South Kanara to other districts. We know that the District Councils of Supervision formed in other districts are not functioning as well as they ought to.

The annual meetings of the dis trict bank, the general body meeting of the District Council of Supervision and various other co-operative functions connected with a district ought to be held together for two or three days, so that all the leading co-operators in the district might spend the days together in an environment of pure co-operative thought and influence. On such occasions stock might be taken of the work done during last year, and plans of work for the coming year be laid out.

Some more District Banks. Since our note on the subject last month we have received the reports of the Malabar District Co-operative Bank and also of the Ramchandrapuram Banking Union.

Both are progressive institutions, though their record is sullied by high overdues. We may in this connection draw the attention of the authorities connected with the various district banks to the pertinent remarks of Rao Sahib T. Srinivasa Rao on this subject contained in his presidential address at Anantapur Conference (publised as supplement to November Bulletin).

A Pioneer agricultural society. We have received a copy of the Audit Order of the Tanjore District Co-operative Manure Society Limited No. 1885, Nidamangalam for the year ending 30th June 1923.

It is one of the pioneer organizations of the kind in the Province, nay in India, and it has well merited the special mention it has received in Mr. Wolff's book on Co-operation in India Though originally started with a view to collect bones of animals and pound them into manure, it has also been instrumental in purchasing various other kinds of manure like fish guano, oil cakes, etc. and distributing them among its members. Last year it threw open certain plots of land belonging to its members for special demonstration purposes by the Government Department of Agriculture, wherein cultivation was carried on according to the improved methods with scientific system of manuring, and with very satisfactory results. The society also has been demonstrating the utility of Meston plough, triangular harrow and other improved implements of agriculture and also the usefulness of utilizing improved strains of seeds.

We congratulate M. R. Ry., Rai Sahib A. Seturama Iyer on the excellent work done by his society, and we hope that enlightened landowners in other agricultural areas will follow his excellent example and not only utilize the services of the Government Agricultural Department for their own purposes,but popularize the scientific methods advocated by them amongst the ryots of the land, who are proverbially conservative and sceptical about departures from the beaten track.

Our Brethren in Bombay. The Annual Report of the Bombay Central Co-operative Institute, extracts from which we have published elsewhere, is a record of progress.

Comparing the Provincial Co-operative Union of this Province with the sister institution in Bombay, we find that we cannot be very proud of our achievements. Nor is there reason to be much ashamed of ourselves. The co-operative organization from the non-official point of view is certainly more satisfactory in this Province than there. They seem to have begun at the top, and the Central Institute is slowly planting its branches in the different parts of the Presidency. They have yet to organize supervising unions on such a large scale as we have done here. They further seem to get a very large subsidy from the Government. Last year they got Rs. 22,000 for their training classes, education and propaganda work, whereas the Provincial Co-operative Union is still hoping to get a subsidy from our Government here.

No wonder they have been able to hold two or three training classes, conduct two journals in English and four in the four vernaculars of the Province, have a decent library, run night schools and organize village libraries, and conduct their campaign of propaganda very efficiently with magic lantern slides specially prepared. We also hope that if the reorganization of Provincial Co-operative Union, which will be taken up very soon, becomes an accomplished fact, and if we get that support which we have a right to expect both from the co-operative institution and from the Government, the Provincial Co-operative Union will be able to discharge its duties satisfactorily.

Co-operation and the Last General Election in England. Brother co-operators know that in the last parliament there were 6 members who got elected as co-operators. At the time of the recent electiou four more seats were contested, and the English co-operators put up 10 candidates. "It is not for mortals to command success," says the poet, and our English brethren did all that lay in their power to win success at the polls. Only 5 have been returned; but it is some consolation to be told that there are 24 other members in the parliament like Lady Astor, Ramsay MacDonald, Sydney Webb and others who have been co-operators for a long time and who could therefore be expected to lend their support to all propositions to further the Co-operative Movement.

A distinguished American Visitor. Prof. E. A. Ross of Wisconsin University, U. S. A., visited our P. C. U. which gave an 'at home' to him. Some prominent co-operators of the city, official and non-official, were present. The learned professor was speaking about the Co-operative movement in U. S. A. and was very anxious to know how far it has enhanced the economic prosperity of India.

Regarding U. S. A. he said there was very little of the credit movement in that country. It was only about 4 years back that the American farmer found himself unable to meet his obligations to his banks, as, owing to the economic collapse of Europe his produce, which was hitherto finding a good market in that part of the world, could not be sold. The States and the Federal Government then came to his rescue by instituting Land Mortgage Banks which have been of great service to him.

The stores also have not been flourishing very much as the margin of profit even in retail sale in out of the way places was very small. In big cities there are ever so many firms that are willing to purchase and send any article a farmer may need from a pinsheet to an oil engine and the retail seller could not sell for prices higher than those quoted in the monthly catalogues of these all-catering firms.

Almost all the cities of the U. S. A., especially those in the State of Pennsylvania, have quite a large number of house-building societies which enable the members to build their own houses. These societies are given no financial help by the Government as the ordinary workman is not too poor to help himself but only wants an organisation (such as the House-Building Societies) which would enable him to invest his savings in a profitable way. Members take shares of 200 dollars payable at the rate of one dollar a month per share; but the whole share gets paid up in 10 years as compound interest is allowed on the paid up amounts. It is looked upon as a profitable investment and hence many join such a society though they do not intend borrowing from it. The amount subscribed is lent out among those who need it at rates of interest which vary from month to month according to the urgency of the need of the borrowing members.'

The farmer combines with other farmers to get the best prices for his produce and a well-knit system of organisation is in existence for the sale of commodities. A sale society specialises in a particular commodity and combines with others of a similar nature in other parts of the country till a federal organisation dealing in that particular commodity only, such as cheese, tobacco, apples etc., is formed.

Cases of illiteracy are to be found very rarely and that only amongst the Negroes or immigrants and the average farmer is able to read newspapers and know the conditions of different markets of the world. The State agricultural department helps him by appointing itinerant lecturers and demonstrators and by maintaining a body of experts to advise the farmers on all important matters and he is educated enough to combine with his fellow farmers and take the fullest advantage of such persons and institutions.

The Professor has made a special study of the question of population and was very much interested in knowing whether the effects of the co-operative movement, which ought to have in the natural course of things raised the standard of living among the peasants, have not been nullified in this country by an indiscriminate growth of population. In America they have studied this problem thoroughly and there is what he called the "adjustable fecundity." That was the main reason why the American Government is regulating immigration into it confining it to 2 per cent of the existing population of that nationality to which the immigrant belongs.

After a very pleasant hour spent in useful and stimulating exchange of ideas and views the party dispersed.

THE SECOND

Kurnool District Co-operative Conference

held at Kurnool on the 30th Nov. 1924.

Rao Sahib T. SRINIVASA RAU'S PRESIDENTIAL ADDRESS.

BROTHER CO-OPERATORS:

My first duty is to express my heartfelt thanks to the Reception Committee of the Second Kurnool District Co-operative Conference, for doing me the great honor of asking me to preside over their deliberations. I got the requisition of the Reception Committee on the next day on my return from Anantapur after presiding over the District Co-operative Conference held there on the 8th instant, and felt some hesitation in accepting it for the reason that within such a short distance of time as three weeks I might not have much to say in addition to what I had said in my address to the Anantapur Co-operators. However, two reasons weighed with me and I decided to accept the invitation; one was that I could not make up my mind to give a negative answer to a requisition from old friends and co-workers, and the other was that the co-operative field was too wide in its aspects and possibilities of improvement that I thought that I might well deal with some of the so many more problems engaging or calling for the attention of co-operators.

In the evolution of the Co-operative movement in our province, we have now, I think, reached a stage at which we would do well to exercise a little introspection, in order that we may discover and note our shortcomings and devise measures for improvement in the future.

SOME ALL-INDIA STATISTICS.

Before doing so I crave your indulgence to quote some statistics which, at least to rural co-operators who have no easy means of access to them, will be found interesting—statistics relating to the progress of the movement in British India, four Indian States (Mysore, Baroda, Hyderabad and Bhopal) taken together (for which alone statistics are available), the Madras Presidency and the Kurnool District. There were at the end of the year ending 30th June 1923 (the latest year for which figures are available) 51,687 societies in British India, 44,439 in the four Indian States just named, 8443 in Madras and 212 in Kurnool, of which 46,436, 3,850, 7,195 and 185, respectively, were agricultural societies. For every lakh of the population, the number of societies were 21·2, 20·8, 19·9, and about 22 respectively in the tracts mentioned. Membership in all primary societies amounted respectively in round figures to 1941, 162, 527 and 8 thousands, while the same in agricultural societies only was 1,506, 107, 386, and 6 thousands. The number of members of primary societies (both agricultural and non-agricultural) per 1000 inhabitants was 8 for British India, 7·6 for the States, 12·4 for Madras and about 8 for Kurnool. The aggregate working capital of all societies inclusive of Reserve and other funds amounted to Rs. 3,332 lakhs in British India, Rs. 221 lakhs in the States, Rs. 713 lakhs in Madras and Rs. 9·05 lakhs for Kurnool. These figures give an average per head of population of 22 annas for British India, 17 as. for Indian States, 27 annas for Madras and about 14 as. for Kurnool. These amounts of working capital include Rs. 453 lakhs of shares capital and Rs. 279 lakhs of Reserve and other funds for British India, Rs. 59 lakhs and Rs. 23 lakhs under those heads for the States, Rs. 95 lakhs and Rs. 27 lakhs for the Madras Presidency and Rs. 1·22 lakh and Rs. 0.14 lakh for Kurnool. While on the one hand these figures convey an idea of the magnitude of work done in two decades, the number of societies per lakh of the population, the number of members per thousand of the population, and the amount in annas of working capital per head of the population are at once suggestive of the vast scope for the further expansion of the movement which awaits the attention of co-operators.

MADRAS STATISTICS.

Leaving these fignres which compare statistics appertaining to our province and your district with those of British India and a few Indian States and coming to our province, we find that the working capital of the Provincial Bank (The Madras Central Urban Bank), all Central Banks and the Kurnool Central Bank was Rs. 86 lakhs, Rs. 249 lakhs and Rs. 3·6 lakhs, respectively, which included share capital and reserve and other funds amounting to Rs 5·25 lakhs and Rs. 3·21 lakhs (for the Madras Central Urban Bank) Rs. 28·37 lakhs and Rs. 4·99 lakhs (for all Central Banks) and Rs. 0·47 lakh and Rs. 2,165 for the Kurnool Central Bank. Proceeding next to primary societies in our Province we find that their share capital, reserve fund and borrowed capital amounted respectively to Rs. 31 lakhs Rs. 13 lakhs and Rs. 227 lakhs in the case of agricultural societies and Rs. 31 lakhs Rs. 6 lakhs and Rs. 71 lakhs in the case of non-agricultural societies. Similar figures for the Kurnool District were Rs. 51,283 (Share Capital) and Rs. 7,509 (Reserve Fund) and Rs. 4,02,136 (Borrowed Capital) for agricultural societies and Rs. 23,731, Rs. 4,774 and Rs. 56,532 for non-agricultural societies respectively.

SHARE CAPITAL AND RESERVE FUND IN AGRICULTURAL SOCIETIES IN MADRAS.

Having given these figures I shall next state the progress made in the matter of accumulation of share-capital and the building up of reserve fund in the case of agricultural societies of our province, which absorb three times as much of borrowed capital as limited liability societies and which, for this and other reasons, call for greater attention. On the 30th June 1923 the paid-up share capital amounted to 13·5 per cent of borrowed capital in Madras, corresponding percentages for British India, Indian States and the Kurnool District being 14·2, 33·9 and 12·8 respectively. The reserve fund built up by that date was 5 per cent of borrowed capital for our province, as against 18·2 for British India, and 22·1 for Indian States. In Kurnool District, however, it was so low as 1·9. Looking at the progress made in these directions during the three years ending 30th June 1923 we find that while in British India share-capital went on gradually falling, though inconsiderably, from 14·7 to 14·5 and from 14·9 to 14·5, in Madras it was steadily rising, also inconsiderably, from 12·2 to 12·9 and from 12·9 to 13·5 on 30th June 1923. As to reserve fund, however, our province compares very poorly, the percentage thereof to borrowed capital on 30th Jnne, 1923 being 5·8 as against 18·2 for British India and 22·1 for Indian States. The progress in Madras in this direction during the three years ending June 1923 has not been satisfactory either, having fallen from 6·1 on 30th June 1921 to 5·7 on 30th June 1922; and having risen just by point one or to 5·8 on 30th June 1923. Taking Kurnool District we see that it has steadily accumulated share capital from 9·5 to 12·2 and from 12·2 to 13·5. But as regards reserve fund its percentages are very poor, being 12·6 on 30-6-21, 1·7 on 30-6-22, and 1·9 on 30-6-23.

AGRICULTURAL SOCIETIES.

As you are aware, Gentlemen, and as the statistics quoted show, the co-operative activities in our province as elsewhere are largely confined to agricultural societies established in rural parts, the proportion thereof to the total number of primary societies (8161) in our province being 88 per cent. The proportion of the working capital relating to this class of societies to the total working capital of primary societies in our province was 71·3 per cent of which 70 per cent appertains to credit societies and 1·3 per cent to non-credit societies. The non-agricultural societies form 12 per cent of the total number and absorb 28·7 per cent of the working capital of which 26 per cent appertains to credit societies and 2·7 per cent to non-credit societies.

THEIR CONDITION.

It is conceded on all hands by official reports as well as non-official accounts, that agricultural credit societies stand in need of more effective supervision, improvement and consolidation. The present general condition of this class of societies and their working in the past, which has been depicted in my very recent address to the Anantapur co-operators, which is now before you, have a number of lessons to teach us, and we lose sight of them in organising new societies. The need for consolidation, which term has been so much in vogue in recent years, may be taken as implying in a measure, large or small, defects in

ORGANISATION

which should be avoided in future. Writing so far back as 1915, the Committee on Co-operation stated: "We believe that the time has come when, except for special reasons an increase in the number of societies should radiate from existing centres of co-operation and should be based on a well-informed desire to imitate existing good examples." This observation, however, was not taken to hold good in regard to our presidency at that time. At the end of the year 1915—16, the number of primary societies in the presidency was 1601 agricultural and 157 non-agricultural, total 1758. The movement had not reached all parts of the province. Large areas remained untouched owing to paucity of establishment. With a view to carry the benefits of co-operation to every part of the province, a late Registrar, the late Mr. Hemingway, proposed and obtained the sanction of Government for a scheme of development in 1919—20. The scheme was gradually brought into operation with the result that at the end of June 1923 the number of agricultural societies rose to 7195 or by 4½ times and of non-agricultural societies to 966 or by six times. Membership in both classes increased about four-fold. And I suppose, co-operators may well now take it that the stage indicated by the Committee has been reached of further increase in the number of societies being henceforward left to radiate from existing centres. The energy of both the official and the non-official is more than needed for the work of improvement and consolidation of existing societies. Regis- tration of fresh societies may well be restricted to voluntary applications. Whether this be done; or whether, for the reason that further deve- lopment could not be stopped at the present time when financial resources are rapidly increasing lest unused funds should accumu- late and stagnation result—a reason open to question, as surplus

funds can with better advantage be absorbed by consolidation and improvement of existing societies—fresh organisation on the initiative of the official or the non-official staff be undertaken; there can be little doubt that in either case far greater caution is called for in the work of organisation than has been exercised in the past. It is supposed and even believed in many villages, and I am afraid also by some co-operators, that a co-operative society is capable of doing a variety of things: in fact, it is not generally understood that there are limitations in various directions to the benefits which even a co-operative society can confer. About the year 1920 when the money market grew tight and calls in a larger measure than in the past for withdrawals of deposits were anticipated, the duration of long term loans was reduced from ten years and more to 7 years in the Madras Central Urban Bank, and to shorter terms in Central Banks, with the result that members of agricultural societies were generally allowed five years for repayment of long term loans, in the place of 10 years and more to which they were previously accustomed. The tendency in financing banks in more recent years has been to further restrict long term loans on the principle that loans for long periods should not be issued out of short term deposits. With these instructions as to proportion of the long term loans that they can grant and the reduced periods of such loans which they find it possible to allow, the capacity of Central Banks to provide long term money to agricultural societies is limited. And, in turn, the capacity of a rural society to finance members with long term loans is restricted too. The indebtedness of several members in rural societies is generally found to be in excess of five times their annual saving, in other words, repaying capacity. There is no good therefore of organizing a society where the prospective members' indebtedness exceeds five times their annual saving capacity, unless it be to add to the number of the existing unsatisfactory and indifferent societies. This aspect requires to be carefully inquired into and studied. New societies will necessarily have to be restricted to members who could be suitably financed under existing conditions, in respect of long term loans, and to those who would be content with short term loans which, however, in so many parts of the presidency have come to be looked down upon, undeservedly though, as unwelcome, as defaults in repayment of such loans show. The general economic condition of the inhabitants living in the area, their property qualification, and their indebtedness should well be studied. Conditions exist, which may well be imagined, under which a credit society will not be capable of helping the members. Applications in such cases will require to be rejected. In the next place, prospective members should be made to realize that a society on registration becomes in reality, though not quite in form, a member of a district-wide, nay presidency-wide, organization, which fact side by side with privileges imply responsibilities as well. The society gets itself connected with the central bank and through it with the provincial Bank for purposes of finance and with the local union, the district federation of unions and through these with the provincial union for purposes of supervision and propaganda. Membership of such a wide and helpful organization and the incidental responsibilities demand sacrifices which must be borne and borne cheerfully. Or, the administrattion will become difficult and unsatisfactory, and this will react on the society itself. A result of this kind is already perceivable in regard to existing societies. Again, the cost of internal management of the society has considerably increased, in part, as the necessary result of the place which on registration under the co-operative societies Act it occupies in the family of the co-operative machinery and in part to the increased cost of account books, increased cost of locomotion, and an all-round increased cost of almost every thing, which have come to stay since the termination of the Great War. The old spirit of doing the clerical and executive work of the society, that is, the work connected with the maintenance of accounts, collection of instalments, etc, gratuitously, has disappeared or is slowly disappearing, and the desire to be remunerated for the work is asserting itself. This cannot be resented. If labour in this respect, which now is called for in a larger measure than in the past, is not forthcoming for no payment, there is no alternative but to pay for it. Or, the working of the society will suffer. Existing heavy overdues, which in fact have been brought about by inattention in the past, call for systematic and sustained work of some one in each society and, if one is not forthcoming to work gratuitously, there is no good hesitating to pay for the work. Then again, members of agricultural societies in some districts are resolving at conferences that the rate of dividend on their share capital should be raised. This may not be unreasonable, the more so that the paid-up share capital in agricultural societies amounts to nearly Rs. 31 lakhs or 13·5 per cent of the borrowed capital. The share capital is entitled to have the bare hire due to it and the rate may not be deemed excessive so long as it is less than the rate at which the member borrows. There is the contribution to reserve fund which is obligatory under the Statute. There is the contribution to supervision fund which at the per sent rate is found insufficient for efficient working of the local Union. District Federations and the Provincial Union suffer from want of funds. Supply of funds to these institutions, has to an extent at least, to come from the rural society. The question of these various items of expenditure devolving on a society has to be considered *as a whole* and the margin between the lending and the borrowing rate so regulateed

as to be adequate to cover these items. Or, the administration of the society, directly by its unsatisfactory working, or indirectly by reason of inefficient and ineffective supervision, or for both these reasons, is bound to suffer. The character of the applicants shoud be studied. In his very interesting report on the working of co-operative societies in the Bombay Presidency for the year ending 31st March 1923, the Registrar of that province, Mr. Otto Rothfeld, has referred to certain tracts as possessing general integrity on the part of inhabitants and to certain others where such integrity is said to be wanting. Co-operators can very well recall to their mind from their personal knowledge and experience tracts of these different descriptions. Areas of the unsatisfactory class should be avoided. The existing societies. if any, in the proposed area will give materials for decision in this respect. Knowledge of co-operation should be tested and. if it is found wanting, first lessons should be imparted. It should at the same time he found out if men of integrity, a fair amount of business capacity, and willingness to manage are forthcoming to serve on the panchayat. This is of considerable importance. The present unsatisfactory position of a number of societies more than demonstrates the need for great caution in this respect. The next thing to do is to find out what means exist for proper supervision of the society. If no local union exists to which it could be affiliated, the society should not be recommended until proper arrangements can be and are made for supervision. Where a local union exists to which the society may be affilated, it should be found out if the union is really capable of undertaking the supervision of the society. The present working of the union will afford evidence of its capacity or want of capacity in this respect. If the union has not been managing the existing societies in a fairly satisfactory manner, there is no use of adding more societies to it. In one word, further organiza- should be strictly restricted to tracts where the movement is already stable and progressive.

SUPERVISION AND AUDIT.

These are allied duties but duties devolving upon two different agencies, the local supervising union (and the District Federation, wherever it exists, acting in conjunction with the union) being responsible for the one, and the Registrar through his assistants and the staff of auditors under them being responsible for the other. Supervision devolves on the one under their constitution and represents a self-imposed duty. Audit devolves on the other by reason of a provision to that effect under the Statute. Where supervision is perfect, audit will comprise very little. Where, however, the former is defective and inefficient, the audit will comprise much. The two together make a complete whole. Supervision means the taking of such measures as will ensure efficient management, from time to time, and all round the year. It is continuous. Audit, however, is intended to test the efficiency and adequacy of supervision and is conducted periodically. The auditor's duty is to see that the accounts are properly kept and to present to those interested a correct statement of the society's financial position. The auditor should also see that the affairs of the society are conducted in a truly co-operative spirit. He is concerned not only to discover and expose what is wrong about the working of the society, but also, and even more so, to assist the society to correct its mistakes and do its work rightly in future. The responsibility of the auditor will extend to communicating the results of audit to the society concerned as well as the supervising union, with the necessary instructions and directions, and it will be the duty of the union to give effect to them. In this manner, the supervising and the auditing agency, between them, bear the responsibility of maintaining societies in proper order.

This is the theory of the matter. In actual working, however, so much awaits to be done, the performances falling short of the ideal. In my address to the Anantapur Co-operators, Gentlemen, to which I have already referred, I have, while dealing with the present unsatisfactory condition of societies, attempted to explain how it may be attribnted in a measure to the present methods of work and how, with the introduction of certain changes, better results may be achieved. I would earnestly invite attention to the proposals suggested. I have also explained therein how it is necessary that the District Federation of Unions shonld be organised with as little delay as possible and begin work in right earnets with a view to the attainment of the goal in view, namely,

NON-OFFICIALIZATION OF THE MOVEMENT.

A definite programme of action should be framed and followed in order to attain the goal in as short a time as possible. The gist of the programme is that each type of society should be made to think and act itself. It has now, in some measure at any rate, the thinking and even acting done for it by others. This will not do. The desired result, as explained in my Anantapur Address, may be attained; *first* by the recognition of each type of institution of the sum total of its responsibilities; *next*, by the undertaking by each society of the discharge of the whole or part of such responsibilities, of itself, without extraneous help; *thirdly*, by the making of proper arrangements of such duties as the institution is unable to perform, either by the Government staff or otherwise; *fourthly*, by the actual carrying out of such undertaking by the institution or the Government staff as the case may be; *fifthly*, by the several types of institution, comprising the so-called arms of co-operation—Finance and Supervision—co-operating with one another, the more intelligent and the more capable of them supplementing the defects of others; and *lastly*, by the reviewing of the actual fulfilments each year accompanied by measures to secure a further advance the next year. It is regulation of work on these lines that will effect non-officialization and it is for you, Gentlmen, to consider whether it is not high time to undertake to regulate work accordingly.

CONSOLIDATION.

So much as regards the future management of societies As regards societies which are found at present to be in an unsatisfactory condition, some thing more remains to be done Writing in his Manual which was published in the year 1921 about Audit, the late Mr. Hemingway stated:- "This (i. e., what all is comprised in the term audit and devolves on the auditor) makes it necessary that the audit of a co-operative society should go much beyond the scrutiny of what has been done in the past." This remark holds good to-day as well as it did when it was written. The Registrar's administration reports for the three years, 1920-21, 1921-22 and 1922-23, show that successively in each of those years attention was paid to the work of "consolidation" of existing societies, even to the detriment of organization of fresh societies. Those reports do not however give an idea of the amount of the "consolidation" work which awaited attention at the commencement of each of those years and the quantity gone through and the quantity left over for the following year. It is also not very clear *what exactly* is meant by the term "consolidation", though of course one may take it to mean the bringing up, or rather the pulling up, of a bad or indifferent society to a fair state of efficiency. In his report for the year 1922-23, Mr. Otto Rothfeld, after pointing out that the members of agricultural societies at present get loans to the extent of a little over two-fifths of what they require, says—"The first task of consolidation must, therefore, be to raise the working of the present societies to a level at which they can be trusted to deal honorably and efficiently with the larger sums which they really require." This observation as well applies to our province. This is one of the directions in which consolidation should be pursued. There are so many other and even more urgent directions in which improvement has to be sought. The resonstitution of existing panchayats, the setting right of present irregularities, the supply of grave omissions, a systematic and continuous treatment of the present alarmingly heavy overdues which are increasing year after year—all these, I suppose, must be taken as included in "consolidation". Before undertaking this onerous task, one ought to know the present situation. On this point, Mr. Otto Rothfield says :—"The situation in regard to agricultural societies cannot be fully judged without taking into account their audit classification." Excluding the societies which were new or were not working, the other societies are classified in Bombay under four groups, "A", "B", "C" and "D". Mr. Rothfield says :—"It is the "C" and "D" societies which are the greatest drag upon the movement and they require either improvement by constant non-official instruction, preferably through the Co-operative Institute as was effectively done in 12 cases by the Gujarat Branch, or else final cancellation and liquidation. The quality of the Societies in "B" varies considerably, but as a whole they may be considered to be satisfactory. The 413 societies which fall under class "A" may all be said to be already valuable agents towards the general improvement of the cultivating classes. He also says : "The classification of the societies again represents fairly well the position of the movement in various districts." Such an analysis and classification, with reference to the results of each year's audit, is wanted in our province also. Statements should be drawn up of the societies awaiting consolidation and the work apportioned among the Union, the district federation where it exists and the Government staff. A regular programme should be drawn up for each year and the progress watched. A programme that may now be drawn up may be a big one but cannot be helped. The work should be done with as little dalay as possible and adequate progress insisted upon from time to time so that, at least in two or three years, co-operators may be in a position to say that the "arrears" under "consolidation work" have been cleared. The subject is of such great importance, necessity and urgency that too much attention cannot be paid to it.

LIQUIDATION.

Efficient supervision, effective audit and vigorous consolidation will, I think, lead to the cancellation of a comparatively larger number of societies than have been liquidated in the past. Up to the close of 1919-20, the number of societies cancelled since the inception of the movement was 125, the total number of primary societies at that time being 4859. In reviewing the report for that year, the Government, while noticing the very heavy arrears of principal in some districts, observed that the tradition of the department was to dissolve no society when there was a rational hope of recovery and at the same time enquired whether the pruning knife might not be used more freely. Since then, the work of cancellation has proceeded more briskly, the number of societies cancelled in each of the three succeeding years being 36, 69 and 69 respectively, or 174 in all. Supervision by Unions admittedly continues

to be generally inefficient and the arrears have been on the increase. It is a question for the serious consideration of co-operators, especially unions and central banks, whether they should not unhesitatingly apply for cancellation of all hopeless societies. Unless such societies are weeded out, there is the risk of wavering and indifferent societies turning out bad, and even good societies turning out indifferent. Alarmingly heavy overdues are a sign of some thing ominous and call for a searching inquiry into the affairs and working of the society; the more so, when such overdues are accompanied by irregularities of a more or less serious kind. The true state of things can be found out only in the course of an inquiry under Section 35 of the Act, for except during such an inquiry, the inquiring officer cannot enforce the appearance of parties or production of documents and the persons making statements will not be bound to speak the truth or at any rate to make statements which they cannot subsequently retract. Not unoften it happens that the progress of the inquiry stimulates activity, and instances are not wanting of societies reviving in this way. When even an inquiry of this sort is not followed by good results, results such as will ensure future good working of the society, there need be no compunction felt in the matter of cancelling it. Hopeless societies should be singled out in this manner and dissolved. This step will create a healthier atmosphere in which the remaining societies are far more likely to thrive.

CO-OPERATIVE EDUCATION.

To achieve good results, and to maintian them when once achieved, constant instruction in co-operative principles and practice and in the working of societies is called for. The appointment of competent supervisors is more urgent than ever. Classes should be held for giving supervisors an adequate training, such classes being repeated year after year to refresh their memory and keep them posted up to date. Classes should be held, and repeated year after year, for the training of rural secretaries and panchayats and the governing body members of unions. Until these are properly trained, the instruction of members of rural societies cannot be taken in hand on any large scale. Good progress appears to have been made in this direction in some districts, especially South Arcot, etc, and the co-operators of Kurnool, Gentlemen, cannot do better than by arranging for the holding of these classes with as little delay as possible. In making this suggestion, Gentlemen, I am not unaware that the finances of your unions are poor, too poor even to meet the cost of their routine administration. You will need State Aid to enable you to hold the proposed training classes, and you will have to move the Registrar to get you the necessary financial help from Government for this purpose.

While on this point, Gentlemen, you will permit me to point out that the societies in this District appear to attach hardly any importance to the co-operative journals issued in our province, the English Bulletin by the Provincial Co-operative Union at Madras and the Telugu "Andhra Sahakari" by the Andhra Sahakara Sammelanam in Kistna District. I find that for the whole district which counts over 250 societies, only four copies of the former and five of the latter are obtained. I would earnestly appeal to all English knowing societies to get the English Bulletin and all societies, including the English knowing societies, to obtain the Telugu "Andhra Sahakari", not only get them but benefit themselves be perusing their contents. I would appeal to co-operators in this district as well as those elsewhere to patronize both the English and Vernacular Journals in an increasingly large measure and at the same time benefit themselves by perusing and studying their contents. These journals at present hardly pay themselves and with better support can be made more useful.

NON-CREDIT ACTIVITIES.

I have so often been asked by co-operators why co-operative stores are not a success, at any rate as much a success as credit societies are supposed to be. My answer is where credit societies are a *real* success, not merely an apparent success, there, stores also must be a success. For obvious reasons stores societies are more difficult of management than credit societies. Something of trade knowledge is indispensable, which generally amateur members do not possess. The required degree of mutual confidence among members is wanted. Suspicions are entertained against enthusiastic workers who get discouraged and slacken their efforts. There is want of loyalty on the part of several members. Impatience is felt in deriving advantage by selling articles at prices lower than the market rate, when the society can afford to do so. This implies a corresponding obligation to purchase from the society at a higher rate than the market rate, when the society cannot, except by sustaining loss, adopt the market rate. This obligation is not sufficiently realized. The lower middle class member does not care for articles of high quality, for want of which the upper middle class and the well-to-do class do not patronize the society. All articles of consumption are not stocked and the consequently necessary purchase from outside the society gradually, and in conjunction with other causes, weans away members. To the member whose economic condition is not satisfactory, purchase for ready cash is found to be difficult. To any member, purchase for payment to be made at the beginning of the next month is more convenient. To this sort of dealing we are many of us accustomed, and change of long established habit does not come about quickly. One class of co-operators

is in favour of allowing sales against payments to be made early next month, while another class is quite opposed to credit sale on any condition or under any circumstances. Prohibition of sales to non-members, though generally not observed, leads at times to stagnation of articles and entails loss. Trustworthy salesmen and servants are not easy to procure Maintenance of accounts is regarded as a bug-bear. It is really difficult. The margin of profit, after allowing for the cost of management, is not sufficiently attractive. A variety of difficulties and obstacles, such as these, account for the non-success of stores societies. Non-credit activities on a pretty large scale appeared, two or three years back, to flourish for a time. They were not enduring, because they were not spontaneous. Even where genuine co-operative spirit is wanting, credit societies get on because credit is not available on the same facile terms elsewhere. Stores societies, however, fail under similiar conditions, because for more or less the same price and under apparently easier conditions as to payment, articles can be had elsewhere. A genuine spirit of co-operation and a higher degree of mutual confidence must be born. Members must be allowed greater freedom in framing their by-laws and regulating the conduct of their business and no more conditions forced than may be necessary to insist on for the financial stability. These are my views and I offer them for what they are worth. The movement is still not more than two decades old and we can well afford to wait till stores societies come into existence of their own accord, in the meantime marshalling all our energies towards the improvement and consolidation of existing credit societies.

SOME IMPORTANT QUESTIONS.

There are, Gentlemen, some important questions which have been engaging the attention of co-operators in different parts of the Presidency. Some of these, namely, (1) Overdues in primary agricultural societies, (2) Long term loans for longer periods than five years, (3) Reserve Fund in agricultural societies (4) The needs of societies, whether central banks or primary societies, in their corporate capacity as lending institutions—these have been dealt with at length in my Anantapur Address and I would invite your attention to it. Certain other questions, namely, (5) claim for remuneration to the rural society secretary, (6) enhancement of the rate of dividend payable on share capital in agricultural societies, (7) the need felt for increased contribution to supervision fund. (8) the need for controlling expenses of management in agricultural societies, have been referred to in that address and also in my observations concerning organisation of societies in the early part of this address.

Some of these questions, namely, 3, 4, 5, 6, 7 and 8, have a direct bearing on another question, namely, (9) the margins which should be maintained between the lending and the borrowing rate. I do not mean to say that all the points raised apply to every district, or even a smaller unit of area within a district or every society. Some apply and some do not. Other considerations, such as reserve fund already built up, amount of share capital collected, and a number of others (please see P. 407 of the Bulletin for April 24) affect the question. I would earnestly appeal to co-operators to consider all the relevant matters pertaining to the question in adopting and maintaining an adequate margin between the lending and the borrowing rate

RULES UNDER THE ACT.

There are certain directions in which some of the rules under the Act seem to require modification with a view to secure better working of agricultural societies. I venture to place the matters before you for your consideration. These are :—

(1) In the opinion of some co-operators, dividend on share capital should be payable, in respect of past years for which no dividend was previously paid (for the reason that divisible net-profit was not available for the purpose), out of the net divisible profit available in a succeeding year.

Under Rule IX this is not permissible. Dividend in respect of a year, when not paid for the reason mentioned, is lost to the member once for all. It is not payable at any subsequent time during the life time of the society. On the dissolution of the society, however, it becomes payable out of the reserve fund of the society left after payment therefrom, if necessary, of the liabilities of the society including share capital. When, as now happens, dividend once not paid in respect of a year is never subsequently paid, the amount available for such payment (if such payment were possible) out of the net divisible profit of a subsequent year, goes to reserve fund. And on the dissolution of the society the reserve so accumulated becomes available for payment of dividend for any period or periods for which dividend had not been previously paid. What is payable on the dissolution of the society should in reason be payable during the life time of the society also, provided of course in either case funds are available for the purpose, in the one case out of the reserve fund left after meeting liabilities, and in the other out of the divisible net profit.

Sullen dissatisfaction exists in this respect and should Rule IX be amended as desired, there will be an incentive to prompter collection of interest. The present distinction appears to be anamolous.

(2) Rule IX contemplates a time when the reserve fund of the society will equal one-half of the total liabilities of the society other than reserve and share capital. This latter, to which the reserve in due course should reach a specified proportion (50 per cent) is definite. The " net profits ", to which the amount to be carried to reserve every year should bear a specified proportion (50 per cent) however, is indefinite: indefinite, because the " net profits " is what is left out of the gross profits after meeting expenses of management, and there is no restriction (whether by rule under the Act or by an executive audit order of the Registrar) prohibiting the expenses of management going beyond a certain proportion of the gross profits. As the rule stands, and in the absence of any executive audit order to the contrary, the expenses of management may amount to any proportion, nay, the whole of the gross profits, leaving little, or nothing, or at any rate such a small proportion of the gross profit, as 50 per cent thereof will never come up to 50 per cent of the borrowed capital. The intention of the rule can be achieved in either of the two following ways. The minimum amount to be carried to reserve every year may be fixed at so much per cent of the borrowed capital used by the society during the year, the percentage adopted depending upon the duration of the period within which the rule contemplates that the reserve should reach 50 per cent of the borrowed capital. This is one method. The other is to limit the expenses of management to a certain specified proportion of the gross profit which will have the effect of making the net profits bear a certain definite proportion to the gross profit and therefore to the borrowed capital. In either case it will be necessary to lay down by rule within what maximum length of time the reserve fund should reach 50 per cent of the borrowed capital, leaving it to societies to reach that limit in a shorter time if they so choose. Any amount of leniency or concession may be shown in fixing the limit, say at 50 years, 75 years or even 100 years. What is of importance is not the duration of the period but definiteness about it, whether short or long. The period itself may follow the opinion of co-operators, but when once fixed after due consideration it should be acted up to.

In the absence of modification of the rule in these respects, the intention of Rule IX will, it is feared, never be possible of achievement. It is for you Gentlemen, whether you will think fit to move in the matter.

CENTRAL BANKS.

Let me now say a few words in regard to the management of Central Banks. In view of the trust reposed in them, as well as by reason of the responsibility attaching to them for proper management, it is desirable, nay even necessary, that in dealing with applications for loans from societies, the Central Banks should consult the audit report of each society applying for loan for the year ending with 30th June preceding, in order to know how its affairs stood on that date, and also a report concerning its working since that date to date of loan application, in order to know about its present working and even more especially to know whether steps have been taken or not, or are being taken, for setting right various matters noticed during the audit. Having granted a loan, it becomes the duty of the central bank to see that it is repaid in proper time. Seeing how unsatisfactory the state of overdues is in several districts, it is necessary that the central bank, without interfering with the autonomy of unions, yet in discharge of its own responsibility, the responsibility which it owes to its creditors and shareholders, should keep itself posted with information as regards the steps taken by societies and the check exercised by unions towards the clearance of overdues, and the progress made from time to time in the course of the year, if only to draw the attention of the union concerned or the Assistant Registrar to the state of a particular society or societies, with the management of which it may have reason to be dissatisfied. Lastly, it is necessary that the condition of every society financed by it should come under the review of the central bank once every year. Badly managed societies do not apply for loans even for some years continuously and the possibility therefore does not exist of the central bank knowing their affairs, at least on the occasion of scrutiny of loan applications, which opportunity it has concerning societies applying for loans. The necessity for reviewing the position of such societies is all the greater. It thus follows that the central bank should obtain the audit report of every society financed by it, for every year, and therewith satisfy itself whether the constitution working and financial condition thereof are in order, no matter whether the society had or had not applied for a loan in the course of that year.

In making these suggesstions I do not ignore that, in the organisation gradually built up and now obtaining in respect to credit co-operation, central banks depend for purposes of supervision on unions which are established for that purpose and that they should not unnecessarily interfere in the matter of supervision. I quite grant this. Yet, I ask, whether, in view of the admittedly unsatisfactory manner in which several unions are discharging their duties in the matter of supervision, it is not incumbent upon central banks to place themselves in a position in which they should be able to know how things are getting on, so that they may draw the attention of the authorities concerned, non-official as well as official, when they have reason to be dissatisfied with

any particular society or societies. To this extent, it would appear, the responsibility of the central bank will never cease or disappear for the simple reason that there exist unions.

By reason of these observations let me not, please, be misunderstood as saying that these things are not already attended to in central banks ; but I may say that as far as my enquiries have shown and as far as my personal knowledge goes, these matters are not quite regularly attended to. In the first place the central banks do not get the annual audit reports of auditing Inspectors and it is these reports (and not the causal inspection reports) that contain full information concerning all matters relating to the constitution, working and financial condition of societies. The importance of regularly getting these reports and reviewing the affairs of societies therewith cannot be over-estimaated. It is only when the grant of loans, the recovery of loans and the watch of condition of societies from year to year, are regulated in the manner indicated that a central bank will be in a position to know how exactly stands the position of affairs in the societies financed by it.

In regard to a district in Bombay in which there was something seriously wrong with the movement, the Registrar of that Province, in his report for 1922-23 observed that he could not help suspecting that the District Bank had failed to recognise its responsibilities in the matter and had been satisfied by reducing the arrears due to itself without considering the general purpose of the movement. Referring to this remark it may be pointed out that not much useful purpose is served by the central bank granting extensions in respect of instalments due to itself without seeing that the benefit of such extensions actually reaches the ultimate borrower in the rural society. Extensions are rarely granted in rural societies and the result is that overdue instalments of members withheld for no valid reason are not distinguishable from those in regard to which extensions are deservedly called for. This being so, the recovery in the case of the former cannot and is not pursued with that degree of energy and promptness which is called for and the result is the accumulation of more and more arrears. The business of the central bank depends in a main degree upon the soundness of the primary societies which it finances and it cannot therefore rest content, when all the needful is not done by the Unions and the District Federation. As is so often stated, Finance and Supervision are regarded as the two arms of Co-operation. When one arm is weak and cannot, or does not, function properly or adequately, the other arm must go to its rescue at least to the limited extent of keeping watch over the progress of events, noticing omissions, etc, and drawing the attention of the authorities concerned (the local union or the district federation or the Assistant Registrar) with a view to the necessary action being taken. Or, the healthy condition and growth of the Body Co-operative is bound to suffer. The view is held that Finance and Supervision should be kept separate. True, be it so; but, with due deference to that view, would it be too much to urge for the consideration of co-operators, especially the directors of central banks who are charged with the responsibility for the administration thereof, that the view should not be pushed, or allowed to be pushed so far as to preclude the central bank from obtaining from time to time, and keeping itself posted with such information as would keep it in touch with the progress of the societies. Otherwise, central banks will not, I am afraid, be able to render a proper account in the matter of discharge of their duties. I lay these matters before the directors of central banks for their consideration.

REGARDING KURNOOL DISTRICT.

Now, Gentlemen, I shall just refer to a few matters concerning your district in particular. During the year ending 30th June 1924, 41 agricultural societies were registered, bringing the total number to 224 of which 76, or one-third, relate to societies for Christians or Adi Andhras. Membership rose during the year from 7995 to 9437, the same relating to Christians and Adi Andhras being 1869 and 1990. Overdues have been on the increase, having reached the high figures of 63 per cent under principal and nearly 50 per cent under interest. A small amount of non-credit work was done by way of joint disposal of members' agricultural produce to the value of over Rs. 4000 in two societies and by way of purchase of agricultural implements valued about Rs. 200 in about six societies. Less than a third of the number of societies only earned net divisible profit. The central bank granted extensions to rural societies to the amount of over Rs. 70,000 which had the effect of reducing the overdues to the central bank to 4·86 under principal, 0·88 under current interest and 3·51 under arrear interest. The benefit of the grant of extension should be made to reach the ultimate borrower in the rural society. Otherwise, nothing practical will result. In the rural society, the cases of overdues deserving extension will remain undistinguished from the rest and effective measures for collection of overdues not deserving extension will not be possible to take. It is hoped that the Central Bank and the District Council will take the necessary action in the matter, if it has not already done so. The number of non-agricultural credit societies rose during the year from 18 to 29, of which as many as 19 are public servants' societies. 8 relate to Christians and 2 are urban banks at Kurnool and and Nandyal. Overdues have increased in these also, but on the whole these societies are said to be working fairly well. Coming to non-agricultural non-credit societies, a variety of them were regisiered during the year. Two more Stationery societies attached to Educational institutions were registered, bringing the number of such societies to three. A slate-makers' society, a basket-makers' society, a fishermen's society, a weavers' (credit) society, a wood-cutters' society, and a labour-contract society came into existence during the year. A number of other non-credit societies are reported to be under organization, the noteworthy of them being a cotton-ginning factory and a trading union for wholesale disposal of cotton and groundnut. Three supervising unions were registered during the year, bringing the total number of unions to nine. The Union Supervisors get a consolidated pay and travelling allowance of Rs. 35-1-40. It is said to be under contemplation to register some more unions; but it is a matter for consideration whether the district supervision fund which is said to amount to about Rs. 5000 a year can afford to maintain more unions. Even as it is, the fund can supply each union with about Rs. 550 which does not leave much margin afer paying the supervisors. In the place of the old District Committee of Union Representatives, a District Council of Supervision was registered towards the end of June 1st and it has yet to begin work.

There are a good number (74) of societies for the members of the Adi Andhra community, mostly Christian and some non-Christian. The early societies for this commnnity were registered about the year 1917 when I held charge of this District. Their management and supervision grew slack some time back. The Registrar's report for 1922-23 shows that a scheme was under discussion in that year for providing special supervision which was called for in respect of these societies. I now understand that for some reason the scheme has fallen through. Doubtless, the authorities will devise another scheme, for without intensive supervision these societies may not prove a success,

ONE WORD TO ADI ANDHRA BRETHREN.

You may not have much of material assets. It is not of much consequence, however. You are generally endowed with physique and capacity to earn and these qualifications coupled with character, should be ample to let you run your societies as efficiently as any caste people's society. You have the capacity to earn by physical labour and you do earn. What is of great consequence with you, (as of course with others as well, though not in their case to the same large extent) is that you should first learn not to waste your earnings. When you have learned this you will certainly learn to earn more and more and in due course save and acquire property. Men of high character are not wanting among you and their presence should stimulate you, all of you, to improve your character. You may be illiterate but the qualifications mentioned granted, your societies will become as good as the best societies found among other communities. I may just mention to you that in Cuddapah District there is a society among your community which is run by an illiterate woman who is the President, and it is one of the good societies in that district. Need I say that it is the wish of all that you should better your condition in every way and take an equal rank with other communities? The present atmosphere in the country is favourable for the attainment of this purpose and you will surely make the best use of the opportunity.

I have great faith in the sound common sense of the average rural co-operator in every community and with proper education and training in co-operative principles and practice I have every confidence that your rural societies will prove a source of immense benefit to the members.

I greet you, Gentlemen, on behalf of the Madras Provincial Co-operative Union and wish the Conference every success.

THE CENTRAL CO-OPERATIVE PRINTING WORKS, LTD., MADRAS.

THE THIRTEENTH

Madras Provincial Co-operative Conference.

The XIII Madras Provincial Co-operative Conference will be held on 21st, 22nd and 23rd December under the presidency of Sir K. V. Reddi Naidu, B.A., B.L., K.T., Ex-Minister for Development. Rao Bahadur A. Vedachalayar will be the Chairman of the Reception Committee. We have great pleasure in requesting you to attend the Conference.

Yours very sincerely,
M. S. SESHACHALAM,
K. G. SIVASWAMY,
S. K. YEGNANARAYANA AIYAR,
Secretaries

ROYAPETTAH,
21st Nov., 1924.

To members, contributors and subscribers.

REGISTERED—No. M. 1284

The Madras Bulletin of Co-operation

Issued every month in two languages—English and Tamil.

> "If the system of Co-operation can be introduced and utilised to the full I foresee a great & glorious future for the agricultural interests of the country"—
> His Majesty's Reply to the Delhi Municipal Address, 13th December, 1911.—

Vol. XVI.] JANUARY 1925. [No. 7

PRINCIPAL CONTENTS.

(For Detailed Contents, Please see inside.)

Office of the
Madras Provincial Co-operative Union, Ltd.,
Royapettah, MADRAS.
Subscription per annum for individuals and non-affiliated Societies Rs. 4, and affiliated and contributor Societies free.

N.B.—Complaints of non-receipt of parts will not be attended to if not received within a fortnight after the due dates.

CONTENTS.

SIR K. V. REDDY NAIDU GARU, KT., B. A., B. L.,

PRESIDENT

OF THE

XIII MADRAS PROVINCIAL CO-OPERATIVE CONFERENCE,

held in December last.

THE MADRAS BULLETIN OF COOPERATION
P.C.U.
ALL FOR EACH and EACH FOR ALL

VOL. XVI.] JANUARY 1925. [No. 7.

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.

Address by Rao Bahadur A. Vedachala Aiyar,

Chairman of the Reception Committee.

BROTHER CO-OPERATORS:

On behalf of the Provincial Co-operative Union and on behalf of the Reception Committee of the Madras Provincial Co-perative Conference, I offer you most hearty welcome to the present session of the Co-operative Conference. With the heartfelt co-operation of my friends Messrs, K.G. Sivaswami; Rao Sahib M.S. Seshachala Iyer, and S. K. Yegnanarayana Iyer, Joint Secretaries of the Provincial Union, arrangements have been made for your reception, which I hope will be fairly satisfactory to you. I only crave your kindly indulgence to overlook errors in the arrangements and to take the will for the deed.

PROGRESS OF THE MOVEMENT.

It is the usual convention in the address of the President of the Reception Committee to give a few statistics showing the progress of the movement during last year. I shall notice a few points of interest in the co-operative movement. There were in all 8,443 societies at the beginning of the year, 1,416 societies were registered during the year and the registration of 75 societies was cancelled. There were at the end of the year 9,784 societies. In all the societies, the total number of members on the rolls was 6,16,628 giving an average of 65 members per society. The total membership presents less than 1·46 per cent of the population. There is thus considerable scope for expansion of the movement in the direction of securing more members in co-operative organizations. The total working capital of all societies increased from Rs. 711·59 lakhs to 839·27 lakhs, the paid up share capital from Rs. 95·42 to 114·50 lakhs; deposits rose from Rs. 253·11 to 290·05 lakhs; and reserve fund from Rs. 31·73 to 38·35 lakhs. The amount of loan advanced by Government and outstanding against societies at the end of the year was Rs. 7·88 lakhs, as against Rs. 2·90 lakhs at the end of the previous year. Thus the total capital employed in the movement at the end of the year was 421 lakhs against 359. The Government advance is made up of loans to building societies for long periods at easy rates of interest to an extent of 3·99 lakhs, the balance being given to societies in charge of the Labour Department. The above figures do show that the financial machinery of the Co-operative Movement has had a fair success.

THE PROVINCIAL BANK.

I will say a few words as regards the working of the financing banks in the Presidency. There were 35 Central Banks in the Presidency on 30th June 1924. All of these, except the Christian Central Bank, are members of the Madras Central Urban Bank. The Madras Central Urban Bank, which at the time of starting was the only financing bank for the societies of the Presidency, was converted into an Apex Bank in the year 1920. The individual shareholders were given preferential claim to a guaranteed dividend of 9 per cent. and preference to capital in the event of liquidation. The central banks were to take shares in the Provincial Bank; and each central bank was allowed a seat in the directorate.

The Madras Provincial Bank should not finance primary societies direct, but should only finance central banks. It undertook to take in all the surplus of central banks at 6½ per cent. and utilize it in giving loans to those in need of money. Provision was also made for the redemption of shares of individuals out of surplus profits of the bank at the rate of 160 per share which was valued at 100 at the start. This redemption, or rather buying of preference shares, was almost completed last year, leaving only 250 preference shares with one share for each individual. The central banks have been permitted to take shares in the Provincial Bank to the value of 30,000. The Provincial Bank has at present a paid up share capital of Rs. 4,48,000 contributed by the central banks. During last year, the Bank gave loans to the extent of Rs. 34·01 lakhs as against 22·96 lakhs in the previous year. This happened in spite of the reduction of the rate of interest from 7½ to 7 per cent. The deposits rose to 83·50 lakhs as against 77·69 lakhs in the previous year. Its reserve fund is 3·23 lakhs. The Madras Central Urban Bank got much more money than could be used by the central banks, and as it found a difficulty in seeking an outlet, it has invested 5 lakhs in the Bengal Provincial Bank and another 3 lakhs in the Burma Provincial Bank.

CENTRAL BANKS.

(1) Progress during last year.

The central banks in the presidency had 2,728 individual shareholders and 7,923 society shareholders. They had a paid-up share capital of 32·41 lakhs and their working capital was Rs. 296·33 lakhs with a book profit of Rs. 4·35 lakhs. The Reserve Fund of these banks amounted to Rs. 6·75 lakhs. Calculating at the rate of 8 times the paid-up share capital and the reserve fund of these banks, the borrowing power will be 433·28 lakhs of which only 296·33 has been utilized. The Imperial Bank of India rendered great service to the movement by giving an overdraft accommodation to the financing banks at a flat rate of 6½ per cent to an amount of 43·91 lakhs. Special deposits obtained from Local Boards, Municipalities, Abkari and Jail contractors, employees and contractors of Local Boards, amounted to Rs. 67·39 lakhs compared with Rs. 37·56 lakhs at the end of the previous year.

(2) Membership in Central Banks.

The constitution of the central banks is such that the individual shareholders, who are non-borrowers, work with representatives of societies or unions, and it was held at the start that the individual shareholders whose assistance was required in the shape of capital, brain power and influence, will educate gradually the representatives of societies and unions been made for your reception, which I hope will be fairly satisfactory to you. I only crave your kindly indulgence to overlook errors in the arrangements and to take the will for the deed.

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(3) Importance of individual members.

In this connection I would like to invite the attention of the official and non-official co-operators to the fact that the central Banks in the districts have not yet risen to the stage which they should reach, that their management still requires the assistance of the individual shareholders in more ways than one, that other resources for financing agricultural industry will have to be tapped on a very large scale to satisfy the needs of co-operators in primary organizations. For instance, I may mention the floatation of debentures for attracting long term deposits at fair rates of interest for the removal of past indebtedness of the agricultural co-operators and for their effecting permanent improvements. I may also note that the representatives of unions or of societies who are working in the directorate or the executive body of the central bank have not yet attained that degree of perfection in the knowledge of financial matters so as to be sure that without affecting the financial position of the banks, the assistance of the individual shareholders can be dispensed with. Even in the case of the Provincial Bank, the notification inviting deposit mentions the names of Dr. Swaminathan and Mr. V. Ramdoss to make the public believe that the institution is being managed by able and influential gentlemen. Similarly the central banks owe their present position in regard to deposit to the kind of people that are working them in the directorate and in the executive body. Of course, the time will come when the central banks will attract deposits more for its constitution than for the personnel of the management. Besides being considered merely as financing credit societies, the district bank should be viewed as the bank in the district for financing agriculture in all aspects, for cultivation, for trade of produce, for distribution of supplies to co-operators, and for the development of small industries connected with agriculture. The central banks, if they are to function properly in all directions, will have to secure the assistance of all and every people in the district who have at their heart the economic improvement of the masses, especially in the rural parts. In the circumstances, I appeal to the co-operators to give up the idea, for the present, at any rate, of taking steps to remove the individual shareholders from the banks, and to actively co-operate with them for securing a high style of working of the institutions.

(4) Functions of Central Banks.

The functions of central banks are varied. They have not only to tap deposits for the benefit of their institutions directly; but they should also stimulate the growth of deposits in rural societies. Their function to supervise the working of primary organizations financed by them is being conducted by local unions and district federations with the help of finance partly given by the central banks. The central banks act as the medium between the rural societies and the money market. They tap deposits at varying rates and allow the primary societies the privilege of using the money on a flat rate irrespective of the fluctuations of the market. They have not yet undertaken the function of raising credit at varying rates from the Imperial Bank from time to time on the pledge of produce of co-operators. This aspect of work will assume large proportions if only co-operators get accustomed to pay varying rates of interest for periods less than a year on the security of crops, as is done by the middlemen traders who purchase produce from the agriculturists and who get accommodation from private banks under the Indian Companies' act. Such enlarged activities for central banks can be undertaken with financial safety with the assistance of local influence at the headquarters of central banks.

(5) Collection of Overdues from Primary Societies.

While dealing with central banks, one has to note the fact that the central banks have a large arrear balance under principal and interest from the primary societies. This state of affairs is due to the fact of bad collection work in primary societies. The central banks have to make suitable arrangements for the strengthening of the supervising agency in view of the collection work being improved. In spite of the fact that the primary societies have defaulted to the financing banks to a percentage of 15 to 40 in some banks and even to 57 per cent in another bank, the central banks have been able to keep up their obligations to the outside creditors.

AGRICULTURAL CREDIT SOCIETIES.

(1) Progress.

The agricultural societies in rural parts were 7,100 at the beginning of the year and stood at 8,103 at the end. The number of members rose from 3,85,000 to 4,54,000 of whom 55,000 represent the Audi-Dravidas and Audi-Andhras. The working capital of agricultural societies increased form Rs. 265 lakhs to 314 lakhs. The deposits contributed by members and by non-members amounted to Rs. 7·45 lakhs and Rs. 9·24 lakhs respectively. The deposits in primary societies appear to be low as compared with those in central banks, in spite of the fact that primary societies can offer higher rates of interest than what the central banks do. The reason for this state of affairs is the fact that those who could deposit money in the rural parts have not been attracted to the co-operative organizations and that confidence has not arisen in the local depositors that the deposits will be returned in time by the primary organizations. The difficulty can only be met by the central banks giving cash credit accommodation to the primary societies for the purpose of repayment of deposits. Such process can be undertaken by central banks with the present overdraft accommodation available with the Imperial Bank. And if in any bank it is found insufficient, I feel confident that the Imperial Bank would increase its overdraft accommodation. This aspect of the question has to be considered fully by the co-operators interested in the primary organizations as well as in the financing banks.

The book profit of all agricultural credit societies amounted to Rs. 16·84 lakhs as compared with the divisible profit of Rs. 4·71 lakhs. If the overdues had been collected in time, the reserve fund amount would have very appreciably increased.

(2) Loans to members.

The total amount of loans given in 1923-24 was Rs. 149 lakhs dis- the rural parts has made rapid progress, yet there is considerable scope for development of credit operations. The co-operative movement in this presidency is practically confined to the rural population. One is tempted to note a few defects in the actual working of the rural organisations in the presidency, especially in regard to their finance. tributed among 454,000 persons. Though the co-operative movement in

(3) The need for more credit facilities.

The village co-operative organization should give credit facilities to the agriculturists both for carrying on the agricultural industry and meeting the domestic wants. It should undertake the supply of the needs of the agriculturists by securing the purchase of the articles required, in bulk, and distributing them to the co-operators without charging considerable profit. It should arrange to take the produce of the co-operator and sell it in the best market possible and at the suitable opportunity, so as to reimburse what it has paid him and thereby make him eligible for fresh credit facilities. It is the institution where by virtue of combination and organization it can secure the services of competent men acquainted with trade operations and market conditions. It should supplement the agricultural industry by finding out suitable home industries to be introduced to give auxiliary profession to the agriculturist to be undertaken in his own village when he is not required to work on his farm. The rural society is intended to be an agricultural society to be useful to the agriculturist in all directions. The existing co-operative credit societies have not developed to such an extent as to provide all facilities required by every member. Steps have to be taken by co-operators to devise methods to remove this defect.

(4) Inclusion of the higher and middle classes.

In the enthusiasm of assisting poor men which ought to exist strongly, the co-operative societies have, either of their own accord or because of the limitation fixed by the Department on the power of borrowing by individuals, not taken into them the higher and middle classes to an appreciable extent. And where such people have joined, the societies have not arranged to secure credit facilities by which accommodation can be given to all and to the required volume.

(5) Expansion of credit facilities.

The real remedy seems to be that the capacity of the institutions to provide for all should be expanded without any nervousness on the part of co-operators themselves, the financing banks, and the official and non-official agencies of supervision. The society should, however, be worked with due care by exercising proper discipline. If such a course is adopted, the agriculturists of each village will have considerable faith in the co-operative organizations. The ideal to be reached is to secure the freedom of every co-operator who joins the institution, from the moneylenders and traders. Where the society is unable to provide for all his reasonable requirements, he will continue to borrow from them, and it will not be possible to put down the exploitation of the producers (agriculturists) by the capitalists (moneylenders and traders). The agriculturists should combine strongly so as to accumulate, though not actual cash, at least the required amount of credit to avoid the moneylender and the trader for the required accommodation in carrying on the agricultural industry.

(6) Regulation of credit accommodation.

Co-operators must devise suitable methods to make money available in rural organizations at all times, for all purposes and to the desired extent. This can easily be done by the societies giving a forecast of their requirements, by the unions recommending such applications and the central banks sanctioning cash credit accommodations at the commencement of each year. The inspecting agencies, official and non-official, will have to regulate the free flow of credit accommodation to societies and should not get nervous by the mere fact that there are overdues from members to societies. The agriculturist is in the unhappy position of having his income affected by very many causes beyond his control. Where such causes operate to make the co-operators defaulters, the remedy lies in giving them facilities to meet their obligations by extension of time and not by sending them back to the moneylender or trader for credit accommodation. In many cases the financing banks have recently reduced the period of repayment from 12 to five or six years and these loans have been given to the ryots for less periods, though their repaying power has not been adequate even to the knowledge of the Panchayatdars. Defaults of payments of dues must necessarily occur in such cases. Suitable remedy must be applied to correct the past mistakes.

(7) The need for stringent steps against defaulters.

In the years 1920 and 21, owing to the stringency of the money market, financing banks were unable to give any loan beyond a period of a year and co-operators in certain districts, not paying heed to the conditions imposed, used the money, as they had urgent necessity, though they knew full well that they could not repay it within the stipulated time. The financing banks would do well to investigate into this question of default by co operators and apply suitable remedies through the local unions, while at the same time arranging for stringent steps being taken against defaulters for whom no excuse could be found.

(8) Agricultural indebtedness and Land-Mortgage Banks.

Another important matter connected with rural organization is the question of providing long term loans for the purpose of removing, wherever feasible, the indebtedness of the agricultural ryot and for carrying on permanent improvements so as to increase the yield of land. This question has been under the consideration of co-operators for a long time, and a system of attracting long term deposits by the issue of debentures on the security of the first mortgage of immovable property obtained in rural co-operative societies on unlimited liability basis, was formulated by the late Mr. Hemingway. This question is under the consideration of a committee appointed by the Provincial Conference, and its decision will, it is hoped, be placed before the co-operators for their consideration in the present Conference. The Department is also keenly interested in this question, and it is hoped that it will find an early solution, at any rate, during the current year. A scheme of Land Mortgage Banks has been put forward by me to solve the difficulty of finding long term loans required for the development of the movement. It is held in some quarters that the requisite amount of money will not be forthcoming. In answer to this objection I may state : If we take up an area and introduce the redemption system in villages within a radius of 5 to 10 miles, moneylenders or traders or others who have invested their money in such mortgages are not expected to migrate to other places leaving their residences to invest their money in fresh fields, with which they are not acquainted. The aim of the mortgage bank or banks is to divert into the co-operative movement the money sunk by the mortgagees in immovable property at less rates than what they are hitherto getting. In fact, deposit banking has done this to a large extent so far as loans repayable in periods ranging from 2 to 10 years are concerned. What is wanted to be done by the Land Mortgage Bank is to give facilities to all those who are competent to discharge their prior debts in a longer period, say 20 to 30 years. A bold step has to be taken by the co-operators interested in agricultural industry to redeem the debts upon lands, in cases where they could be redeemed by easy payments within the periods for which debentures are issued.

9. The efficacy of a developed credit machinery.

The development of credit operations in rural parts gives necessary education to the co-operators in banking, in freely using appliances for securing increased income, for economising expenditure in agricultural industry and for leading better life with better business habits. Once this credit organization becomes fully useful to all its members, they would undertake various other activities, which are called non-credit activities, and which are really based upon the credit power of each ryot and of all the members of the society.

10. Betterment of landless labourers.

Another phase of the working of rural societies is to find out how far the co-operative organisations can afford to help the landless labourer employed in the agricultural industry. This a difficult problem and has to be tackled in all its seriousness by co-operators. It is perfectly possible to think of various methods by which labour in agricultural industry can be made respectable and by which landowners can be made to divide the profits in a reasonable proportion between themselves and the labourers.

Where the land groaned under a farming or speculative system and the absentee landlords let out their lands to middlemen who made enormous profit by subletting them to poor ryots, the ryots should combine themselves and form co-operative land-leasing associations and successfully compete with the middlemen speculators.

NON-CREDIT.

1. The progress of non-credit work.

In the year 1923—24, there were 77 non-agricultural societies. The sale of goods in them amounted to 2,56,030 and the purchase of members' produce amounted to 1,53,832. Besides, a few societies effected the sale of members' produce on a commission basis to the extent of Rs. 3,92,481.

There are two methods by which the distribution of the requirements to rural co-operators is made--one is the joint purchase system and the other is through trading union societies. Useful work in this direction was begun only in 17—18 and steady progress is being made. But some of the societies have not been working at a profit and it is incumbent on the co-operators and the official agency to devise suitable methods by which this kind of activity can be conducted with profit.

2. Distribution of agricultural produce.

In the Madras Presidency, the movement began with the producers in agricultural industry. The distributive work was commenced by the consumers in urban areas and also by the producers in agriculture as consumers. The distributive work in urban areas where there are wage-earners who get better wages than the agriculturist wage-earners, has not yet expanded suitably and it is not strong enough to do the distributive work satisfactorily. The distributive movement is also unable to start small industries for the conversion of raw materials into marketable goods. The producers in agricultural industry have progressed suitably so as to merge in their side of the movement the work undertaken in the distributive side. The producers who have joined the co-operative movement are men of slender means. They are not therefore expected to put in the required amount of capital. The richer and the middle classes of the agriculturists must be given adequate facilities to join the movement. Even when the movement gets strengthened by the advent of the richer and the middle classes of agriculturists, it is problematical if the movement of the producers in agriculture can successfully undertake the distributive and the industrial side for the benefit of all consumers. The distributive work undertaken by the consumers in towns will have to expend its activities by bringing under its fold the richer and the middle classes. They have to organise a wholesale or a federation of retail societies to undertake the distribution of commodities through retail societies and start industries for the conversion of raw materials into marketable goods. The producers in agriculture will have to look np to the consumers' movement in urban areas for the supply of commodities to them as consumers.

The main idea of the co-operative movement is to secure purity of goods, honesty in trade and distribution of the profits for the common good.

NON-OFFICIALISATION OF THE MOVEMENT.

Co-operation—The people's movement.

Co-operation should be a movement conducted by the people and for the people, and should not rest on the aid of Government wherever practicable. The initiative having been taken by Government, they have been trying their best to give an impetus to the movement by appointing unstintedly a large establishment of officers and inspectors to suit the growth of co-operative organizations; but at some stage, the Government aid has to be withdrawn and the management handed over to non-official agency which should secure its own resources as self-reliant bodies.

It will be seen that till the end of June 1916 the Government had not settled the policy of getting supervision done through non-official agency. In 1917 Government in their review on the Administration Report of 1916-17 noted "that the co-operative movement is and must be essentially a non-official one, and that its success or failure will depend upon the efforts of those who outside the official ranks are carrying on the large number of societies already in existence and who will carry on the still larger number of societies to be opened in future." It was in 1917-18 that a good impetus was given to the formation of local unions. Year after year new unions came to be formed; but the staff entertained by them for supervision was in some cases inadequate and not efficient. The ideal aimed at by the supervision scheme of the Registrar in apportioning work between union supervisors and Government Inspectors was to allot to the former primary audit, ordinary inspection, collection and a certain amount of propaganda work, and to the latter the final audit, more difficult cases of supervision, organization, and the training of supervisors. In 1920, the Registrar was of opinion that the non-official agency in union areas will be complete by itself and will produce good results should funds be available for maintaining an adequate staff. And the policy pursued by the department was that in areas where the local supervising unions were unable to find the full amonnt of money required to maintain necessary supervising staff, the Government staff should help the union in the work of supervision. And in cases where there were no local supervising unions or other supervising bodies, supervision work was to be done by the Government staff. But in all cases where Government staff helped the supervision, the supervision fund contributed by the societies at ½ per cent on all loans granted by co-operative societies to their members and at annas four in the interest realised on every loan advanced by the central banks to primary societies, was accumulating to be utilized when unions were formed in such areas.

In the year 23-24, 7,555 primary societies were affiliated to supervising unions which were 272 in number. The supervision fund amounted to 3,23,478 inclusive of the opening balance, and the expenditure amounted to 1,91,603. The amount spent in the year is found to be 30·47 per cent of the amount spent by the Government in working the Act.

NON-OFFICIAL AGENCIES.

1. Local Unions.

(a) *Education, the door to the efficiency.* The local unions form the mainstay of the Movement in regard to supervision, propaganda and education. They require a well-qualified supervisor who is competent to teach rural co-operators the principles and practices of Co-operation. The Governing Body members of such unions who are representatives of primary societies have a very important function to discharge, and should, therefore, be trained in the elementary principles of banking, book-keeping and in the proper distribution of credit accommodation to co-operative organizations and in the equitable distribution of such credit accommodation to deserving members of rural societies. They also require to be trained to fit themselves for the duties entrusted to them. The resources at the disposal of each union are in many cases found to be insufficient to meet the needs of the union for discharging its responsibilities.

(b) *Funds of Local Unions.* Co-operators will have to think out and secure suitable resources to get the necessary finance for this object. It is not wise to be dependent upon the Government for such aid to be continued indefinitely. The central banks should consider the question and see if they can liberate a larger percentage of rebate than ¼ per cent which they pay now, provided the transactions in primary societies expand and the profit accruing in the central bank is more than what is required for distribution of dividend, reserve fund, etc. Some banks have reached such a stage that they could give further contribution to those unions, which are unsatisfactory in their resources, to do their work. The common good fund of central banks and of the primary organizations can be utilized for the purpose. Where such augmentation is found to be insufficient, co-operators will have to secure the sympathy of the Department to get subsidy for the efficient working of poor unions, either in the shape of money or in the shape of an Inspector being deputed to work in the area of the union, until the union is able to shift for itself.

2. Honorary Assistant Registrars.

The second aspect of non-official agency which the Government have chosen to introduce is the system of appointing men interested in co-operation as Honorary Assistant Registrars to undertake the work of supervision, propaganda and education by allowing them travelling allowance on a liberal scale with a peon where necessary to carry on the duties satisfactorily. This system was introduced in 1918-19 for the first time. There were then 4 Honorary Assistant Registrars and in 1920 there were 43. The number of Honorary Assistant Registrars has increased from year to year, and there were 85 Honorary Assistant Registrars on 30th June 1923. This is really a substantial assistance to the work of the unions, provided the persons selected are connected with the local unions. Where they are not, some friction will arise between the Governing Body members of the union and the Honorary Assistant Registrar. However the movement and the co-operators must thank the Government for this kind of assistance rendered to facilitate the better working of the unions.

3. District Federations.

Another non-official organization brought into existence by co-operators with the aid of the Department was the district federation of local unions started in one district in 18-19 and one in 19-20. The District Federations are intended to co-ordinate the activities of local unions, to deal with matters of common interest to local unions, especially those which cannot be done by each except at exorbitant cost, such as the education of local unions and of office-bearers of primary institutions. These District Federations have to depend for their financial resources on the contributions made by local unions out of supervision fund collected by them. This is found to be insufficient to carry on the work of the federations. The necessity of a Government subsidy in money to such federations is keenly felt by all interested in the Movement and need be continued only till the local unions are in a fair position to give the necessary contributions to run the Federations. Such increased contribution by local unions is only possible when there is extended transaction in primary societies and when the defects referred to already in the working of rural societies are completely removed.

The above are the three arrangements available in the Movement, by which non-official agency takes part in the Co-operative Movement in the districts.

THE MADRAS PROVINCIAL CO-OPERATIVE UNION.

At the top of these agencies there is the Madras Provincial Co-operative Union, which was started at first as a propagandist union for the whole Presidency, and published bulletins in English, Tamil and Telugu. A similar Federation was started at Masulipatam known as the Andhra Sahakara Sammelanam in the year 1919-20. This union in Andhra parts has been issuing a co-operative periodical called Sahakari in Telugu. It has apparently not done much work in the direction of propaganda and education owing to want of funds. The Madras Provincial Co-operative Union is at present a union of unions in the Tamil Nadu, and has as members certain banks on limited liability basis in the districts of Malabar and South Kanara and in some of the Ceded Districts. The resources of the Provincial Union are inadequate and it is not pretended that it discharges its duties for the benefit of co-operators in any satisfactory manner. Proposals to improve the resources of the Provincial Union will be put before the co-operators during the Conference.

This question of strengthening the non-official agency brought into existence in the districts as well as in the Presidency town is a very important one, which requires careful consideration at the hands of co-operators interested in the movement. The strengthening of these non-official agencies will enable the Movement to become a regular People's Movement and to avoid indenting upon the State for help as far as practicable.

Need for Government Grant.

If we should look into the statistics contained in the Administration Reports regarding the staff employed by Government in the shape of officers, inspectors for field work and office staff, we will find that the Madras Government has been very liberal in this respect as compared with other provinces, though the Government has not chosen to give any subsidy to non-official agencies as in Bombay, where the Bombay Co-operative Institute gets one rupee for every rupee contributed by co-operators and co-operative organizations. The Provincial Union has addressed the Government to secure such a subsidy, and it is hoped that the Government will be liberal in this direction.

The liberal grant made by Government for departmental staff was during the regime of Lord Willingdon, and a scheme for the development of the Co-operative Movement in the Presidency was sanctioned by the Government on 20th January 1920 and it was with a view to carry the benefits of co-operation to every part of the Presidency. The scheme involves the detailing of an Assistant Registrar for each district, who with a smaller area of a district and a large inspectorate staff sanctioned will be able to secure the consolidation of existing co-operative activities and the expansion of the movement throughout the Presidency.

Urgent need for Co-operative Education and Training.

In spite of the efforts of the non-official agencies and of the larger official staff, the defective working of co-operative organizations is due largely to want of co-operative education in members of co-operative societies, office-bearers of co-operative primary institutions and the Governing Body members of local unions. This subject requires very detailed and close attention on the part of those connected with the Movement. The official department which has had a large influx of officers and inspectors in 1920 have not arranged for suitable training classes for them. Similarly the supervisors of local unions have not been adequately trained. Owing to this defect there is considerable nervousness on the part of financing banks to give adequate credit accommodation to co-operative primary institutions, and also nervousness on the part of Government officers to recommend such a course. Any amount spent by the official or by the non-official agencies in this direction will certainly strengthen the Movement in all its aspects.

The expenditure to the staff on account of establishment and contingences in 1923-24 was 6,28,743 and by the non-official agencies 1,91,603: The results obtained do not appear commensurate with the expenditure incurred by official and non-official agencies. The Registrar and the representatives of the non-official organisations might advisedly meet and settle some suitable arrangement by which a systematic training of the official and non-official staff inclusive of new Assistant Registrars and new Honorary Assistant Registrars and the co-operative education of co-operators, office-bearers and Managers of co-operative institutions can be secured. The formulation of such a scheme and its practical application seems to be an effective remedy to remove the evils noticed in the working of rural credit societies and for successfully carrying on the work of trading and non-credit activities in rural areas. They should also clearly define the work to be done by the non-official and by the official staff. If funds permit, I would suggest that the District Federations and the Provincial Union should be so constituted as to publish annual reports on the working of co-operative societies in each District and for the Presidency so that co-operators might be able to find out for themselves what progress they have made and how far the defects noticed in their working have been remedied.

CONCLUSION.

Gentlemen, I have touched upon a few points in the movement especially as regards credit activities, finance and supervision which appeared to me vital in the present stage of the movement. It only remains for me to express our pleasure in having been able to secure Sir, K. V. Reddi Naidu Garu to preside over the Conference. He was the Minister of Government from 1920 to '23 and as the head of the Development Department has had a very good opportunity of possessing an intimate knowledge of the co-operative movement. His advice and guidance will be of immense help to us. I should not stand any longer between you and his opening address which we are impatient to hear.

THE THIRTEENTH

Madras Provincial Co-operative Conference

December, 1924.

PRESIDENTIAL ADDRESS

BY

Sir. K. V. REDDY NAIDU GARU, Kt.,

GENTLEMEN,

I thank you most heartily for the great honour you have done me in asking me to preside over the deliberations of this Conference. Though I have long been a member of a primary Co-operative society and a member of a Central Bank, my practical experience in the difficult task of management is not much. Such interest as I have evinced in the movement is attributable to the accident of my having been placed in charge of the Department of Co-operation during the first term of the Reformed Government. I do not profess to know much but I yield to none in my faith in co-operation.

Very few outside the movement know enough about co-operation. Even amongst the members of co-operative societies in the rural areas there are many who do not understand what co-operation stands for and what the movement aims at achieving. Several members in the co-operative credit societies look upon the society as a Government sowcar who lends money under certain conditions, and insists upon strict repayment on the due date. It is no wonder that those outside the movement understand so little about it. But those that have devoted any attention to a study of the progress of the movement must have realised that it is a great democratic influence. For in these societies there is no distinction between man and man, between the rich and the poor, between the educated and the illiterate, between the man who holds the largest number of shares and the man who holds only a single share. The principle of equality of men is recognised in every direction in this movement. It encourages thrift and teaches sacrifice, self-reliance, and confidence in one's self and in his neighbours. The idea of a common brotherhood is symbolised in the collective liability. The elimination of competition and of the middleman have their economic advantages. Business habits are acquired, the advantages of organisation and union are realised. Co-operation has been defined as the association of several human beings with a view to better their economic position through their united efforts in production, distribution and credit. It means to the agriculturist and the trader as Sir Horace Plunket put it, "better farming, better business and, better living". But perhaps more than the economic advantage is the moral effect on the individuals joining the movement. It broadens the outlook of man and reacts on his efficiency. It is impossible to conceive of a greater moral force. The steady self-denial, the hearty sinking of individual interests in those of the community, the courage and the resolution necessarily engendered in practical working and the contribution to the common good without much thought of dividends, are moral qualities which are unheard of in the work-a-day world of competition.

The history of the co-operative movement in India is easily told. About the year 1882, that great friend of India, the late Sir William Wedderburn, then District Judge of Poona, suggested to the Government of Bombay that an agricultural Bank might be opened in the Purandhar taluk of Poona District in order to lend money at moderate rates to agriculturists. The Government of India fell in with the view and were prepared to assist in making an experiment but the then Secretary of State for India condemned the scheme as impracticable and financially unsound. The idea consisted in borrowing money from capitalists and lending the same to agriculturists. The Secretary of State thought that if Government machinery should be employed in the recovery of the debts due to the Bank, it would practically be a Government institution. Ten years later, in 1892, the Government of Madras appointed Sir Frederick Nicholson to study the systems of Land Banks of Europe and to submit a report suggesting a scheme for introduction in this province. His report (which was submitted about 1895) on Land and Agricultural Banks, is described as a monument of research and a perfect storehouse of information. About the same time Mr. Duperne, an I. C. S. officer of the United Provinces, published his "People's Banks for Northern India." In consequence of the influence and exertions of these far-seeing benefactors, a few co-operative societies came into existence but their transactions were governed by the provisions of the Indian Company's Act, and as these provisions were very complicated, progress in co-operative effort became almost an impossibility. Consequently Lord Curzon appointed a committee in 1901 with Sir Edward Law as President, to report upon the action to be taken for the development of the co-operative movement in India. Mr. Henry Wolfe, a great co-operative leader in Great Britain, rendered valuable assistance to the committee.

A Bill was introduced in the Imperial Legislative Council on 23rd October 1903 and it became Act X of 1904. The main object of the Act was to assist agricultural credit. But the need for assisting artizans and employees was admitted. Provision was accordingly made for two classes of societies, Rural and Urban, a distinction found to be unnecessary in practice. The Act was limited to the co-operative credit societies. Joint or central societies formed of other societies were not contemplated. Duties were prescribed for societies and their members, and Registrars were appointed in each province. The Act was soon availed of and 800 societies came into existence within less than two years. These rapidly increased in number from year to year and the advancing needs of organisation found the provisions of the Act inadequate. Central societies had to be formed to find free capital but as already pointed out there was no provision for these in the Act of 1904. Accordingly, in order to remedy these defects, Act II of 1912 was passed. It is this Act that is now in force. No more than two decades have passed and the amazing progress made during this interval is so great that it is found that the time has come for forcing a new Bill on the Legislative anvil. I shall revert to this subject a little later. The Act of 1912 gave a fresh impetus to the co-operative movement and new types of societies sprang up in rapid succession. Public confidence was roused very soon and in 1914 the Government of India were already in a position to issue a resolution upon the growth of co-operation in India, upon the rate of progress, its economic benefits, its effect upon improvements in agriculture, its educational value, its effect upon money-lenders, upon the relations of Government on the movement and so on and so forth. The resolution concludes by saying that "a new factor in district administration has come into being; new duties and new responsibilities have been thrown upon district officers; and the movement, if wisely directed, may form yet another link which binds together Government and the people." It was soon discovered that large sums of money were flowing into operation and complications in financial arrangements were arising; and the Government felt that further development could not be undertaken unless the economical and financial position has been found to be sound and satisfactory. This led to the famous Maclagan Committee which was appointed in October 1914 in order "to examine whether the movement, especially in its higher stages and in its financial aspects, is progressing on sound lines, and to suggest any measures of improvement which seemed to be required." The report of this Committee was published in 1915 and will long remain a distinct landmark in the history of the movement in this country. In our own province, advantage was taken of this report by the non-official members of the Legislative Council who moved resolutions urging upon Government the need for a speedy development of the co-operative movement. In the year 1919, that great co-operator, the late Mr. Hemingway than whom perhaps co-operation in this province has not hitherto found a truer friend, or a greater worker, was formulating a scheme of development, and Government in their Order No. 135 Revenue (Special) dated 20th January 1920 sanctioned the scheme. Nine new officers were appointed to undergo training to be eventually placed in charge of the new sections sanctioned, the object of the scheme being to secure an Assistant Registrar for each district with the exception of the Nilgiris and Ramnad. You are all aware that the Montford Reforms came into force in December 1920. It fell to my lot to hold the portfolio of Co-operation. I lost no time in taking advantage of Mr. Hemingway's scheme. The re-organisation of the department was soon completed. By 30th of June 1921, there were altogether 17 independent sections, each under the direction of an Assistant Registrar. Here it may be mentioned that, before the Ministry took charge, the staff of Assistant Registrars was manned entirely by Revenue Deputy Collectors. A change was soon made by appointing non-officials and officials from other departments on a lower pay of Rs. 250 a month; thus effecting a great saving in expenditure. Further the allowance of Rs. 100 per mensem, used to be paid to the Assistant Registrars when the Reforms came into operation, was discontinued and this was effected before the main scheme of cutting down allowances was adopted by Government. The subjoined statement gives an idea of the progress made by the movement, in our province during the first Ministry under the Montford Reforms.

—	1919—20	1922—23	1923—24
1. Number of societies at the end of the year.	5,027	8,443	9,784
2. Number of financing banks at the end of the year	30	33	33
3. Number of supervising unions at the end of the year	138	249	272
4. Amount spent on supervision by societies in the year	91,717	1,56,734	1,91,603
5. Number of villages included in the area of operations of societies at the end of the year	7,397	11,236	
6. Number of members of all societies at the end of the year	3,29,886	5,30,291	6,16,628
7. Working capital of all societies at the end of the year (in lakhs) ...	394·25	711·38	839·27
8. Paid up share capital of all societies at the end of the year. (in lakhs) ...	50·24	95·41	114·50
9. Reserve fund of all societies including the addition made on account of the working of the year (in lakhs). ...	17·42	31·73	38·35
10. Deposits of members in primary societies at the end of the year (in lakhs) ...	24·60	33·42	36·32
11. Deposits of individuals in all societies at the end of the year (in lakhs) ...	153·97	253·71	290·05
12. Loans from financing banks outstanding against primary societies at the end of the year (in lakhs) ...	131·65	223·29	266·4
13. Total amount disbursed as loans (in lakhs) to members of primary societies.	628·30	1171·47	*

The amazing progress thus made was too much and brought down the wrath of those in whose eyes the new Ministry did not find acceptance. Thus the Madras Bulletin of Co-operation wrote in April 1922 "this is partly the inevitable result of the wrong policy of artificial expansion. You resolved to increase the number of societies to a certain figure within a particular period and appointed a large staff to do it. You tell them they are expected to start so many societies in each district, and they knew that their official prospects depend upon pleasing you—number counts, not quality—the present need of the movement is emphatically not increase in numbers but in improvement in quality". How far this criticism was due to personal equations, I cannot say; but I emphatically deny that there was any such resolve or direction as was presumed in the above criticism. In his admirable book 'The co-operative movement in India', that is, in the third edition published in March 1923, while characterising the above criticism as the craze for quality and observing that if, carried too far, it might lead to the adoption of an over-cautious "policy" of "break" which will needlessly retard the numerical growth of societies, Mr. P. Mukerji could not resist his own criticism. Commenting upon the Registrar's report for 1920—21, he says, "very recently a policy of rapid artificial expansion has been tried in Madras and the result of that policy is that, of the 5207 agricultural credit societies, 2153 worked at a profit and the remaining 8049 at a loss". I deny that there was any artificial expansion and as for a large number of societies working at a loss the criticism was the result of ignorance of facts. That was the year in which the number of societies started was very large.

Many societies were started rather late in the year and could not start work within the year. That was also the year in which the money market was very tight and this prevented financing banks from advancing loans to the newly formed societies. Further in the actual declaration of net profits by the Registrar, overdue interest and interest accrued after an item of interest had fallen due were excluded. As the rules stood at that time, those excepted items were not available for the distribution of profits. But they were certainly not bad debts. The percentage of arrears of interest was shown at the high figure of 57·66. This has reference only to the old societies. After all what was the extent of loss? During that year as many as 1,262 new societies were started and their total loss by the end of the year was only Rs. 8,986, or in other words Rs. 8 for each society in the average. It will thus be seen that there was really no loss at all, for this small sum of Rs. 8 would have been covered by the initial expenses of stationery and cost of going to the headquarters to get the society registered, the first loan sanctioned and the like.

Nearer home, we were subjected to criticism of a different kind, in the early days of the Reformed Government. If you look into the Budget debates of the Madras Legislative Council during the years 1921, 22 and 23, you will notice that the criticism was directed to effect administrative reforms.

We were asked to abolish the place of the joint-registrar. The place was accordingly abolished at the earliest opportunity. We were advised to abolish the allowance of Rs. 100 that was being paid to Assistant Registrars and we agreed to abolish it. A demand was made to reduce the number of Assistant Registrars. We could not agree to it, for we felt that, in the earlier stages, it was essential that greater supervision and active organisation by these officers were necessary. I went further and reorganised the Department so far as the lower staff was concerned and confirmed a great portion of the staff of inspectors, clerks, etc, who were till then only on a temporary basis. The criticism that non-official agency should be substituted for the official, was however persisted. I replied to this in other places. I will only say here that however much I am myself a supporter of non-official agency in the co-operative movement, it cannot be denied that official help and supervision and control will be essential for some time yet to come. One great weakness in our national character is the want of confidence in each other. I have always attributed the apathy shown in our province in the formation of joint stock companies and the failure of such of those as have been formed and the disinclination shown by the people here in the matter of industrial development, to this want of mutual confidence. On the other hand, when the

people come to know that a considerate and powerful Government are behind the back of a movement, they begin to take advantage of it. I attribute the success of the co-operative movement to this backing of the Government and however much it may be desirable that the Government support should be reduced to a minimum, there is no denying the fact that the amazing success of the co-operative movement is due to this backing up.

Another criticism of the first Reformed Government in the co-operative department was concerning the appointment of Honorary Assistant Registrars. I think it will be accepted that the employment of this honorary agency is the first step in non-officialising the movement and it is somewhat curious that the Government should be attacked even on these appointments. To be fair to the critics, I must admit that their criticism was directed more against the personnel than towards the system itself. It was said that appointments were made for party purposes. I denied it before and I deny it to-day. The fact is that these appointments are not made directly by the Minister. The Assistant Registrars make their recommendations to the Registrar and the latter prepares a consolidated list and submits it to the Government for approval. While I was in office, I do not remember to have made very many serious alterations in the list. At any rate, I am certain that I did not interfere in more than 10 per cent of the nominations, so that it will be noticed that the Minister's nominees in the district did not exceed 4 or 5 on the whole. The criticism therefore that these appointments were made for party purposes, especially when it is remembered that these few alterations were in favour of persons living in the districts and having nothing to do with the Government or Legislative Council, loses its force entirely. The unfairness of the criticism will, I hope, be seen by all thinking people in our country.

In spite of the fact that the Co-operative Credit Society's Act of 1904 was passed with the deliberate object of assisting agricultural credit, and in spite of the fact that enormous progress has been made in the development of the credit societies, the chronic indebtedness of the ryot has remained where it was twenty years ago. The existing system has no doubt helped the agriculturists in tiding over temporary difficulties, furnished cheap credit for current needs, such as preparing the land, sowing, transplanting, weeding, harvesting, marketing and kist-paying, but the Sowcar's throttling hand at the throat of the helpless ryot has not yet been removed. It is still crushing. The ryot's mortgage debt is still overwhelming, not merely in volume and weight, but also in its penal nature. Interest at high rates, compound interest and compensation for penalties are still mercilessly ruining the needy ryots. The law of the land allows it. Compound interest with annual rests is considered by courts of law quite legitimate. Compound interest at a higher rate from the due date is no doubt considered penal but courts have not hesitated in allowing the higher rate as compensation for breach of contract. The object of the law against penalty is thus frustrated. It is the high rate of interest very often unconscionable, extortionate and exorbitant, the compound interest with annual rests, penal rates and the consequent litigation that sap the very root of ryots' prosperity. If the ryot is to live and prosper, if he is to exist without being crushed under the heavy heel of this chronic indebtedness, some means, other than co-operative credit societies, must be devised. The present co-operative system has done much to the ryot; it has taught him business habits, made him thrifty and self-reliant; it has made him realise the advantages of organization and collective liability; it has secured cheap credit for his current needs. But it has not reduced the chronic indebtedness of the ryot. It has not ousted the proverbial Sowcar, the Indian Shylock. I am not one of those who believe that co-operative credit societies increase debt. That kind of debt is no debt at all. Credit itself in that sense may be called a debt, but where it is only an exchange of money from hand to hand it is certainly not a debt in the ordinary sense of the word. Such a debt or credit should always be welcome for it means business and that means profit. It is, in short, a productive debt. But I am now on the question of the chronic indebtedness of the peasant, demoralising, unproducive, crushing indebtedness.

Mr. Mukherji, in his book on co-operative movement in India, vigorously contends that co-operation has certainly reduced the unproductive debt of the agriculturist. He quotes Mr. M. C. Darling of the Punjab Co-operative Department who pointed out that, among the landed proprietors in the Punjab, the average indebtedness per individual was Rs. 500 nearly, while in the case of co-operators, it was somewhere near Rs. 250 per member. And Mr. Mukherji claims that this is "an astonishing feat performed by co-operation in a small period of fifteen years." I cannot say how far these figures compare with those of our Province. But I think I can safely assert that agricultural indebtedness here is far in excess of what it is in the Punjab and that co-operation did not make here that vast difference which, it is claimed, it has made in the land of the five rivers.

It is unnecessary to go into the origin and causes of our rural indebtedness. It is mostly inherited. It is admitted on all hands that it is chronic. The joint family system, with its consequent manifold expenditure without a corresponding increase in the earning capacity,

extravagant marriage expenses ever increasing with the multiplication of members and their pride and vanity, the law of partition to which we are subject and the consequent fragmentation of holdings, bad seasons, low prices, heavy taxation, rise in the cost of living, love of litigation, illiteracy and the consequent ignorance, undue attachment to home, and the consequent disinclination of leaving it to secure any means of earning, other than the homestead, these and many other causes may be enumerated. But more than all these, is the crushing weight of the chronic debt itself. We have a proverb in Telugu which says ఋణము ,వ్రణము! "debt is synonymous with cancer." It eats into the vitals of the debtor. With its ever accumulating interest, it spreads like the cancer. It eventually destroys him. The ryot is invariably disinclined to sell a portion of his holding and discharge his debt. He allows his debt to swell and submits to the decrees of the courts under which his land, home and everything is finally sold.

I wish some one will undertake the interesting task of finding out as to how far land owner-ship is passing from the cultivating ryots into the hands of landlords, very often absentee landlords. Even in conservative Malabar, it is distressing to find that the kanom tenure is passing into the hands of official and professional classes, living in towns and outside Malabar. There is no doubt that farm tenancy has been on the increase and must necessarily increase, unless some measures are devised to reduce this dreadful indebtedness. The question is, what is that means? In spite of the optimism of Mr. Mukherji, I am inclined to believe that the ordinary co-operative credit society cannot achieve this object. Mr. Mukherji himself has quoted the conclusions to which the Registrar of Co-operative Societies, Mysore, came from his own investigations. Considering the nearness of that State to ourselves, these conclusions will be of greater value to us and more closely applicable to our conditions, than any that can be drawn from the investigations in the Punjab.

The Mysore conclusions, in spite of the spread of the co-operative movement in that State, are

i, "that indebtedness has remained practically stationary;

ii. "that the members of the co-operative societies are indebted to a greater extent to sowcars than to the Societies." The Mysore Registrar explains that "the reason why the members of societies are still indebted to sowcars is probably that the latter give a larger time" etc. The same explanation applies to non-members. Herein lies the key for solution. It is the short term loan and the punctual exacting of repayment that scares away the debtor from our societies. If this can be eased, half the problem is solved. This leads up to the conclusion that Agricultural Land Banks capable of giving long term loans, subject to the repayment in easy instalments spread over a number of years, can alone solve this problem.

The question has been under the consideration of Government of Madras, and while I was Minister, I had not only occasion to deal with it but I tried my humble best to push forward a scheme to achieve the object. The German Landschaften have often impressed me as the model for any system that we might attempt in this country. I had long discussions with well-informed co-operators and finally held a Conference on 10th October 1923 when Mr. N. Norman Murray, the Secretary of the Imperial Bank of Madras, a very great authority on these matters, Mr. Frank Noyce, Secretary to Government, Development Department, than whom the Indian peasant cannot find a more generous supporter among the bureaucrats in India, Mr. Hood, Registrar of Co-operative societies, and myself, discussed the whole question and prepared a rough scheme so as to form the basis for further discussion for obtaining opinions and for the formation of a definite workable scheme. The scheme must have reached an advanced stage by this time.

One of the anamolies of Dyarchy under which we are ruled at present is that a Minister cannot take the initiative in matters connected with any Reserved Subject. The Administration of the Madras Agriculturists Loans' Act and the Land Improvements' Act is a Reserved Subject and is not open to a Minister to interfere in this administration. Though I was Minister for Agriculture and Co-operation, I could not make any attempt in securing loans to agriculturists in deserving cases or in introducing changes for the benefit of the ryots. In some years no doubt I was able by friendly personal persuasions to induce the Madras Government to allot more money for these purposes. It is, however, a matter of common knowledge that though liberalism and generosity actuated large allotments, very little benefit was derived up till now by the ryot population in the administration of these Acts owing to the pusillanimity, perverseness and in a few cases even greediness among the underlings in the taluk offices but perhaps the fault does not so much lie with the working of the Acts, as with the system itself. The advantages of co-operation are not there, the system of the collection of the money lent savoured tax-gathering and carried with it all the unpopularity and odium of collecting debts as public demands. Financially also it is unsound. The only possible solution again lies in the establishment of Land Mortgage Banks.

I am not unaware of the difficulties of the system that I am advocating. The history of such Banks in other countries shows that the demand for loans will almost always be larger than these Banks can meet. These Banks cannot attract capital sufficient for their purposes, as most of it is drawn away to industrial enterprises. The failure of the Agricultural Bank of Egypt is perhaps explainable. We are told that a large portion of the money distributed by the Bank often went for purposes not connected with agriculture such as festivals or relief of young men from doing military service. Borrowed money was thus not used for remunerative purposes. Also the example and success of other countries, such as Germany, Austria, France, Italy and Japan must be set against the failure in Egypt. It was only recently (i. e.) in July 1916, that the United States of America, after appointing a strong committee to tour round Europe and to study the systems of Land Mortgage Banks in that continent and that after receiving the committee's report, passed their Federal Farm Loans' Act. The objects of the Act are described as follows: "to lower and equalise interest rates on first mortgage farm loans; to provide long term loans with the privilege of repayment in instalments through a long or short period of years, at the borrower's option ; to assemble the farm credits of the nation to be used as security for money to be employed in farm development; to stimulate co-operative action among farmers; to make it easier for the landless to get land, and to provide safe and sound long term investments for the thrifty." It is not my desire to copy the system in its entirety nor do we require money for all the purposes mentioned above. But the great need of our province is to provide for long term loans to wipe out the ryot's debt, to convert it into a co-operative debt, and to afford facilities for easy repayment. The capital stock of the 12 Federal Land Banks on 1st July 1923 was $ 40,505,775. The easy flow of capital of that great rich country, is no doubt responsible for this huge capital. Confidence in each other, in the government and in the co-operative system is also responsible. The Farm Loan Bonds command a ready market because they are secure, free from all forms of taxation and because the assets of all the 12 Federal Land Banks are behind the Bonds of all the Banks. It is only when our country produces 25 such Land Banks, federal in their character, that we can hope for the complete wiping out of the chronic indebtedness of our ryots.

We can make a beginning to a limited extent at present. Public confidence has to be created and experiments must prove successful before the American scheme can be extended to this country. I shall now proceed to give you some idea of the proposal which I made while I was in office and which I am sure must have reached an advanced stage by this time. I know Mr. Gray, the present Registrar, is keen on it In him, the ryot will find a true friend and genuine benefactor. We can trust in his sincerity and eagerness to bring this scheme to fruition.

The proposals of Government regarding Land Mortgage Banks :—

[The proposed Land Mortgage Banks should be, separate from the ordinary co-operative Banks.

2. The capital required for the Banks should be raised in 4 ways :

(i) by share capital
(ii) by deposits
(iii) by the issue of debentures, and
(iv) by the building up of a reserve fund.

(i) Membership will be limited to those intending to take up loans. The paid-up share capital must be at least one-eighth of the amount for which debentures will be issued.

The Banks are to be organised on a limited liability basis. The dividend on share capital will be limited to 8 per cent.

Fixed Deposits.

(ii) In order that these Banks may not seriously interfere with the working of the co-operative credit Banks, deposits for less than three years should not be received and the rate of interest allowed to depositors should not be more favourable than the rates which co-operative credit Banks allow to their depositors. It is desirable that deposits should be limited in extent.

Debentures.

(iii) These should be long-termed debentures. As pointed out above, it would be difficult, at any rate in the beginning, to induce the public to take up these Bonds. Government aid is unavoidable in the beginning. It is accordingly proposed that the Government should take up half the debentures to be issued for the purpose of each Bank, agreeing at the same time to receive interest at half a percent less than what is to be offered to the general public. The debentures shall be payable after 12 years and before 20 years, but the Banks shall have power to redeem any debenture before it matures after giving due notice. It is not proposed that there should be any provision for a sinking fund, for, that might prevent Land Mortgage Bonds from working profitably. As the debentures fall due, they would be repaid from funds raised by the issue of fresh debentures. A system of discount may profitably be introduced in order that these Bonds might find currency in the open market.

Reserve Fund.

(iv) The Reserve Fund will have to be fixed at a percentage of not less than that prescribed for short term co-operative Banks. 25 per cent of the net profits seems to be the suitable limit.

The dividend of profits should not exceed eight per cent per annum on the paid-up value of each share. Also all undisbursable and indivisible profits shall be added to the Reserve Fund. The Reserve Fund shall on dissolution go in discharge of the Bank's liabilities and to repayment of paid-up share capital and the balance, if any, shall go to any public charity in accordance with the wishes of the General Body. Loans advanced by the bank to the members shall not carry more than 9 per cent interest.

3. No loan to a member should exceed Rs. 1,000 at any rate in the beginning, the object of the present scheme being to assist the small debtor.

4. At the Conference mentioned above, it was agreed that repayment should not be made by equated payment system but should be in equal annual instalments. Mr. Gray, our popular Registrar, who, as I said, can be trusted to work with great interest and energy and enthusiasm in this matter, as in every other matter connected with co-operation, would seem to be of opinion that equated payments have better advantages and that people will get used to the system in the course of a few years. The matter is of some importance and I hope it will receive the attention of the government and the public which the system deserves.

5. The question of the area of operation of each Land Mortgage Bank was also considered at the conference. It was considered that a taluk would be the most suitable unit. There are others who believe that the villages to be served should be within a radius of 10 miles. This would mean three or four Banks for a taluk ordinarly speaking and the scheme would be then a very ambitious one. For my part I prefer the taluk for a unit.

6. The scheme is to be introduced as an experimental measure and the experiment would be tried in selected areas which have shown greater co-operative spirit than others. Ambur in North Arcot, Conjeevaram in Chingleput and Kallakuruchi in South Arcot, Bhimavaram in Kistna and Ramachandrapur in the Godavari District, are considered the most suitable places.

7. In order to effectively carry out the scheme, amendment of the Co-operative Societies' Act becomes necessary. Some believe that section 6, (I). (b). would cover the case as the members of the Bank would all be agriculturists. Mr. Gray seems to be of opinion that if Government should issue an order under sec. 46 of

the Act, exempting these new Banks from the provisions in sec. 6 (1) of the Act, it will easily serve the purpose in view. I venture to think that he is right but it seems to me that an amendment of the Act has become necessary in other matters, especially disciplinary matters, and it is well that Government should come forward with an amending Bill as early as possible.]

I have described this scheme at some length and in some detail, in this addres, as I feel that it is essential to enlist the sympathy and the co-operation of the public in this matter. I am confident that Mr. Gray will certainly bring out a workable scheme but considering that the success of these Banks will largely depend upon the purchase of debentures, I feel it is the duty of all concerned to elicit public opinion and by that means to enlist the necessary support and sympathy. We need not be ashamed of small beginnings and when in the fullness of time a network of these Banks is spread over the whole Presidency and when the debentures issued by these Banks have behind them the security of the assets of all the Banks, a stage will be reached when one can hope that, after all, the chronic indebtedness of the Indian ryot is not behind the grip of Indian genius and the spirit of co-operation. The above scheme has often been the subject that haunted my dreams during the short term of my office as Minister and I have given vent to my feelings in the matter here in the earnest hope that it will be realised ere long. There are of course many other important subjects in the co-operative field which require initiation and development. I shall now turn to some of them. It is a recognised fact that while we made amazing progress in the formation of co-operative societies on the credit side, very little has been achieved in the direction of production or distribution. Madras, like every other province in India, is essentially agricultural and credit no doubt is the first requirement of the agriculturists. But the economic position of the country needs as much development in production and distribution as in credit. Production requires capital, for, like every other industry, agriculture depends on investment. It is the want of investment that is responsible for the refusal of land to yield its best. It is a well-known fact that in Spain 2½ tons of paddy is produced per acre, while we in this province can count only half a ton per acre on the average. In Cotton, Madras cultivates more than 3,133,000 acres but the output is about 581,000 bales of 400 pounds each. In Egypt 1,365,000 acres are cultivated and the yield is 1,190,000 bales In the United States of America 35,993,000 acres are cultivated annually and the yield per acre is only 74 lbs (pounds) in Madras as against nearly 160 lbs (pounds) per acre in the United States of America and 320 lbs. (pounds) per acre in Egypt. It will not be contended that our soil is not as rich or fertile as the other two countries. We have plenty of rivers and streams which though not as big as those of the other two countries, are full of continuously flowing water. The Godavari and Kistna are as living rivers as the Nile. I am strongly of opinion that our failure to produce all that our land is capable of yielding is due to want of facilities for using scientific and business methods. I think co-operation can achieve this. We want co-operative purchases and co-operative sales, and co-operative ownership of expensive appliances and machinery and co-operative production. Again in the industrial field, we are as backward as ever. I refuse to accept the theory that we are born agriculturists and as such we must die. On a previous occasion I have enumerated my reasons why I refuse to accept that theory and how we have so long remained without developing our industries. I do not propose to repeat these reasons here. But I do honestly and sincerely believe that a great step can at once be taken towards Industrial advancement with the help of co-operation, by means of co-operative Banks, co-operative factories and societies for production. Co-operation must takeg ariculture in one hand and industries in the other. It must be the connecting link between the two. We produce several raw materials which are at present converted into finished articles in the factories of foreign countries. Take for instance, cotton, I have given you some idea of the production of cotton in our country. India is the second largest cotton producing country in the world, United States of America being the first and Egypt coming in only as the third. And yet we import 50 crores of rupees' worth of cotton (including yarn) every year. We export our cotton to Lancashire and Japan and they make our cloth and yarn and we pay for all the expenses and profits of such making. Why can we not establish our own factories on the co-operative basis in the Ceded Districts, in Tinnevelly and Guntur Districts?

Take again the case of oil-seeds. We export our groundnuts, our cocoanuts, castor and gingelly seeds in enormous quantities to Marscilles and Lyons in France and we get back numerous kinds of oil at an enormously high cost. Take again hides and skins. Here again we are the largest exporters in India and India is one of the largest exporters of this material in the world. Madras exports nearly nine crores of rupees' worth of raw skins and hides and pays nearly 30 crores for the finished articles made in foreign countries in the shape of leather-bags, portmanteaus, money purses, cigar and cigaratte cases, belts, straps, boots and shoes and I know not what else. Why can't we make some of these at least in this country? Our Young men have gone out to Europe and learnt the latest developments in the science and art of leather industry. We have in our own city a splendid institution in the Leather Trades School. Why not utilise the services of such men and the products of the school? The industrial world has taught the advantages of large capital and mass production. It has established the economic truth that the larger the unit, the smaller the cost. Hand-spinning and hand-loom weaving cannot withstand the onslaughts of machine production, because of the cheapness of the cost of the latter. Individuals of average means cannot command either large capital or huge production. Combination of these individuals can achieve the end. What is wanted is capital, organisation and mutual confidence—these co-operation alone can furnish and for co-operation we want men with a determination. The material is there, men, money and the raw products. We want the guiding spirit, the organiser, the pioneer and the leader. Will India be wanting for ever in her Raiffeisens, in her Schulzes, in her Luzattis, in her Rockdale pioneers, in her Owen Brothers? The salvation of our country lies only in co-operation. If our economic position is to be bettered, if our national wealth is to be increased, if the standard of our living is to be raised, production both from land and from factories is the only means and co-operation is the only lever for profitable production. There are men who believe that the salvation of this country lies in her political freedom. I have no quarrel with them. I have in my own humble way fought and have been fighting for that freedom. But political freedom political redemption is insignificant when compared with our economic emancipation. I care very little indeed whether A rules over me or B rules over me provided the law under which I am ruled is sane, sensible and sacred. But I do care very much if we are to remain under the same economic slavery as has been the lot of the land for years past. It is the chill penury of my countrymen, half-starved, half-naked, ill-educated and brought up in unhealthy surroundings that hurts my heart most. It is galling to think of the misery of our countrymen, of their sufferings and of their ignorance, the removal of which alone can secure for us our place in the world's nations. Co-operation can achieve this and I see no other means of redemption.

Besides the poineers and leaders, we want volunteers in large numbers. A friend of mine raised the question of unemployment of the graduates who leave the portals of our University every year not in hundreds but in thousands. On a rough estimate 2000 graduates are manufactured every year in the Province. Government and the learned professions cannot absorb more than a thousand a year. It is no exaggeration to say that a good proportion of the remaining 1000 graduates are finding it difficult to find decent employment. We want their services in the cause of co-operation. Then there are numberless undergraduates who find equal difficulty in securing decent employment, not to speak of those who leave the school at S. S. L. C. stage. Is it too much to expect the co-operation of these young men in our noble cause? The co-operative movement cannot take long strides as long as it is under official control and guidance. Much as we may require them in the initial stages and however much the officials may cast off their official skin, the frequent transfers unavoidable in the very nature of these officers is a great break in the progressive march of co-operation The official cannot reach every nook and corner of the country. He can't reside in the midst of the people. Residence is a great factor in an organisor or teacher and in order to reach the heart of the ryots, it is essential that the co-operator should live amidst those for whose benefit the movement must be spread. The young men, of whom I am speaking, have none of these drawbacks. They know the vernaculars and can have a heart to heart talk in their mother tongue. They are educated and can grasp the principles of co-operation in no time; they are not also subject to the shadow of suspicion which very often accompanies the official. If only these young men could be prevailed upon to make some sacrifices for the benefit of their countrymen, if they can show some courage and resolution and are prepared to make some contribution for the common good, rural emancipation will be an accomplished fact.

Women organisations and female workers are equally in demand for the work before us. For after all in the home woman is the master and co-operation is intended to cheer our homes, dispell the chimearian darkness that envelops these homes.

Next we want the public press of the country to recognise and shoulder its share of the responsibility in this matter. Propaganda work through the press and from the platform is a great essential in the early stages of the movement. Pamphlets have to be written and published broadcast. Conferences must be held, thoughts and ideas must be exchanged and the people be made to understand the benefits of the movement.

Non-official agency must gradually replace the official agency. For after all, co-operation is essentially a non-official movement. While in office, I made a small beginning in this direction. When I took up the portfolio of co-operation, there were not more than 40 Honorary Assistant Registrars on the list. When I left office, the number was double that figure. But as I said, this was only a small beginning. I look forward to the day when every Assistant Registrar and every other worker or superior in the co-operative work is a non-official save the Registrar, The Registrar is at present over-worked. What with audit expectation, and what with other routine work, he is left very little time for propaganda and initiation. Very little can be done under such circumstances in the matter of shaping policy. Non-official agency must relieve him from most of his present work.

We also want an economic survey of our Province in order to find out the extent of indebtedness such as the one which Lord Kitchener ordered and obtained more than ten years ago for Egypt. A resolution was passed recently in the Legislative Assembly, demanding an economic survey, though it was intended for examining the capacity of the Indian to bear taxation but such an enquiry would serve our purpose quite as well. Unfortunately the Government of India refused to order such an enquiry. The cost involved in its preparation and the scepticism with which its results are viewed, scared them away. But the student of economics must take up this subject and if a non-official agency engages itself in taking a census of the debts and economic position of each household, the task perhaps would have been done. If we have a network of co-operative societies, say, one for every three or four adjoining villages, the members of these societies can undertake such a census and we can have what we have been longing for.

Co-operative education has not been given that place and attention which it deserves in the development of the movement. We have not even the necessary literature in the vernaculars. Primers must be written and introduced in the higher classes of the school course. Special courses should also be provided and the theory of co-operation, auditing, book-keeping and accounting, management, history of the movement in the world, and Co-operative law, should be taught. The study of co-operation in the University course of economics is fairly high. But it is available only in the city of Madras. What I am aiming at is the education of the children of the agriculturists in the rural areas and in small towns. The Education Department should co-operate with the leaders of the movement and prescribe a useful syllabus throughout the high school course.

It is a matter of gratification to find that in our Province, the problem of housing is receiving the attention just now. The pressure of increasing population on house accommodation is of late making itself felt seriously. The great boom in house property immediately after the war, was not confined to the city of Madras. The result is an enormous increase in rents. The middle classes are the greatest sufferers in this respect. Space is limited and those that were paying high rents are obliged to get into smaller houses in order that they might manage with the same rent which they were hitherto paying. The middle classes are displaced by the somewhat upper classes and have to seek houses of a lower standard. They in their turn have driven out lower classes to insanitary surroundings. The standard of comfort in each class is thus lowered while the majority are driven to congested and unhealthy areas. The housing problem in towns has thus reached proportions which it would be criminal to neglect. It is gratiying, however, to find that the Government and the co-operative movement are coming to the rescue. The recent Madras Tenants' Protection Act is a great boon to the lower class of tenants in this city. The Mambalam project, if materialised, will remove congestion though probably only in the interests of the upper classes. It is interesting to note in this connection that a co-operative credit society in Madras city was able to secure house sites for its members, the superstructures thereon being owned by them already. It is further gratifying to find that the members of this society are Adi-Dravidas and they did not require any financial assistance from the Government. The Christian Central Bank helped them by giving a long term loan. But I am not so much thinking of the Metropolitan housing problem as the housing of the houseless in the rural and urban areas outside the city. While in office, I was able to get provided in the Budget a sum of 6 lakhs of rupees to be lent to co-operative building societies and it is satisfactory to find a very marked increase in the number and development in the transactions of co-operative house building societies. Let me also express the hope that the provision for loans to such societies will be increased every year, and that co-operators will avail themselves of the opportunities thus afforded.

The problem of audit and supervision, the question of Government control, the federation of societies and Banks, co-operative finance and methods of Banking are all important subjects which require a careful research and close study. But time and space and my own capacity to deal with those subjects have their own limitations. I must therefore refrain from making any observations concerning them. I am sure the conference will deal with any specific question that may have presented practical difficulties and the deliberations of the conference will be directed in evolving a working basis. I therefore conclude this address, once more thanking you for the honour you have done me and with the full hope that I will have the hearty sympathy and assistance of all the co-operators that have now met in guiding the deliberations of this conference.

THE P. C. U. WISHES ALL CO-OPERATORS A HAPPY NEW YEAR.

Co-operators ! Did you send your Representative to the Provincial Co-operative Conference held last month ? If so, get from him the copy of "Notes" supplied to him containing the views of your Brother Co-operators on ever so many interesting subjects. If, however, for any reason you did not send an elected representative, send us one rupee and four annas and we shall send you a copy of those valuable 'notes'.

Co-operators ! I am sure you are a subscriber for our Bulletin (English or Tamil), If you are not begin to subscribe at once. "It is never too late to mend". Though our official year begins only in July we are prepared to register your name even now and send you our Bulletins from this month onwards. Shall we do it ?

Have you, dear Brother Co-operator, taken the trouble to ascertain whether the Union to which your own society is affiliated, is in its turn affiliated to the P. C. U ? These are matters where ignorance is *not* bliss. See that your Union is at once affiliated to us !

The P. C. U. is reshaping itself ! How ? Please read in the January Bulletin the Conference Resolution on that subject. We are trying to make it really representative of the movement in its non-official side. Do you know who our President for the year is ? Read the proceedings of the General Body meeting of the P. C. U. published in the January Bulletin !

For everything you see you have to read the Bulletin. Otherwise you would be left far behind ! The P. C. U. is shaking its pinions for a grand flight ! ! Won't you help it to the best of your ability ? Yes, we know you will.

Co-operators ! Do you know how much the last Conference cost the P. C. U ? Please see the accounts published in the January Bulletin.

You all know that the P. C. U. has no fund of its own except what is contibuted by you all. Hence it is your own duty to see that the deficit is wiped out.

You can do that by

(1) joining the P. C. U. and sending your affiliation fees
(2) subscribing for our Bulletins, English or Tamil or both, and by inducing other societies to join us and to subscribe for our Bulletins
(3) sending as donations however small.

The Provincial Co-operative Union expects every District Bank, every Urban Bank, every Union, every Society, nay, every Co-operator to do its or his duty to it and we are sure we shall not be disappointed.

REPORT ON THE RESOLUTIONS PASSED BY THE TWELFTH MADRAS PROVINCIAL CO-OPERATIVE CONFERNNCE HELD ON 24TH DECEMBER, 1923.

Resolution No. 3.—Registration of Credit Societies :

"This Conference is of opinion that, before credit societies are registered, the unions concerned should necessarily be consulted ; central banks should, however, be consulted in regard to societies to be registered where credit accommodation to be given is a deviation from the routine standard."

This resolution was communicated to the Registrar of Co-operative Societies. He has asked his Assistant Registrars to do their utmost to carry unions with them in the matter of registering societies in particular and to consult the unions in every case where there is likely to be a conflict of opinion on the advisability of starting new credit societies in any area. As regards the second part of the resolution, the Registrar has pointed out to the Assistant Registrars that it can be accepted as it presents no difficulty and indeed represents the ordinary practice in the mattter.

Resolution No. 4.—Long term loans:

"The Conference is of opinion that the period of five years usually fixed by central banks for long term loans be extended to ten years."

The Registrar of co-operative societies was addressed on the subject with a memorandum, a copy of which has been published for the information of co-operators and central banks. The Registrar has replied stating that the question will be placed before the next Bankers' conference. The Registrar was again addressed in June 1924 to let the Provincial Union know of the decision of the Bankers' Conference and of what the department intends to advise the banks on this question.

Resolution No. 5.—Loans on security of produce:

"The Conference is of opinion that the system of advancing short term loans on the pledge of harvested agricultural produce of primary societies be encouraged."

The Registrar of co-operative societies was addressed drawing his attention to the circular of the late Mr. Hemingway, dated 11th Feb 1921, Gl. 808/21 and desiring him to reiterate the policy so as to serve as an additional stimulus to the system advocated and it was hoped that by the introduction of the system effectively, a larger use of short term loans will be made by co-operators even in Districts where there is a clamour for long term loans.

A leaflet in English and Tamil embodying the circular will be issued by the Provincial Union, if necessary.

Resolution 6.—Audit of central banks :

That the Provincial union do in consultation with central banks devise a suitable scheme for the concurrent non-official audit of central banks, if that is possible.

The Cuddappah District Bank accepts the principle of non-official concurrent audit but wants details as regard cost.

The South Arcot District Bank is not in favour of the proposal.

The Trichinopoly District Bank is not in favour of the proposal.

The Anantapur District Bank accepts the proposal but wants details.

Resolution No. 8.—The Provincial Union :

"Resolved that the Provincial Union do make itself more useful than it is now and do render necessary aid to co-operative education throughout the province with the help of District Federations and Local Unions and this Conference requests the Government to give adequate subsidy to enable the Provincial Union to undertake the work of co-operative Education throughout the Presidency on the lines of the Bombay Central Co-operative Institute."

The governing body of the Provincial Union resolved in March 1924 to address the Registrar for a subsidy from Government of an amount equivalent to the receipts of the Provincial Union. The Registrar was addressed to recommend to Government a subsidy of Rs. 1200 to the Provincial Union. It was reported that the Provincial Union wished to undertake classes to train Supervisors and auditors of co-operative societies (primary) and to help District Federations in running such classes for the benefit of local unions. The Registrar was asked to permit co-operative institutions to subscribe liberally to the Provincial Union from their common good fund. The Registrar proposed to ask Government to make provision in the next year's budget for the grant applied for and wanted some details. The details were furnished in a memorandum and a letter was issued by the President of the Provincial Co-operative Union.

Resolution No. 9—District Federations:

"Resolved that District Federations be formed for the purpose mainly of undertaking co-operative education in the Districts.

2. That District Banks be requested to allot two annas on the interest earned on every Rs. 100 (to the District Federations) in addition to the usual rebate now allowed to societies for the purpose.

3. That the common good fund of societies affiliated to either local unions or District Federations be allowed to be used by the District Federations for co-operative education.

4. That the local unions do give a reasonable contribution towards the upkeep of the District Federation."

I regret to say that the Provincial Co-operative Union has not taken any definite action beyond publishing the resolution, for the reason that more details will have to be settled as regards the inter-relations of local unions, District Banks, District Federations and the Provincial Union, the nature of work demanded of each, and the resources to be made available for each. This subject will therefore again be placed before the Conference and its Subjects Committee for complete formulation of definite schemes for the working of the non-official agency in the movement.

Resolution No. 11 regarding training of Bank Managers, Secretaries of urban and central banks and stores will be attended to by the Provincial Union when it gets into better finance and when Goverrnment gives the subsidy applied for.

Resolutions 14 and 15 regarding "sales to non-members and on credit" will be placed again before the conference for further consideration and decision in view of obtaining fuller details.

Resolution 18 regarding stores and women was sent to the Registrar who intimates that he is informed that conditions are not favourable and that it is not possible at present to take any steps in the direction of securing the appointment of lady propagandists.

Resolution 31. As regards Honorary Assistant Registrars,the Registrar has agreed to place the matter before Government when the question of appointing Honorary Assistant Registrars for the next co-operative year, comes under consideration.

The other resolutions have been sent to the Department and I believe the Registrar would have taken suitable action.

As regards Resolution No.2 about land mortgage banks,there has been a long delay due to variety of causes. The systems in foreign countries had to be studied and literature on the subject had to be obtained from America. The President of the Provincial Co-operative Union has prepared a memorandum which has been sent to a number of co-operators for the expression of their opinion. They will be placed before the Sub-Committee for the Conference.

APPENDIX A.

Letter dated 4—2—'24 from the President, Provincial Co-operative Union, to all Central Banks re: concurrent audit.

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At present the Government is conducting the audit of Central Banks. Some hold that the audit is not satisfactory, being conducted by persons of meagre account qualifications and as such audit is not concurrent by the auditor undertaking the work twice or thrice in a year.

To secure a concurrent audit, a well-qualified man on a fairly decent salary will have to be recruited and he should be put in charge of some districts as each District Bank is not to be expected in the present financial position to pay for a separate auditor. A group of Central Banks may be able to maintain a special auditor and the cost may perhaps be a little high at present; but it will be reduced to a low percentage when the transactions expand as they should and when urban primary banks utilise his services also.

One advantage in having a trained auditor is that he will be educating the bank staff in understanding their work properly. I therefore request your bank to consider the question and to let me know whether you approve of the scheme of non-offical audit and what percentage of your transaction you would feel willing to pay. The idea is to pool funds and the Provincial Union to regulate such work for the time pending the formation of a regular audit union for the Presidency.

The Provincial Union will be in a position to formulate a scheme for the Presidency or for a group of Districts on receipt of replies from the Central Banks. The value of concurrent audit cannot be neglected as it is by such an arrangement the Directors are expected to know the position of the Bank in every month.

Of course it may be urged that the Government might give a subsidy for the scheme but such a subsidy if given—which is not probable—will only be on condition that the men selected are found satisfactory in the view of the Department. Audit of a co-operative bank as distinguished from a company bank requires special training and a co-operative auditor has to go into more details than what a company bank auditor does.

I have indicated at the top of the letter, the groupings that may be tried provided funds are forthcoming. Probably the first two groupings might be financially advantageous. I request you to send your reply fully and frankly expressing your opinion on the scheme so that the Provincial Union may have the benefit of your advice and the promise of co-operation.

I may also add that if two auditors are entertained for two groups, the third group can contribute to their itinerating expenses at present.

GROUP 1.	GROUP 2.	GROUP 3.
Salem	Tanjore	Chittoor
Vellore	Trichinopoly	Anantapur
Chingleput	Madura	Cuddappah
S. Arcot	Srivilliputtur	Kurnool
Coimbatore	Tinnevelly	Hospet

APPENDIX B.

Letter from Rao Bahadur A. Vedachala Iyer, President, Provincial Union, to the Registrar of co-operative societies, Madras, on Co-operative Education and on the subject of Government subsidy.

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The Department will, I believe, be in a position to accept the statement that at present there is not a well—equipped machinery, official or non-official, for educating co-operators, co-operative inspection staff, Panchayatdars of Primary organizations and directors of local unions. The official staff is doing its best to do the work as well as it can now taking into consideration the other duties the official staff has as regards audit, inspection and supervision. It becomes, therefore, incumbent on the Department and the non-official organizations to arrange for a specialized arrangement, by which the object in view can be achieved in an efficient manner. If the specialized arrangement can be settled, it can be seen how far it can be worked by the official department alone or if it can be worked by non-officials alone or if it can be done by both.

Government at first took up the work of promulgating the utility of co-operative credit societies and was able to convert money-lending operations prevalent in the country into a co-operative concern. This pure money-lending question was understood by the borrowers, and co-operative credit societies have come into existence; but co-operators have not yet assimilated a knowledge of the principles of co-operation to the desired extent. Government has not recruited efficient administrators or experts in co-operation, commerce and finance, as the inspectorial staff recruited were not equipped with knowledge of economics, and they have not formulated or carried out any scheme to educate the people to undertake co-operative activities on their own shoulders. Knowledge creates desire and desire stirs up mental activities for gratification, self-help and self-improvement. Such a desire will open out various ways for accomplishing it. Either Government should educate co-operators by a systematic arrangement or the people must federate themselves and do it, even though they will have to tax themselves to some extent. Honorary service has its own limitations as it lacks in continuity. Even such service will be more efficient if adequate training is given to honorary workers.

The non-official agencies available in this Presidency are the local unions, the District Federations and the Provincial Union, besides District Banking Unions. The local unions are controlled by the representatives of primary societies and have a variety of functions to perform, among which are (1) securing efficiency in the working of primary societies, (2) correct and careful handling of business and accounts in such institutions, (3) expansion of co-operative activities in the area over which each union has its jurisdiction. Besides these functions, it is expected to do propaganda work so as to educate the office-bearers of primary organizations and also the co-operative members of each primary institution. The funds available to undertake all the functions detailed above are so inadequate that what is attempted at present is merely the administrative function of securing as far as possible the maintenance of accounts and the running on of such institutions with reference to banking principles. Even the efficient discharge of such work is hampered by the fact that a working knowledge of co-operative principles and practices have not permeated the association of co-operators. As regards the District Federations, they are slowly coming into existence in some Districts. Here again, the institution is run by representatives of local unions and the funds available are in almost all cases found inadequate even to co-ordinate the activities of the local unions in its area. The District Banking Unions are at present paying special attention to financial matters and merely contribute what they can to help the local unions to do their functions as well as they could. They are unable to spare more funds to enable the local unions and the District Federations to discharge all their functions satisfactorily. Even in the domain of finance, the directors are many of them representatives of societies and require education in the principles of banking and finance. No agency is available to fit the directors of such banks to discharge their duties satisfactorily. Similary bank managers get on without adequate training and knowledge. The Provincial Union which at present is a union of unions, has not any intimate touch with the District Federations which are few in number, nor has it a close touch with the local unions. It at present confiines itself to mere propaganda work by the issue of leaflets and the publication of the Bulletin. It is unable to discharge its responsibilities in an efficient state owing to lack of funds and to the fact that it cannot entertain or pay for experts in banking, commerce, finance and co-operation.

The Provincial Union and the District Federations should aim at producing a large body of persons equipped with knowledge in the theory and practice of co-operation in each District. The teaching in co-operation should be practical and kept up constantly. The pivot of the co-operative credit movement on which the working of rural societies really depends, is the personnel of the management. The rural population is not advanced in education and the members of the managing committees are guided by the Secretaries who are the life and soul of the movement. Success always centres round the efficiency of those entrusted with the task of actual administration. Well-trained Secretaries should be entertained by the societies. Such Secretaries should be trained to look upon themselves.

If we turn to the Government agency, we find that no arrangement of a satisfactory character is available with the help of which inspectors, supervisors, Governing body members of local unions and District Federations, Panchayatdars or Directors of primary organizations can get fitted for the duties and responsibilities connected with their offices. The arrangement by Government to train its own superior and subordinate officers is not very satisfactory. Hence it seems to be necessary that suitable arrangement should be devised by the official or non-official agencies, or by both, to remedy the defects noticed. The Supervisors and Inspectors need training in broad understanding of rural problems, principles of co-operation and the progress of the movement. They need training in accounts aspect as well. Accountancy alone to which the departmental agency is at present paying much attention cannot save the movement. The joy of service, the resourcefulness to organize rural conditions, fertility of ideas, knowledge of the existing achievements in co-operation, all should be implanted in the prospective missionary of the supervisor, the Inspector or co-operative organizer.

Co-operative Education can be undertaken so as to secure :

1. Efficient office-bearers in co-operative organizations,
2. Well-equipped inspecting and supervising staff,
3. Propagandist lecturers to educate co-operators,

It will also include the issue of pamphlets, leaflets and text-books on co-operation.

In the classes to be instituted in each District or union centre, the course of study should be such as would secure :

1. A knowledge of co-operative legislation,
2. A knowledge of the structure of agricultural societies,
3. Account-keeping,
4 Preparation of Balance Sheets,
5. Management of societies,
6. Working of unions and federations,
7. Banking and finance, working of central banks, and
8. Various types of co-operative associations .

Theoretical knowledge on the above topics must be combined with visits to agricultural and credit societies. In short, these classes should teach the administrative and account side of the working of rural organizations. Such classes should be started in each District for a period of 45 days in any suitable locality, and if funds permit, in each union centre. The course of instruction to rural co-operators may last for 21 days, while that for directors of co-operative organizations, inspectorial staff and governing body members of local unions and Distict Federations may last for 45 days. This is what may be called an elementary class for training. Suitable alterations can be made in each District centre by those who are in charge of such classes.

A higher class should also be instituted either in the Presidency town or in suitable centres for groups of District, where lectures should be delivered on the following:

1. General Economics, 2. Land, 3. Labour, 4, Capital, 5. Rent, 6. Wages, 7. Interest, 8. Profit, 9. Theory of Co-operation, 10. History of co-operative movement, 11. Possibilities of Development of co-operative activities, 12. Sale of Produce, 13. Insurance, 14. Urban Banks, District Banks and Provincial banks, and 15. Moral aspects of co-operation.

This is specially intended for Honorary Assistant Registrars, Honorary Organizers, District Supervisors and Chief Inspectors. This class can be held for 3 months or 2 months at the end of which the candidates will be examined on co-operative law, co-operative theory and practice, Audit, Economics, and book-keeping. The notes of lectures delivered by experts will be used in the preparation of students' text-books.

A subsidy from Government to the Provincial Union for the next year of Rs. 1200 and of an annual grant of as much money as represent the gross receipts of the Provincial Union, for a period of 5 years, will enable the Provincial Union to systematize the work. A subsidy of Rs. 400 per mensem to each District Centre such as Malabar, South Canara, Salem, North Arcot andChingleput where District Councils are working, for a period of 5 years, will remove the defects in the working of the movement and this subsidy may be extended to each district for a period of 5 years. If this suggestion is accepted by the Government, the advantage to Government will be the gradual withdrawal of administrative inspectors leaving only a bare minimum staff in such Districts for pure audit work. Credit work can thus be handed over to non-official hands without any intervention by Government agency beyond the statutory audit. Personally I would suggest organizing non-official audit also in each District and relieve the Government of this work also in a period of 10 years at the most.

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ANNUAL REPORT OF THE MADRAS PROVINCIAL CO-OPERATIVE UNION, LTD.,

from 23rd Dec. 1923 to 22nd Dec. 1924.

Elections of the year.—The General Body elected at its meeting on 25th December 1923 the following members to the Advisory Body.

I. *Representatives elected by the District Banks.*—

1. Mr. A. Rajabadar Mudaliar (Chingleput District Bank).
2. „ T. S. Venkataramana Iyer (Coimbatore District Bank).
3. „ S. D. Krishna Iyengar (Madura District Bank).
4. „ R. Krishnasawmy Iyengar (S. Arcot District Bank.)
5. „ P. R. Sitarama Iyer (N. Arcot District Bank).

II. *Representatives elected by union representatives.*

1. Mr. K. Singaravelu Mudaliar (Kalavai)
2. Rao Sahib T. Srinivasa Rau (Chittoor)
3. Mr. N. Kuppusamy Aiyar (Salem)
4. „ O. M. Venkatanatha Iyengar (Uttiramerur)
5. „ V. Jayaraman (Villupuram)
6. „ Munisamy Reddiar (Arkonam)
7. „ J. N. Jayakaran (Coimbatore)
8. „ S. Venkatachala Mudaliar (Vachakarapati)
9. „ S Sankarapandia Reddiar (Koilpati)
10. „ S. Narayanasamy Aiyar (Melattur)
11. „ M. S. Seshachala Aiyar (Tiruvannamalai)
12. „ K. S. Krishnamurthy Aiyar (Tiruppur)

III. *Representatives nominated by Provincial Societies.*

1. „ Mr. A. Si rama Menon (C. C. P. Works)
2. „ N. Swaminatha Aiyar (T. U. C. S.)

IV. *Non-members nominated for the year.*

1. Rev. H. A. Popley.
2. Prof. C. S. Srinivasachari
3. Mr. C. S. Rangasamy Aiyengar
4. Mr. H. Sankara Rau
5. Mr. P. S. Venkatarama Aiyar

II. Transactions of the General Body.—The General Body adopted the annual report for the year 1923, elected Rao Bahadur A. Vedachala

Aiyar as President, Messrs. K. Parthasarathy Aiyengar S. K. Yegnanarayana Aiyar, M. S. Seshachalayar and K G. Sivaswamy as Secretaries and Mr. A. Sivarama Menon as Vice-President. They appointed a Committee consisting of Messrs. A. Sivarama Menon S. K. Yegnanarayana Aiyar, K. G. Sivaswamy, P. Ramanathan, and A. VedachalaAiyar to submit a report of the necessary changes required in the by-laws. They then passed a resolution 'that Government be requested to give suitable grants for the educational and propaganda work of the Provincial Co-operative Union'.

The Advisory Body elected the following members to the Governing Body of the Provincial Union, Mr. K. G. Sivaswamy as voting Secretary and Mr. A. Sivarama Menon, Rao Sahib T. Srinivasa Rao, and Mr. A. Rajabahdar Mudaliar.

III. Publication of Bulletin (A) English:—During the year Mr. S. K. Yegnanarayana Iyer was in charge of the English Bulletin. Among the marked improvements introduced in the publication in his charge are the following.—

(i) The publication of a series of biographical sketches of eminent co-operators in this Presidency;

(ii) Historical information about the Co-operative Movement in India;

(iii) Larger attention paid to reviews of co-operative literature; and

(iv) A larger number of contributors.

The Department of Agriculture have been continuing their contributions to the English Bulletin on matters relating to agricultural co-operation. The largest achievement of the year is the discovery of additional contributors to the English Bulletin.

The opportunity the Bulletin is giving to co-operators spread throughout the Presidency for the expression of their views gives the Co-operative character to the Bulletin and is slowly creating a body of adherents wedded to improve its get-up and the quality of the matter.

The editorial board of the English Bulletin consisted of Messrs. Rao Sahib T. Srinivasa Rao, A. Sivarama Menon, C. S. Srinivasachar and S. K. Yegnanarayana Iyer.

(B) Tamil:—The Story, the Dialogue and the Dramatic form of literature introduced last year in the Tamil Bulletin has to be continued, Occasionally questions of co-operators have also been answered and the Notes on current questions have been largely on the increase.

The editorial board consisted of Messrs. Rao Sahib M. S. Seshachala Iyer, Rao Sahib K. Deivasikhamani Mudaliar and K. G. Sivaswami.

VI. Publication of Leaflets and Pamphlets:— The following pamphlets were published in English :

1. Co-operative Audit, Principles and Practice. By Rao Sahib M, K. Venkatachariar.
2. Co-operative in the District of Chingleput, and
3. Long Term Loans by Rao Bahadur A. Vedachala Iyer and Reserve Fund in Primary Societies by Rao Sahib T. Srinivasa Rao.
4. Co-operation in the District of Malabar, Presidential Address by Mr. A Sivarama Menon.
5. Co-operation in Kurnool, Presidential Address by Rao Sahib T. Srinivasa Rao.
6. Co-operation in Anantapur, Presidential Address by Rao Sahib T. Srinivasa Rao.
7. Y. M. C. A. Rural Conference, (Reprint from the "People's Friend" Coimbatore, by K. G. Sivaswami.)
8. Scheme of Land Mortgage Banks, by Rao Bahadur A. Vedachala Iyer.
9. Report of the Committee on Credit Sales.

The pamphlets issued in Tamil are the following:

1. A leaflet on unlimited liability as best suited to agriculture (Reprint from the People's Friend Coimbatore.)
2. Co-operation in the Madura-Ramnad District, by Rao Bahadur V. T. Krishnamachariar (Presidential address.)
3. A Song on Co-operation by Mr. O. S. Venkatarama Iyer.

V. Books, Manuals, etc. The Report of the Maclagan Committee on Co-operation has been completely translated in the vernacular and will be published shortly, The publication in the vernacular of Calvert's "Law and Principles of Co-operation," has been deferred owing to the fact that the Act is being changed in every Province, and the book will need revision under these changes.

VI. Library.—Several additions have been made to the library and many books have been received for review in the Bulletin. The periodicals which are received in the Office have been classified and published in the October issue of the English Bulletin.

VII. Provincial Conference. The 12th Madras Provincial Co-operative Conference was held during the year under rerport duing the last Christmas week under the presidentship of Mr. G. K. Devadhar, Vice-President of the Central Co-operative Institute, Bombay. Mr. A. Sivarama Menon was the Chairman of the Reception Committee. The Report of the Conference has been already published in the first number of the Bulletin for the year (January).

All the resolutions of the Conference were submitted to the Registrar with detailed memoranda embodying the principles of the resolutions and the requirements of co-operators. The report of the action taken on the resolutions passed by the last Conference has been already published and distributed at the Conference this year.

The Governing Body had also to arrange for the meeting of the committees appointed by the Provincial Co-operative Conference. Full reports of these committees, one on Credit Sales, and the other on Land Mortgage Banks have also been issued to co-operators at the Conference.

A Conference of Central Banks was invited specially at the instance of 10 central banks on 30fh March 1924 at 11 a.m. for considering various matters concerning their working and well-being, full proceedings of which have been published in the April issue of the English Bulletin.

VIII District Conferences:—During the year under report Mr. A. Sivarama Menon presided over the Second Malabar District Conference on 19th and 20th April. Mr. T. Srinivasa Rao presided over the Anantapur and Kurnool District Conferences on 8th and 30th November respectively. On behalf of the Provincial Union, Mr. K. G. Sivaswami attended the Madura-Ramnad and Malabar District Conferences in January and April and Mr. Srinivasa Rao, North Arcot and Nellore District Conferences in April and July.

IX. Propaganda Tours.

Address Delivered.	By whom.	Name of Institutions.	Date.
District Federations: their work and importance.	K. G. Sivaswami	Madura-Ramnad Dt. Conference	Jan. 19 & 20
	do	Tinnevelly Dt. Bank	Feb. 16th
do ...	do	Madura Dt. Federation (Informal)	Feb. 17th
do ...	do	Coimbatore District Feberation (Informal)	Aug. 18th
Dt. Banks Individual & society members.	Rao Bahadur A. Vedachala Iyer	Salem District Bank	Jan. 29th
Administration of Dt. Banks.	Rao Sahib T. Srinivasa Rao	Anantapur Dt. Bank	Feb. 24th
Local Unions ...	M.S. Seshachalayar T. Srinivasa Rao and S. K. Yegnanarayana Iyer	Villupuram Training Class	April

Address Delivered.	By whom.	Name of Institutions.	Date.
Starting of a Salt Society	M.S. Seshachalayar	Panrutti	
Local Unions: Their duties and responsibilities.	K. G. Sivaswami	Ramnad	Jan. 23rd
do ...	do	Melur	„ 24th
do ...	do	Tirupathur	„ 28th
do ...	do	Ottapidaram	Feb. 7th
do ...	do	Kovilpatti	„ 8th
do do	do	Vachakarapatti	„ 9th
do ...	do	Tiruthangal	„ 10th
do ...	do	Srivilliputhur	„ 13th
do ...	do	Sundarapandiyam	„ 14th
do ...	do	Coimbatore	„ 24th
do ...	do	Kambiliampatti	„ 25th
do ...	do	Avanashi	Mar. 6th
do ...	do	Chennimalai	„ 10th
do ...	do	Udumalpet	„ 12th
do ...	do	Sulur	„ 14th
do ...	do	Karamadai	„ 16th
do ...	do	Kottur	„ 18th
do ...	do	Perundurai	„ 21st
do ...	do	Gobichettipalayam	„ 22nd
do ...	do	Bhavani	„ 24th
do ...	do	Erode	„ 26th
do ...	do	Tirupur	„ 27th
General Lectures:			
Co-operative Stores	do	Perambur Labour Union	Jan.
Co-operative Movement.	do	T.U.C.S. Co-operators' Day.	Apl. 8th
Unlimited Liability.	do	Training School Teachers, Ramnad.	Jan. 23rd
Achievements of Co-operative Movement.	do	Ottapidaram	Feb. 7th
The Teacher and his place in the Co-operative Movement.	S.K. Yegnanarayana Aiyer.	The Provincial Educational Conference, Tinnevelly.	Jan. 6th

X. Training Classes:—With the hearty co-operation of the Department and the earnest efforts of our President arrangements have borne fruit as regards the opening of training classes in the city and the moffussil.

XI. Advisory:—During the year under report, the president prepared reviews on the district administration Reports which were considered by the Governing Body and sent to the institutions concerned. Notes ou the working of unions and the economic conditions in each area prepared by Mr. K. G. Sivaswami weie also considered by the Governing Body and sent to the authorities and institutions concerned. Subjects received off and on from the societies were considered by the Tamil editorial board and answers published in the Bulletin.

The following were the other subjects that came before the Provincial Union and to which replies were sent to the institutions :

1. Presidentship of a non-member at the general body meeting of Polur Union.
2. Affiliation of town banks to agricultural unions.
3. Intervention of the supervisor in the Chittoor town Bank.
4. Amendments to the bylaws of Salem District Council of Supervision.
5. Insurance for wage-earner co-operators.
6. Affiliation of Adi-Dravida Societies to local unions.
7. Interpretation of non-interference by the Department in the inner working of a society.
8. The objects of forming a supervising union and central banks in the district.
9. Methods of arranging for a speedy recommendation of loans.

XII. Flood Relief:—The President of the Provincial Co-operative Union issued a number of circulars requesting the district banks and the Department to utilize the co-operative machinery for the grant of adequate loans to members affected in the flooded areas and for the formation of new societies. A sum of Rs. 610-1-0 has been collected by the Union from the co-operative societies in the Presidency and remitted to the Madras Central Flood Relief Committee and the list of contributors was published in the English Bulletin for November, 1924. The Editor of the English Bulletin gave special prominence to articles on co-operation and flood relief during the last four months and has thus stimulated co-operative effort in the distribution of relief.

XIII. The International Co-operators' Day.—The Provincial Union took the lead in organizing the Day throughout the whole Presidency on 5th July 1924. 15,000 copies of Tamil leaflets were distributed to all the institutions numbering in all 1,000. 22 towns and 52 villages sent in official reports of their celebration. 10,000 people attended these meetings and 200 speakers addressed them on the value of co-operation and the significance of the Day throughout the Presidency. That it was possible to organize the Day within a week's time is a clear indication of the fact that the Co-operative Movement has transformed village life and taken root in the soil of South India.

XIV. Revision of the Constitution.—As the committee appointed by the general body last year for the revision of the constitution wants to consult all the co-operators in the Presidency before proposing vital changes on the lines of the Bombay Institute as suggested by the General Body of the Provincial Co-operative Union, they have proposed only very small and technical amendments for the present with a view to eliminate certain anamolies in the bylaw and also to give the right of representation to urban banks having a working capital of Rs. 20,000 and above, as well as to individual members.

REPORT OF THE CONFERENCE.

I. GENERAL INTRODUCTION.

At a meeting of the Governing Body of the Provincial Co-operative Union held on 4th November 1924, it was resolved to hold the Thirteenth Madras Provincial Co-operative Conference in Madras in the last week of December 1924. They also suggested to the Advisory Body certain names for the presidentship of the Conference and empowered the Secretaries to prepare a questionnaire and take the necessary steps for the holding of the Conference.

The Advisory Body of the Provincial Co-operative Union met on the 16th November 1924 and formed the Reception Committee of the Conference.

The Reception Committee resolved: (1) that M. R. Ry Rao Bahadur A Vedachala Iyer, be requested to be chairman of the Reception Committee and (2) that Sir K. V. Reddi Naidu, and, in case of his refusal, Mr. T R. Venkatarama Sastri be requested to preside over the Conference.

In accordance with the above resolution the Reception Committee went on making the necessary arrangements for holding the Conference, and we are glad that Sir K. V. Reddi Naidu agreed to preside over the Conference. It was resolved to hold the Conference on three days, the 21st, 22nd and 23rd December, 1924.

II. SPECIAL FEATURES OF THIS CONFERENCE.

The Reception Committee resolved to have an Exhibition conducted along with the Conference and though our attempt in this direction was not crowned with perfect success, we are glad we were able to to make a beginning.

The Agricultural Department exhibited a large variety of interesting items, such as scientific manures, improved seeds, improved implements of agriculture, breeding bulls, etc. The Fisheries Department joined the Exhibition though a bit late. The Madras Andhra Ayurvedic Pharmacy, the Conjeeveram Weavers' Association, the Calicut Branch of the Servants of India Society, the Health Propaganda League of the city of Madras, all co-operated in making this exhibition very attractive and useful, and the Provincial Co-operative Union is very thankful to these various institutions.

On the second day there were two magic lantern lectures, one on agriculture by the Agricuttural Department and the other on Co-operation by the Provincial Co-operative Union, both of which were attended by all the delegates present and very much appreciated by them.

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III. PROCEEDINGS OF THE CONFERENCE.

The Conference began its sessions at 12 o'clock on Sunday, 21st December, in the spacious hall of the Wesley College, Royapettah, which was well decorated with appropriate mottos in English and Tamil. There was quite a large gathering consisting of the elite of Madras.

Mr. A. Vedachala Iyer B.A., Chairman of the Reception Committee, delivered his welcome address:—(See Page 311—326.)

Mr. T. V. Seshagiri Iyer, Retired High Court Judge, Madras, and a former president of the Provincial Co-operative Conference, proposed that Sir K. V. Reddi Naidu, Ex-Minister in charge of the Development Department, be requested to take the chair. The proposition was seconded and supported by a number of delegates present. The president then took the chair amidst loud cheers. He was garlanded and, then he read the presidential address:—(See Page 327—345).

The president announced the formation of 11 sub-committees for the discussion of various subjects and framing of resolutions thereon. The questions that engaged the attention of these sub-committees were already circulated amongst the various constituent societies of the Provincial Union and short notes on them by the members were printed and circulated among the delegates assembled.

The following list gives the members who attended the various sub-committees together with their presidents and secretaries:

No. 1. Rural Unlimited Credit Societies.

1 President. Rao Sahib T. Srinivasa Rao
2 Secretary. Mr. C. S. Rangaswami

3 Members. „ H. Sankara Rao
4 „ „ S. Sabhesa Iyer
5 „ „ S. Arunachala Iyer
6 „ „ V. Ramanatha Iyer
7 „ „ Santhanagopala Iyer
8 „ „ Vadamalai Konar
9 „ „ K. V. Krishnaswami Iyer
10 „ „ Narayanaswami Iyer
11 „ „ N. V. Subramania Iyer
12 „ „ Seshachar
13 „ „ R. Venkoba Rao
14 „ „ T. N. Ramanujachariar
15 „ „ T. C. Krishnaswami Iyer
16 „ „ Kuppuswami Iyer
17 „ „ K. Marudachalam
18 „ „ Rangaswami Thathachar
19 „ „ S. V. Naga Iyer
20 „ „ W. Markanda Chettiyar
21 „ „ A. Venkatachariar
22 „ „ M. K. Venkatachariar
23 „ „ Muthuswami Chetty
24 „ „ Angamuthu Udayar

No. 2. Local Unions.

1 President. Mr. O. Viswanatha Rao
2 Secretary. „ A. Nagarajan
3 Members. „ A. Narayana Rao
4 „ „ C. Ranganatha Iyer
5 „ „ T. V. S, Prakasa Rao
6 „ „ H. Venkateswara Rao
7 „ „ A. Ramanatha Iyer
8 „ „ P. Velukutti Menon
9 „ „ Gnanapragasa Gownder
10 „ „ T. Kutumba Sastri
11 „ „ Palaniswami Chetty
12 „ „ V. Krishna Menon

No. 3. District Federations and Provincial Union.

1 President. Mr. A. Sivarama Menon
2 Secretary. „ R. G. Nallakuttampillai

No. 4. Urban Banks.

1 President. Mr. S. S. Sankara Mudaliar
2 Secretary. „ V. Krishnaswami Iyer

3	Members.	„	A. Subramania Iyer
4	„	„	G. Viswanatha Iyer
5	„	„	W. Swami Iyer
6	„	„	K. Lakshminarasu
7	„	„	L. Gangadhara Sastri
8	„	„	T. V. L. Narasimhachari
9	„	„	C. S. Narayanaswami Iyer
10	„	„	T. M. Lakshmikantam Iyer
11	„	„	B. S. Srinivasagopala Iyengar

No. 5. Central Banks.

1	President.	Mr.	M. Anantha Rao
2	Secretary.	„	K. V. Raghavachariar
3	Members.	„	T. V. S. Prakasa Rao
4	„	„	A. Rajabadar Mudaliar
5	„	„	S. Rajarathna Mudaliar
6	„	„	T. Srinivasa Rao
7	„	„	B. Venkatsubbiya Naidu
8	„	„	A. Narayana Rao
9	„	„	H. Shiva Rao
10	„	„	V. C. Rangaswami
11	„	„	M. S. Seshachala Iyer
12	„	„	J. Krishnamoorthy Rao
13	„	„	C. V. Gopalaswami Iyer
14	„	„	N. S. Ramanatha Iyer
15	„	„	K. G. Sivaswami
16	„	„	R. Venkoba Rao

No. 6. Audi Dravida Societies.

1	President	Mr.	N. Sivaraj
2	Secretary	„	Sriram Babu Naidu
3	Members	„	V. Dharmalingam Pillai
4	„	„	V. B. Doraiswami Mudaliar
5	„	„	T. R. Krishnaswami Iyengar
6	„	„	K. Narayanaswami Mudaliar
7	„	„	Prasanna Raghavachariar
8	„	„	Sabapathi Mudaliar
9	„	„	S. Krishnaswami Iyengar, Labour

No. 7. Employees' Societies.

1	President	Mr.	G. Srinivasaraghavachariar
2	Secretary	„	C. V. Desikachariar
3	Members	„	K. A. Ganapathi Iyer
4	„	„	R. Sasta Iyer

No. 8. Non-Credit Societies.

1	President	Mr.	G. Venugopal Naidu
2	Secretary	„	W. N. Panchapagesa Iyer
3	Members	„	Hadaway, Principal, Govt. School of Arts
4	„	„	Amalsad, Textile Expert.

No. 9. Stores and Housing Societies.

1	President	Mr.	T. K. Hanumantha Rao
2	Secretary	„	R. Suryanarayana Rao

No. 10. Policy and Control of the Movement.

1	President	Mr.	T. Adinarayana Chettiar and
2		„	T. Srinivasa Rao
3	Secretary	„	T. S. Srinivasa Iyengar
4	Members	„	C. S. Srinivasa Mudaliar
5	„	„	H. Shiva Rao
6	„	„	S. Narayanaswami Iyer
7	„	„	Swami Govindiya Naidu,
8	„	„	S. Muthiya Mudaliar
9	„	„	G. Venkatarangachariar
10	„	„	A. Vedachala Iyer
11	„	„	E. R. Krishnamoorthy Iyer
12	„	„	Samasubramaniya Iyer
13	„	„	P. S. Naeswara Iyer
14	„	„	A. Narasimha Reddiyar
15	„	„	S. V. Chandra Mowliswara Iyer
16	„	„	M. Venkatarama Iyer
17	„	„	N. Bhimsena Rao
18	„	„	N. Anantha Iyengar
19	„	„	M. Aiyappa Naidu,
20	„	„	B. S. Srinivasagopala Iyengar
21	„	„	M. K. Pattabhiram
22	„	„	N. Subramaniya Iyer
23	„	„	G. Vijendra Rao
24	„	„	K. G. Sivaswami
25	„	„	T. Srinivasa Rao
26	„	„	A. Ranganatha Iyengar
27	„	„	M. S. Seshachala Iyer
28	„	„	G Srinivasaraghavachariar
29	„	„	S. K. Yegnanarayana Aiyar
30	„	„	Gray, Registrar of Co-op. Societies.

No. 11. General.

1	President	Mr.	Krishna Menon
2	Secretary	„	L. M. Ghulam Ahmad

SECOND DAY.

The sub-committees were having their sittings in the morning. The Conference session began at 3 p. m., and the following resolutions were taken up for discussion. Sir K. V. Reddi Naidu was in the chair.

RESOLUTION I.

(SUB-COMMITTEE No. 9. RES. 1.)

This conference is of opinion that credit sales to the members of stores societies is inconsistent with Co-operation and detrimental to the encouragement of thrift which the Co-operative Movement aims to foster.

Proposed by Mr. T. K. HANUMANTHA RAO,
Seconded by „ ANANTHANARAYANA IYER,

In proposing the above resolution Mr. T. K. Hanumantha Rao said that the Co-operative Movement appealed to him so much that he was prepared to work for it in any way he could. He would speak as a delegate of the T U C S., which he would describe with pardonable pride as the biggest and the oldest, the premier Co-operative store in the Presidency if not in the whole of India, drawing the attention and admiration of foreign visitors because of the successful application it had made of the genuine original principles of Co-operatian. It was modelled after the first Co-operative Store founded by the famous Rochdale Pioneers, who were known to co-operators all over the world. All the principles and rules on which they founded their store were the subject of the histories of the Movement so far published, and the premier historian of the Movement, Mr. G. J. Holyoake, referring to rule No. 5 of the Rochdale Pioneers, 'Taking no credit nor giving any, thus discouraging debt among work people,' which was specially worthy of note, said: "He who is in debt is owned by others. The shoes upon the feet, the garment upon the backs of the children of the indebted working man belong to the local shoemaker, tailor or draper. The plumpness of his buxom wife is the property of his baker and his butcher, and the Shylocks of the shop might, more reasonably than the Jew of Venice, claim their pound of flesh at his hands. No one is independent who is in debt."

Reading the story of these pioneers of humble origin, whom the T.U.C.S. followed and the progress of the Movement till the Act of 1894, it could be seen that the four pillars on which the co-operative store rested were; 1. selling to members only, thus ensuring the loyalty of the members in their turn, 2. selling for cash only, 3 paying 'dividend' proportioned to purchase, not to the share capital of members, and 4. propaganda in the principles of the Movement. The experience of the T. U. C. S. also fully bore out the truth of this statement. But 25 years after the foundation of the Stores, it was an irony of fate that one of the four pillars should be sought not to be strengthened but pulled down by a microscopic minority in the sub-committee, who would undo the work and oppose the will of the 4,000 members of the T. U. C. S.

It was well-known that indedtedness was the curse of India and strenuous efforts should de made to root it out. But with all the increase in the number of credit societies the disease of indebtedness did not seem to disappear. The credit aspect of the Movement was first worked out in Germany. In India, however, people thought it a great credit to themselves to get credit from others; they did not see how discreditable it really was. Getting credit could be creditable only to the producer and not to the consumer. The writer on Co-operation in the latest edition of the Encyclopaedia Britanica said: "Credit to the consumer leads to poverty. Credit to the producer leads to prosperity." Credit to the agriculturists, who produce our food, the carpenter who builds our houses or the weaver who weaves our cloth was truly productive and was nothing more or less than a form of investment in the machinery of production. Credit to the consumer, on the other hand, especially in urban areas where almost all are salaried workers would lead only to deeper and deeper indebtedness.

"If" said the speaker "the railways refuse, as they do, to issue tickets on credit. I am sure not one of us is going to stop or even suspend his travelling for that reason." (Laughter) Indians were a notoriously unthrifty people, and the allowing of sales on credit was only adding to their uneconomic habits. He knew of many instances of high-placed officials, who because of their unthrifty habits were not able to buy at the Store, though nominally members of it, but had to patronize the bazaar shopkeepers who were thriving on the credit customers. The eradication of this evil habit was the prime concern of the Movement.

By refusing to sell on credit many small stores were able to show a turnover of 20 times their working capital in a month.

Another bad effect of allowing credit sales was that the stores would be able to fleece the customers by palming off indifferent or bad articles as good.

"We all know" continued the speaker " what happens to the poor wage earners on pay day. As soon as they come out of the office they are waylaid by the money lender. After being thus mulcted of a good part of their earnings comes the money owed to the drink shop in which they would have drunk in advance on credit. So that in the end the poor wife and children waiting for the money get, if at all, only a fraction of it."

That was the kind of wretchedness that credit and the attendent indebtedness were bringing on. Debt was second only to drunkenness. He hoped that after this explanation they would all accept his proposition.

Mr. Anantanarayana Iyer seconding the resolution said that the question had come before the last Conference. It did not pass any decisive resolution but appointed a committee to report on the question The report of the Committee showed that the members were not of the opinion that credit sales should be allowed. Still they recommended credit sales, but hedged in with such restrictions that it was practically not possible to get anything on credit. The committee were, thus practically against credit sales.

Credit struck at the very foundation of the Movement which aimed to teach thrift to the members. The turnover of the co-operative was adversely affected by credit sales.

The Provincial Co-operative Union had included this question among the questions raised by them, and the very poor response to it was proof of the fact that people in general were against credit sales. He was acquainted with opinion on the question in urban areas. There was no general demand for credit sales. He was not aware of conditions in rural parts. His experience was that sales during the first ten days of the month were brisk but dropped till in the last 10 days there was practically no business.

He then explained the resolution in Tamil.

Mr. A. Vedachala Iyer explaining the conclusions of the committee on Credit Sales, pointed out that the resolution referring the question to the committee left them no option as to whether credit sales were in their opinion good or not, but only commissioned them to find out ways and means for conducting credit transactions. So what the committee did was not to discuss the question of whether credit sale was allowable or not but find out ways and means of doing it. The halting way in which the committee had made their recommendations plainly indicated that they were not in favour of credit sales if it could be helped. Sale for cash was the highest ideal.

When the question came up before the Conference last year Mr Devadhar, who was in the chair, said that credit sales had begun in Mysore and other places.

Referring to the evolution of credit, the speaker pointed out that credit to rural agriculturists and other craftsmen was a necessity and was

to be treated as one of the items of expenditure for production. In rural areas the consumers were also producers. Credit sales should be accepted in villages with the proviso that it should be carried on cautiously, carefully and without affecting the finances of the stores.

Mr. T. S. Rajagopal Iyer opposed the resolution (in Tamil) and said that it was true credit sales should not be allowed in Madras and other towns, but the same rule should not be enforced in villages also. Credit was the immemorial custom in the villages. In following that custom, however, arrangements should be made to see that the persons given credit have the repaying capacity. The unions got loans from banks only on the combined credit of the member societies which again depended on the members for getting loans from the unions. Credit should therefore be given to members. Poor men living on daily wages should be given loans. Craftsmen should be helped in the same way in times of need. Else they would be driven to the moneylender.

Mr. Narayanaswami Iyer opposing the resolution said (in Tamil) that credit sales might not be desirable in towns, but in the villages of which he had ample experience credit was a necessity. Otherwise the store will have to be closed, as there would then be no sales. But credit sale should be backed by the share capital of the member to whom it is allowed. He had felt practically no difficulty in getting back the credit given. Mr. Hanumantha Rao had said that railways refused to give credit and still that did not prevent any one from going from one place to another. But if there was another rival railway line to compete with the one in existence, the speaker was sure the railways will certainly deal in credit. Mr. Devadhar who presided on the last Conference had told them that credit sale was being allowed in other parts of the country and further that sales were being made to non-members also.

Mr. Thathachariar (speaking in Tamil) opposed the resolution and said that credit sa,e of cholam, punnak and other commodities was absolutely necessary in the villages. Agriculture depended on the credit available there. Even if the credit given to villagers could not be recovered, it was really no loss, because the agricultural products were the return in another shape of the credit given. Villages were the foundation for towns and to knock down the foundation of credit on which the villages depended was suicidal.

The resolution was then explained in Telugu.

Mr. T. K. Hanumantha Rao, replying to the debate said that considering that man was a pleasure loving animal it was not surprise to him that there was such vehement opoosition to his resolution. Stores were generally begun with small amounts of about Rs. 200., and in a month or two the transactions usually swelled to Rs. 2,000. How could this be brought about if credit were allowed? The 4,000 members of the T. U. C. S. were helping the Store to carry on transactions amounting to a lakh a month. Again, would that be possible if credit were allowed? Credit should not be allowed in villages either. There, if price could not be paid in money it may be paid in kind.

Speaking of the evils of debt, Mr. Hanumantha Rao said that 90 per cent of the cases of insolvency was the result of credit. Necessity for credit meant that people were living beyond their means. Some people said that they could not be bothering about small cash every time they wanted to buy small things, and therefore credit should be allowed. Then the speaker would advise such people to open what was called T. D. A. (trade deposit account) at the stores. The credit society might be asked to make the deposit in the stores in favour of such a member and against this his purchases might be entered.

One point that they all knew was that purchasing on credit was always dearer than cash purchase by from 25 to 30 per cent. That was the reason why the bazaar man was so ready to allow credit. It was so much of a gain to him.

The speaker concluded by referring to the many cases in which credit was found to be irrecoverable leading to great losses.

Many among the audience at this stage wanted to reply to the mover.

The chairman said that though it was not permissible to allow any speaker after the proposer had replied, still he would give as a special case one minute to one speaker to reply to the mover.

Mr. Narayanaswami Iyer replying said that there need be no fear at all of loss on account of credit being irrecoverable, because all the credit was allowed to those members only who had invested share capital in the stores and on the strength of it.

The resolution was put to vote and carried by a laye majority.

RESOLUTION II.

(SUB-COMMITTEE No. 9. RES. 2.)

This Conference is not in favour of allowing consumers' societies to sell to non-members.

Proposed by Mr. K. B. RAMANATHAN
Seconded by „ DORAIRAGHAVACHARIAR,

Mr. K. B. Ramanathan in moving the resolution said that the proposition was that non-members should not be given the privilege of buying at the stores, since consumers' societies were established for the benefit of the members, who had to shoulder the risks and responsibilities attendent on the running of stores, responsibility for the credit as well as the discredit of the stores. But allowing non-members to buy would be giving them only the advantages, leaving the disasdvantages to be exclusively borne by the members.

One other objection was that very often it was found non-members had bought out all the good things at the store leaving nothing for the members. Any way, to the extent that non-members bought at the stores members were deprived of the good articles. If non-members were attracted by the good quality of the articles, let them become members by all means. Co-operative stores were not philanthropic concerns to let outsiders to have all the advantages. They were business concerns. It was not, therefore, in any churlish spirit that the resolution was to be adopted but as a necessary rule of business.

Mr. Dorairaghavachariar seconding the proposition said that as Secretary of the Cuddalore stores he knew to sales non-members were advantageous to it and he was convinced of the advisability of alllowing non-members to purchase, till on the day previous he was converted to the opposite view by Mr. T. K. Hanumantha Rao. None should get the advantages of the stores if he was not also prepared by becoming a member to share the risks and losses also.

Mr. Gopalaswami Iyer moved the following amendment: "except under special circumstances for the early disposal of articles by public auction or otherwise, when non-members may be allowed to purchase." He pointed out that if there was a big stock of perishables that should be disposed of as early as possible or other commodities that the members were not ready to buy up, it would entail heavy losses to stock to the rule of selling only to members.

The chairman invited discussion on the amendment.

Mr. T. S. Rajagopala Iyer opposing both the resolution and the amendment examined the arguments of the mover of the original resolution and said that there were many advantages in permitting non-members to buy from the stores. It was an incentive to the non-members in due course to become members, attracted by the quality of the articles supplied. In some localities stores could not thrive without selling to non-members, as in the instance of Royapuram Stores. Even if they did not permit non-members from buying at the stores, how could they prevent them from buying in the name of a member ?

Mr. Narayanaswami Aiyar (speaking in Tamil) supported the opposition and said that the fundamental principle of Co-operation was not only to help themselves but helping others also. Was denying sale to non-members the way of carrying out that principle? In the case of stores where non-members were allowed to purchase larger profits were the result.

Mr. Srinivasa Raghavachariar further supporting the opposition said (in Tamil) that stores did not thrive when sales were restricted to members only. Generally sales to non-members were found on the whole to be greater in volume than to members. In Rameswaram stores the pilgrims had to be sold to if the stores was to live. Even to non-members in the same town sale has to be made. The bonus accruing from such sales was given to the members. When, however, the non-members were informed of the fact, the result was that the membership swelled from 60 to 320. In the case of resident people non-members were only prospective members.

He then referred to another store the directors of which finding that the secretary spent on the anniversary day all the amount of the bonus resulting from sales to non-members, which had been made in the name of the office, ordered that the amount should thereafter be credited to reserve fund. Sales to non-members was thus of advantage to the store and should not, therefore, be discouraged.

Mr. Ananthanarayana Iyer (speaking in Tamil) opposed the amendment and supported the resolution. He said that the ideal of co-operation was only to help those in he Movement and not outsiders. If a state of affairs should prevail in a store when sale to non-members was found to be necessary, it revealed either or both of the following defects: The Managing Body were stocking articles without reference to the needs of the members, or that the members were not loyal. If co-operators allowed sales to non-members then there was no difference between the co-operative stores and the ordinary shop in the bazaar. Co-operators should help only the weaker among themselves and not those outside the Movement.

On a request being made on behalf of the Telugu knowing part of the delegates that the resolution and the amendment be explained in Telugu, the resolution with the amendment was explained accordingly.

Mr. A. Vedachala Iyer answering a charge brought by some people that there was no fixity about the resolutions of the Conference and that it was considering a resolution that went against one that was passed on the subject in the last conference, said that it was the duty of the

Provincial Union to place before the Conference whatever they were asked to place by the co-operators in the Province expressing their views on the questionnaire year after year. They could not turn down any resolution as was the habit of the Government (Laughter). Mr. Devadhar, the speaker continued, had said during the last conference that allowing non-members to buy at the co-operative stores was an effective form of advertisement. The speaker had been instrumental in starting a branch store in George Town, and many years after he had ceased to buy at it, he had to his credit Rs. 25 at the stores, because non-members had continued to buy in his name. It was quite true that members could not get their due share of the good things when non-members rushed in. He mentioned the instance of Coimbatore Stores, which got about 100 tins of good gingelly oil from Kodumudi, out of which about 80 tins were bought in bulk by a merchant depriving the members of the benefit of the article. Thereupon the directors adopted a rule that not more than a tin could be bought by any one at a time.

The amendment to the resolution was useless, since obviously in an auction all could buy without a resolution being passed to the effect.

The amendment was put to vote and lost.

The original resolution was then voted upon and passed by majority.

RESOLUTION III.

(SUB-COMMITTEE 9. RES. 3.)

This Conference is of opinion that with a view to improve the working of consumers' societies it is necessary to carry on propaganda work with particular reference to the aims and objects of Co-operative Stores Movement.

Proposed by Mr. T. K. HANUMANTHA RAO,
Seconded by Mr. V. JAYARAMA IYER

Mr. T. K. Hanumantha Rao, in proposing the resolution, said that in holding the Conference and by means of the discussions on the resolutions they were carrying on propaganda. He had once thought there was not much need for propaganda, but he was forced to give up that idea, as he found profound ignorance as to co-operative principles in very high quarters. He was once accosted by an Honorary Assistant Registrar, who wanted to know what was the difference between the co-operative bank and other banks. The discussion on the two previous resolutions and the opposition they met with was further proof of the necessity that existed for propaganda in the very elementary principles of the Movement. When co-operators at the conference wanted to allow non-members to buy at the stores, he was tempted to ask "Why not allow non-members to get loans from the banks?"

The function of the store was not the achievement of the economic miracle of selling best things at the cheapest price. Running a store and continuing to be loyal members of it involved great sacrifice. It was at a great sacrifice that the 28 weavers of Rochdale began the first store in the world. If some of the members of the store thought that liberty to buy where they liked was more glorious even than the benefits of Co-operation, they could not have a place in the Movement.

The speaker referred to industrial Co-operation and said that if the industries could be organised on the basis of Co-operation there would be no need for laws against adulteration and other similer laws. The first condition for bringing about such a state of affairs was propaganda. If Co-operative Missionaries could be got for spreading the gospel of Co-operation far and near, co-operators would be able to meet before long in a Co-operative Hall created for the purpose of holding the Annual Conferences in which to express the conscience of Co-operators. (Hear, hear.)

Mr. V. Jayarama Iyer seconding the resolution referred to the resolution passed by the last conference that the time had come for appointing lady propagandists. Speaking of the immense propaganda work carried on abroad, he said, the English C. W. S. held what they called "Show Weeks" on a grand scale, which helped to spread the message of the Movement and popularize the Stores.

Now that they had thrown out resolutions, such as on sales to non-members, which, if carried out, might have been indirectly of help in the direction of propaganda, co-operators were thrown exclusively upon conscious carrying on of propaganda as the only channel through which to educate the people in the principles and benefits of the Movement.

The proposition after being duly supported was put to vote and carried unanimously.

The Conference then rose for the day at 5-45 p. m.

THIRD DAY.

Certain Committees that had not finished their sittings continued their meeting and the third sitting of the Conference commenced at 11-30 a. m. on the 23rd December with Sir K. V. Reddi Naidu in the chair.

Before the commencement of the proceedings Mr. S. K. Yegnanaraya Iyer announced that the prize in the Essay Competition instituted by the Provincial Co-operative Union for Supervisors was awarded to Mr. Ramiah, Supervisor, Thiruthuraipundi, Tanjore District.

RESOLUTIONS. IV.

(SUB-COMMITTEE 7. RES. 1.)

Resolved that the model by-law of the by-laws of the public servants co-operative society be amended so as to include employees under the Imperial Bank and Port Trust also being made eligible to become members.

Proposed by Mr. C. K. V. DESIKACHARIAR,
Seconded by „ G. SRINIVASARAGHAVACHARIAR.

Mr. Prakasa Rao opposing it pointed out that the staff of the Imperial Bank branch in Coconada had a separate bank for themselves. So did the employees of other public institutions in other places also. The matter therefore need not come before the Conference.

Mr. Tiruvenkatachariar seconded the opposition.

The mover of the resolution replying said that the resolution was placed before the conference since there was a request to the effect from Tellicherry, where there was an urgent need for permission being given to employees of the Imperial Bank and Port Truet to become members of societies, for public servants.

The resolution was put to vote and lost by a majority.

RESOLUTIONS. V.

(SUB-COMMITTEE 7, RES. 2).

That the local ruling under Rule 12 of Government Servants' Conduct Rules be suitably amended so as not to prevent Government Servants from being on the directorate of employees' societies, consisting also of employees other than Government Servants.

Proposed by Mr. C. K. V. ACHARIAR,
Seconded by Mr. G. SRINIVASARAGHAVACHARIAR,

In moving the resolution Mr. C.K.V. Acharya said that rule 12 prevented Government employees from sitting in the directorate of employees societies, even if there is one employee only of institutions other than Government ones. It was a real grievance as in all vital matters the Government servants could not have any voice, while a minority consisting of the employees of other institutions ran the whole show.

Mr. Srinivasaraghavachari explained the resolution in Tamil.

Mr. Ananthanarayana Iyer (Tamil) opposing said that since Government servants wanted, as they did in subsequent resolutions, to have separate financial banks of their own, why should they be admitted to the directorate of other banks also? The Conference should not be wasting its time on such petty resolutions.

Mr. Krishnaswami Iyer supported the resolution.

Nr. T. Srinivasa Rao further supporting the resolution said that Government servants were being shunned as untouchables in the Co-operative Movement. Every employee of other institutions was admitted to the directorate of societies but not the employee of Government offices. He had himself been a Government servant and was sure that Government servants were as much wage-earners as others.

The rules of societies were purposely designed to prevent one class bringing undue influence to bear on their working. For instance, no one drawing a salary of more than Rs 35 could be a member of rural society. If the necessity for such safeguards against undue influence was conceded, he could not see how at the same time it would be right to allow a minority composed of employees of non-Government institutions to unduly sway the decisions of the society without reference to the views of the majority who may be Government servants. All classes belonged to the corporate body of co-operators and all were wage earners whether working in Government institutions or in others. He would therefore give his hearty support to the resolution.

The resolution was explained in Telugu also. On Mr. C. K. V. Acharya replying to the debate the resolution was put to vote and carried by a large majority.

RESOLUTIONS VI.

(SUB-COMMITTEE 7. RES. 3.)

Resolved that the Government be requested to issue a circular to all heads of departments authorising them to arrange for the recovery of the dues of members of Public Servants' Co-operative Societies by deduction from salaries with reference to the undertaking given by such members to the societies.

Proposed by Mr. C. K. V. DESIKACHARIAR,
Seconded by Mr. G. SRINIVASARAHAVACHARIAR.

The resolution was seconded and explained in Tamil and Telugu.

Mr. Sabhesa Iyer moved an amendment to add "and to all heads of educational institutions" after "heads of departments."

The amendment was duly seconded.

Mr. Prakasa Rao, wanted to add "and to all local bodies."

Mr. Vedachala Iyer explained that Government had no control over the other institutions and the disburser of the salaries could deduct any amount only if the men receiving them consented to it. The circular to have any effect should emanate from the heads of the respective institutions.

The amendment was then put to vote and carried.

The second amendment was also moved by Mr. Sabhesa Iyer as a consequential alteration. It was to the effect that after "Public Servants Co-operative societies" be added to "or of the staff of the educational institutions as the case may be."

This amendment was also carried.

Mr. L. G. Sastri wanted to add "all" before "Public Servants' Co-operative Societies"

This was also accepted.

The resolution amended as follows was then put to vote and carried.

Resolved that the Government be requested to issue a circular to all heads of departments and of educational institutions authorising them to arrange for the recovery of the dues of members of all Public Servants' Co-operative Societies or of the staff of the educational institutions, as the case may be, by deduction from salaries with reference to the undertaking given by such members to the societies.

RESOLUTIONS. VII.

(SUB-COOMMITTEE 7. RES 4.)

In view of the fact that Government servants are not allowed to be on the management of their present financing banks, this Conference resolves that they may be permitted to organize a financing bank for themselves.

Proposed by Mr. C. K. V. DESIKACHARIAR,
Seconded by „ G. SRINIVASARAGHAVACHARIAR.

The resolution was opposed by an Andhra delegate. Mr. Ramanujachariar speaking in Tamil seconded the opposition and said that Government servants should not be allowed to have it both ways. They could not ask for larger share in other institutions and at the same time want to establish separate financing institutions for themselves.

Mr. T. K. Hanumantha Rao supporting the opposition said that the resolution was like one river wanting a separate ocean to fall into.

On the mover replying to the debate the resolution was put to vote and lost by large majority.

RESOLUTIONS. VIII.

(SUB-COMMITTEE 9. RES. 4.)

This Conference is of opinion that the time has come for the starting of wholesale societies and appoints a committee consisting of the undermentioned gentlemen to investigate and submit proposals to the next Conference.

Mr. A. Sivarama Menon (Convener) T. U. C. S.
„ T. K. Hanumantha Rao „
„ P. V. Subramanyam „
„ S. Narayanaswami Iyer, Tanjore Dt. „
„ V. Jayarama Iyer, South Arcot „
„ N. Sivaraj Madras.
with power to add.

Proposed by Mr. T. K. HANUMANTHA RAO,
Seconded by „ P. V. SUBRAMANYAM.

In moving the resolution Mr. T. K. Hanumantha Rao said that the wholesale society was to the store what the central bank was to the rural primary credit society. The time had come when the co-operative stores had to deal in cartloads and shiploads of goods, and to meet the growing demand of wholesale societies were a necessity. This was the immediate step to be taken to reach the goal of co-operative Production societies.

Mr. P. V. Subramanyam, in seconding the resolution said that one of the great disabilities under which the T. U. C. S. was labouring was the difficulty felt in the purchase of certain commodities in sufficient quantities. Some commodities had to be purchased through a middleman or the *entrepreneur* as he might be called, whose elimination was one of the aims of the Co-operative Movement, since it was he who got the lion's share of the profit. The speaker referred to the difficulty in purchasing pepper, coffee and other articles. Starting of a wholesale would put an end to these difficulties, as things could be bought direct from the producer.

The resolution was carried unanimously.

RESOLUTION No. IX.

(SUB-COMITTEE 9. RES. 5.)

This Conference reiterates the opinions expressed at the last Conference in regard to the rules framed by the Government pertaining to Housing Societies.

Proposed by Mr. SIVARAJ,
Seconded by „ JAYARAMA IYER.

The Conference passed the resolution unanimously.

RESOLUTION No. X.

(SUB-COMMITTEE. 1. RES. 1.)

This Conference resolves:—

(i) That accumulation of share capital in rural societies is necessary in the interests of the Movement ;

(ii) That the discretion of (a) applicants in the case of newly formed societies and (b) general bodies in other cases, in fixing instalments of share capital be not interfered with by any outside authority ;

(iii) That it is necessary for such instalments to be fixed with special reference to the capacity of the members ; and

(iv) That, once fixed, payment of instalments be insisted on except in rare cases where members are not borrowers; provided that the balance due from such members is also insisted on being paid in full before they are accommodated with loan when they apply for it.

Proposed by Mr. C. S. RANGASWAMI IYENGAR,
Seconded by „ T. SRINIVASA RAO.

Mr. Iyengar said that the resolution was self-evident and explained it in Tamil.

Mr. T. Srinivasa Rao seconded the proposition (in Telugu).

The resolution was put to vote and carried unanimously.

RESOLUTION No. XI.

(SUB-COMMITTEE 1. RES. 2.)

The Conference deprecates

(i) deduction by societies of share capital due to it by members from any loans to be paid to them ;

(ii) similar deductions from societies' loans by central banks ; and is of opinion that supervising agencies should peremptorily put down such practices wherever they exist.

Proposed by Mr. C. S. RANGASWAMI IYENGAR,
Seconded by „ T. SRINIVASA RAO.

In moving the resolution, Mr. Rangaswami Iyengar said that when central banks deducted former arrears of share capital from loans granted to societies, the societies generally had not sufficient money to disburse to members. And when societies followed the same rule in respect of loans to their members, it would take away a great deal from the usefulness of the loans.

Mr. T. Srinivasa seconded the resolution (in Telugu.)

One Andra delegate opposing said that it was convenient to deduct the amount of share capital due from the loans disbursed. Should societies and urban banks beg for the return of the amount afterwards? In ordinary loan transactions interest and other charges were generally deducted beforehand by the creditors.

Mr. Venkatarangachari seconded the opposition.

The resolution was explained and the opposition supported (in Telugu)

Mr. A. Vedachala Iyer explaining the implications of the resolution said that it was not good business to raise loans on the basis of the prospective share capital expected to be collected when disbursing the loans to the members. Loans should be raised only strength of the capital actually collected. Share capital should therefore be collected in the first instance and then on its basis loans raised.

The resolution was put to vote and carried by a large majority.

RESOLUTION. XII.

(SUB-COMMITTEE 1. RES. 3.)

This Conference resolves :—

(i) That it is absolutely necessary that deposits in rural credit societies be further encouraged ;

(ii) That the rate of interest on fixed deposits be half per cent less than that obtaining for the central bank loans ;

(iii) That central banks should supply adequate overdraft accommodation to meet obligations of rural credit societies in the matter of fixed deposits, whenever necessary ; and

(iv) That the Imperial Bank overdrafts should be used for providing such accommodation.

Proposed by Mr. C. S. RANGASWAMI IYENGAR,

Seconded by Mr. T. SRINIVASA RAO.

Mr. Vedachala Iyer :—A pious resolution !

Mr. C. S. Rangaswami Iyengar said that it was not a pious resolution. The one thing by which self-help, co-operation and thrift and other national characteristics were to be induced was by attracting local deposits. This could be done by working the societies satisfactorily and thus commanding the confidence of the depositors, and secondly by creating the depositing habit in the people by showing through example that depositing in co-operative banks was advantageous and so increasing the deposits.

Mr. T. K. Hanumantha Rao :—Will you please explain the ways in which deposits can be increased ?

The speaker continued that the rural societies should be placed in a position to fully meet the credit needs of depositors by central banks accommodating the societies with sufficient overdrafts. The central banks should in their turn be helped in the same way by the Imperial Banks overdrafts. The resolution was explained by the speaker (in Tamil.)

Mr. T. Srinivasa Rao explained the resolution (in Telugu)

Mr. Ramaswami Naidu moved an amendment that "equal to" be substituted for "half per cent less than" in the second clause, because, he said, decreasing the rate of interest on deposit was not the way to increase deposits. It was just the hindrance that would prevent deposits. The second clause, as it was, was therefore inconsistent with the first.

Mr. L. G. Sastri :—I oppose both the 2nd clause as whole and the amendment proposed. We must not restrict the rate of interest if we want to attract deposits. Even higher rates than that given by the central banks will have to be allowed, if necessary. The discretion should therefore be left to the directors.

Mr. Venkatarangachariar opposed the second clause.

The opposition was supported by Mr. Venugopal Naidu.

The mover replying pointed out that half per cent difference should be maintained if societies should continue to carry on business.

The amendment was put to vote and carried by 48 against 29.

Mr. V. Ramanatha Iyer moved that the second clause be so amended as to decrease the rate of interest by half per cent only in the case of deposits by non-members, thus giving an advantage to the members. This might act as an inducement to non-members to become members.

On the persuasion of the President and others, however, this was dropped.

The resolution with the second clause amended as follows was then put to vote and carried :—

Clause (ii).—That the rate of interest on fixed deposits be equal to that obtaining for central bank loans.

RESOLUTION XIII.

(SUB-COMMITTEE NO. 1. RES. 4.)

This Conference resolves :—

(i) That rich and middle class landlords should also be given accommodation by rural credit societies ;

(ii) That higher credit accommodation should be given to all such members and in such amounts as may be decided on by general bodies and

(iii) That outside organizations should not be allowed to interfere in the grant of such accommodation provided (a) that loans exceeding Rs. 1,000 be always restricted to short term purposes : (b) that sufficient credit accommodation is available, and (c) that such accommodation does not interfere with small loans to others for long or short term purposes.

Separate organizations for such class of landlords are not necessary, provided that they are absorbed in existing co-operative organizations.

Proposed by Mr. C. S. RANGASWAMI IYENGAR.

Seconded by ,, T. SRINIVASA RAO.

Mr. C. S. Rangaswami Iyengar in moving the resolution said that what were considered richer classes in one part of the country might be considered poor in others. The maximum credit accommodation that could be given to a member was at present Rs. 1,000. This limit should be raised and the credit needs of richer men who would require larger amount should also be met. And the time must soon come when all the people in a village could be brought into the movement, the richest as well as the poorest, who were having special societies of their own.

He then explained the resolution (in Tamil.)

Mr. T. Srinivasa Rao seconded it (in Telugu.)

Mr. Velukutti Menon opposed the resolution in toto and said that it was his experience that the rich man if allowed to be member of societies generally had all his own way. In fact the rich were so domineering that they even refused to answer the usual questions put by the society as to their property, etc. Besides they wanted loans in such large sums that the rest were left without their due share.

Mr. Thathachariar supported the resolution saying that the rich should be allowed credit in societies, as their patronage was a source of great strength.

It was also pointed out during further discussion that there was no necessity for the resolution since the rules as they are did not either prevent or specially invite rich men into the societies. They might if they liked become members. It was better the rule was left as it was.

The resolution was then put to vote and lost by 80 against 38.

The chairman remarked: We are a democratic body.

RESOLUTION XIV.

(SUB-COMMITTEE NO. 2. RES. 1.)

This Conference resolves that the local unions be empowered to recommend all loan applications from the primary societies direct to the central banks provided that in the case of unions newly formed in non-union areas such unions may only be given the power of recommending short term loans direct to the central banks.

Proposed by Mr. VISWANATHA RAO.
Seconded by „ A. NAGARAJAN.

Mr. Viswanatha Rao said that till recently loans were recommended by Assistant Registrars. But two years previously local unions were given in some cases power to recommond direct.

He then explained the resolution (in Telugu.)

Mr. A. Nagarajan seconding the resolution (in Tamil) said that the unions should be given the responsibility of recommending loans, since they would be lax in their work when somebody else shouldered the responsibility.

Mr. Narayanaswami moved an amendment that the local unions be empowered to recommend long term loans after an existence of three years.

Mr. A. Nagarajan explained that the object in putting no time limit was to give new unions that might be composed of members having previous experience might not be restricted from recommending. Some unions might be bifurcated and the new unions thus started should not be said to be new to the work of recommending loans. Again there might be unions quick enough to learn the work in a shorter time than they might fix. It was therefore better that no time limit be fixed.

The amendment was put to vote and lost.

Mr. Prakasa Rao moved another amendment that local unions of one year standing may ordinarily be empowered to recommend loans and that the proviso in the original resolution be deleted.

Mr. A. Vedachala Iyer explained the resolution in Tamil.

Mr. O. Viswanatha Rao pointed out that some unions might be able to recommend loans within four months or even from the very start.

Question: Who is to decide as to their capacity?

Mr. Rao. Central Banks, of course.

A voice: That is very vague.

Mr. Narayanaswami supporting the resolution said that they all must learn by mistakes. Even unions of 10 years' standing might make mistakes. Officials were not above mistakes either.

The amendment was put to vote and lost.

The original proposition was then placed before the Conference and carried.

RESOLUTION No. XV.

(SUB-COMMITTEE NO. 2. RES. 2.)

This Conference resolves that the central banks may delegate the power of sanctioning loans to an Executive Committee consisting of a small number, which should meet at least once a fortnight and, if an emergency arises, may circulate papers and thus transact business; and

That local unions may appoint an Executive Committee to recommend short term loans.

Proposed by Mr. G. VENUGOPAL NAIDU.
Seconded by Mr. A. RAMASWAMI.

The resolution was carried unanimously.

A member: This is in practice even now. There is no need for a resolution of the kind.

The chairman: The chairman has no option but to place before the Conference every resolution put forward by the sub-committees.

RESOLUTION No. XVI.

(SUB-COMMITTEE NO. 2. RES. 3)

This Conference resolves (a) that the annual minimum scale of expenditure for a local union may be fixed at Rs. 600.

Supervisor	*Rs. 25 plus 10 per mensem*	
Office rent.	*3*	"
For Governing Body members	*10*	"
For postage	*2*	"

and (b) that governing body members may be paid only out-of-pocket expenses and no sitting fees.

Proposed by Mr. T, P. VELUKUTTI MENON.
Second by Mr. GNANAPRAKASA GOWNDER.

Mr. G. Krishnaswami Iyer opposed the resolution, as some Unions were too big to be managed within the sum specified. Anyway the details of expenses as given in the resolution were too small and inapplicable in many cases.

Mr. Thathachari seconded the opposition.

The mover replying said that he had no objection to the details of expenses being omitted, but that he was entirely opposed to sitting fees.

The resolution as finally carried was as follows:

Resolved (a) that the annual minimum scale of expenditure for a local union may be fixed at Rs. 600; and (b) that governing body members may be paid only out-of-pocket expenses and no sitting fees.

RESOLUTION No. XVII.

(SUB-COMMITTEE 2. RES. 4.)

This Conference resolves that the common good fund should not be added to the supervision fund. However in exceptional cases, e.g., co-operative education and propaganda, the primary societies may be requested to contribute a portion of common good fund to the local unions.

Proposed by Mr. PRAKASA RAO,
Seconded by Mr. C. RANGANATHA IYENGAR.

Mr. Prakasa Rao said that education meant general education and that common good fund should be utilised only for co-operative education.

Mr. C. Ranganatha Iyengar seconded the resoloution.

Mr. L. G. Sastri pointed out tha common good fund should not be added to supervision fund as the two were different from each other and designed for different purposes. Supervision fund has to be paid whether there was profit or not, while common good fund was set apart only when there was profit and should therefore be used only for the good of the villagers of the locality. It should not be given to other societies.

The resolution was put to vote and lost by 67 against 40.

RESOLUTION No. XVIII.

(SUB-COMMITTEE NO. 2. RES 5.)

This Conference resolves that the governing body members of local unions shall be elected from among the representatives of affiliated societies, and that every society should have its own representative.

Proposed by MR. A. NARAYANA RAO.
Seconded by MR. C. RANGANATHA IYENGAR.

Mr. C. Ranganatha Iyengar seconding the resolution said that while there were accredited representatives of societies to elect from, Governing Body members of local unions were often elected from among the members of the societies thus sometimes giving a place in the Governing Body to members in whom the society had no confidence. The department should remodel the by-law in this respect.

The resolution was explained in Tamil

Mr. Venkatarangachari opposing said that representatives were sent not for ever but till others were elected. The field for selection should not therefore be restricted to the representatives of societies only but should be extended to all the members. The Manual laid down the same rule.

Mr. L. Dharmaraja Iyer supported the opposition.

The resolution was put to vote and carried.

'THE CONFERENCE AT THIS STAGE ROSE FOR LUNCH.

On reassembling the chairman said that as there were something like 40 more resolutions to be passed, he and the presidents and secretaries of various sub-committees had come to some decisions after consultation over their tea. All the remaining resolutions excepting four which dealt with specially controversial subjects, were to be put from the chair and voted upon, leaving the four to be discussed as fully as time would permit.

RESOLUTION. No. XIX.

(SUB-COMMITTEE 5. RES. 3.)

This Conference approves of the report of the Land Mortgage Bank Committee appointed last year and requests the Registrar to take action upon it.

Mr. Vedachala Iyer explained the conclusions arrived at by the committee on Land Mortgage Bank and requested the Registrar would see that the original debenture scheme was modified and adapted to the conditions in Madras Presidency. The object of the scheme was to redeem the rural agriculturist from his age long indebtedness. Some steps were being taken in the matter in Burma and Central Provinces.

Mr. Narayanaswami wanted that they all should sit with the Registras and consider the scheme.

One member expressed the general desire on the part of the delegates that the Registrar should give his views on the subject. The matter was being shelved from year to year, and it was desirable the question was settled this year.

Mr. J. Gray, I. C. S., the Registrar of Co-operation, said that a great deal of information had been collected on the subject by the Provincial Co-operative Union and placed before co-operators.

The chairman said that all were agreed that the indebtedness of the ryot should be combated. Two schemes were contemplated, the Mortgage Bank Scheme and the Debenture Scheme. The latter was given up by the Government and the Mortgage Bank scheme was considered the ideal. It was submitted by the Registrar and was about to receive the sanction of the Government. The resolution that the Conference was adopting was not in any way prejudicial to the scheme of the Registrar. The two might go on together.

At the instance of the chairman and with the consent of the delegates the following amendment was then adopted: " without prejudice to the experimental scheme of land mortgage banks said to have been submitted by the Registrar and now under the consideration of Government. "

The resolution as amended was then carried. It ran:

This Conference approves of the report of the Land Mortgage Bank Committee appointed last year and requests the Registrar to take action upon it without prejudice to the experimental scheme of land mortgage banks said to have been submitted by the Registrar and now under the consideration of the Government.

RESOLUTION No. XX.

(SUB-COMMITTEE No. 10. RES. 1.)

This Conference resolves that in its opinion the appointment of Honorary Assistant Registrars be discontinued and that Government be requested to grant the amount now spent by Government in connection with these appointments as a subsidy to Local Supervising Unions to enable them to fulfil their duties in a proper manner, when such fulfilment is not possible for want of funds;

that the aggregate subsidy payable to all unions in the presidency on the assumption that Government would be pleased to let each union have an Honorary Assistant Registrar be calculated and the amount so determined be apportioned between what is required for supervision and what is required for propaganda and Education and that the funds so apportioned be distributed to unions;

that the Registrar be requested to calculate and determine the aggregate subsidy;

that the allotment of funds to unions be left in the hands of the Registrar till District Federations come into existence;

and that when District Federations are established in all districts, the distribution be made through the Provincial Co-operative Union and the District Federations.

Proposed by Mr. T. SRINIVASA RAO,
Seconded by Mr. RAMASWAMI NAICKER.

Mr. Srinivasa Rao said that though the resolution might, as observed by some co-operators, be considered a destructive thing it was not really so. He would explain why. Honorary Assistant Registrars were expected to do two kinds of work: (1) duties that devolved on the local supervising unions, and (2) other duties which are vested in the Registrar but delegated to the Assistant Registrars such as (*a*) disposal of arbitration cases, (*b*) holding of enquiries under section 35.

Now, if the institution of H. A. R.'s disappears what would happen?

What will collapse, if anything? Or, will existing things stand as they are? He would quote one sentence from the newspaper account of the Development Minister's speech at Guntur: Delegation of the powers of the Honorary Assistant Registrar to some recognized co-operative body, such as the local unions, the executive of which would exercise the powers appeared preferable to delegation to an individual. That was the view that Government held.

The question was: Are the unions competent or not to undertake this task? The salvation of the Movement lay in the development of the Union so as to enable it to rise equal to the responsibility. In the discussion of the subject at the sub-committee it came out that it was under contemplation to give an Honorary Assistant Registrar for each union and to confer the title on a Governing Body member. He would ask, what was it that stood in the way of that Governing Body member doing the duties of an Honorary Assistant Registrar without the name? If the member does not do his duties, when he is only a member, how could he be expected to do his duties after he is dubbed an Honorary Assistant Registrar?

One of the virtues that co-operators wanted every one to learn was self-reliance. Co-operative education was the best means to that end, and was there any better co-operative education than to place the union in a position to augment and build up its own resources, so that it might not depend upon Government?

The institution of Honorary Assistant Registrars did much to detract from the dignity of the officers of the Union. There were at present only 60 or 70 Honorary Assistant Registrars and if co-operators waited till the number grew larger, then it would be rather a difficult thing to have them removed, a far more difficult thing than it is now.

Mr. Ramaswami Naicker (speaking in Tamil) seconded the resolution and said that what the Honorary Assistant Registrars were expected to do, namely, inspection of societies and speedy settlement of arbitration cases, was largely done by unions also. He did not know if Honorary Assistant Registrars had the power to ask the Secretaries to bring the accounts of societies for them to examine. The Department people might help the work if there was any difficulty. Arbitrators might also be chosen from the union itself or from the people. Local Unions were the fundamental units of the Co-operative Movement and they should be strengthened and given all the powers they could well shoulder.

Mr. C. Ranganatha Iyengar opposing the resolution condemned the way in which things were being rushed in the Movement. It was only for a very short time that the unions were exercising their powers and doing their work and if co-operators wanted to give more powers to them in a hurry, things would get very bad indeed. (Cries of No, no.) He knew extremism found favour among audiences and moderation was looked down upon.

The speaker went on to say that the department was working the movement very well, but going headlong was not the way to work it better.

Mr. Tathachariar supporting the opposition said that instead of pointing out the defects in individual Honorary Assistant Registrars and wanting to do away with them altogether, it would be better if co-operators make unions meet in their areas in conference and select representatives as Honorary Assistant Registrars.

Mr. Hanumantha Rao supporting the resolution said that Honorary Assistant Registrars were considered Government officials and did not command the confidence of the rural co-operators. They did not assist in the creation of new societies. Thirdly in the matter of arbitration, they were the tardiest of courts, and the worst of it was that they delayed in matters vitally connected with the working of the co-operative societies seeking their help. The name was considered as

honorary title and used as a stepping stone to higher honours from the Government rather than to the service of the people.

Mr. Srinivasa Mudaliar further supporting the opposition said that he had thought that co-operation was one of the few fields in which official and non-official could work without conflict; but evidently it could not be. Had the time come, he would ask, for cutting away from all official moorings? Co-operation was still in its infant stage, and could it be quite independent of official control? People seem to he fascinated by the name and even jealous. The appointment conveyed nothing of privilge or honour. It was only a sort of link between the co-operators and the head of the Department. It was not desirable that this should be abolished.

Mr Srinivasa Rao replying in Tamil said that he had noted three objections raised against the resolution. First, that the nomination might not be quite satisfactory and the remedy should be sought in unions nominating the H. A. R.'s rather than in abolishing the institution altogether. He thought that nomination could be no better done by unions than by the Government. Secondly, that co-operators wanted to cut off from all official connection. So far as he was concerned he did not share in that desire, since he had himself been a Government Servant for 37 years. Thirdly, the movement was not even now worked well and if H. A. R's. were removed it might get worse. But he was sure that unions would be able to carry on the work of H. A. R's. without any difficulty. The ideal was that the unions should be responsible for the Movement in their areas. The sooner they are given the power the better it would be.

The resolution was put to vote and carried by an overwhelming majority, 100 voting for and 14 against.

RESOLUTION XXI.

(SUB-COMMITTEE 8, RES. 2.)

This Conference resolves that the Trading Unions shall be given credit accommodation in the central bank to the extent of 8 times the paid-up share capital and reserve and that the trading unions shall have power to borrow from the nearest co-operative societies on the pledge of the articles to the extent of 75 per cent of the market value of goods pledged.

Proposed by Mr. N. PANCHAPAKESAN.
Seconded by „ BHIMASENA RAO.

M. N. Panchapakesan in moving the resolution said the resolution if acted upon will enable the trading unions to serve its constituents better.

The resolution was put to vote and carried.

RESOLUTION No. XXII.

(SUB-COMMITTEE 8. RES. 6).

This Conference resolves that in the case of the irrigation societies the proportionate labour charges for channel clearance, etc., be collected from the non-members by enforcing the Kudi-Maramath Act.

Proposed by Mr. S. NARAYANASWAMI IYER.
Seconded by Mr. JAYARAMA IYER.

There was much opposition from the many delegates, as in their opinion the matter did not have any connection with the Co-operative Movement.

Mr. Naranaswami Iyer in proposing the resolution explained that the irrigation societies were formed for enabling the ryots to have a regular supply of water and members were required to contribute a share either in money or in labour. But some defaulted, and the Kudi Maramath Act should be amended so as to enable the society to compel the defaulters to pay their rate of contribution. Non-members should also pay their proportionate contributions because the irrigation channels were public and the benefits of the repairs carried out in them were common to all who irrigated their fields through them. The connection between irrigation and agencies that helped it and the Co-operative Movement was thus obvious.

The resolution, was then put to vote and carried.

As there was a practical unanimity of opinion among the delegates in regard to the following resolutions, these were put from the chair and carried:—

RESOLUTION. No XXIII.

(SUB-COMMITTEE 3. RES. 1.)

Resolved (*a*) that a District Federation shall be established in every district in a suitable centre with a view to carry on both propaganda work and supervision.

(*b*) that all co-operative institutions in the district shall become members of the federation in some form or other

(*c*) that all such institutions shall contribute towards the upkeep of the Federation.

RESOLUTION. No. XXIV.

(SUB-COMMITTEE 3. RES. 2.)

Resolved that the Registrar be requested to settle the details regarding the constitution, finance and methods of working the District Federation in consultation with select representatives of local unions, Central Banks, District Federations and the Provincial Co-operative Union.

RESOLUTION. No. XXV.

(SUB-COMMITTEE 4. RES. 1.)

Resolved that the time has arrived for Urban Banks either already affiliated or otherwise to unions to form themselves into separate unions for each suitable area for purposes of supervision and concurrent audit.

RESOLUTION. No. XXVI.

(SUB-COMMITTEE 4. RES. 2.)

This Conference appeals to the Central Banks that they should accomodate the Urban Banks by way of loans to the extent of four times their paid-up share capital and the Reserve Fund for the time being and overdraft to the extent of the owned capital.

RESOLUTION. No. XXVII.

(SUB-COMMITTEE 4. RES. 3.)

This Conference requests the Government to permit Urban Banks to admit and grant loans to depositors on the security of their deposits without reference to their residence in the area of the operations of such Banks.

RESOLUTION No. XXVIII.

(SUB-COMMITTEE 5. RES. 1.)

This Conference is of opinion that the Departmental Circulars restricting the use of the Imperial Bank overdrafts to return of deposits, to the provision of fluid resources and the grant of short period loans are incapable of being followed without causing dislocation in the financial working of the institutions. This Conference lends its full support to the Sub-Committee appointed by the Board of Management of the Madras Central Urban Bank to take the necessary steps in the matter. Meanwhile, this Conference requests the Registrar to suspend the rigid enforcement of the circulars in question.

RESOLUTION No. XXIX.

(SUB-COMMITTEE 5. RES. 2.)

This Conference is of opinion the with regard to travelling allowances and sitting fees, if any, payable, to members of Boards of Management of Central Banks for attendance at meetings, such allowances and fees should be borne entirely by the Central Banks concerned.

RESOLUTION No. XXX.

(SUB-COMMITTEE 6. RES. 1.)

That this Conference is of opinion that the Supervision of Audi-Dravida and the Audi-Andhra societies be left to the Labour Department in the Districts where there are Labour Officers, and to the Co-operative Department in other cases.

RESOLUTION No. XXXI.

(SUB COMMITTEE 6. RES. 2.)

This Conference is of opinion that separate Local Unions be formed exclusively for Audi-Dravidas wherever supervision by the Audi-Dravidas themselves is possible. In other cases, the societies may be affiliated to the local unions, the supervision funds being supplemented by Government subsidy.

RESOLUTION No. XXXII.

(SUB-COMMITTEE 6. RES. 3.)

This Conference requests the Government to empower the Assistant Registrars and the Labour Officers of the Districts to have the awards of the arbitrators enforced through their subordinates.

RESOLUTION. No. XXXIII.

(SUB-COMMITTEE 8. RES. 1.)

This Conference suggests that agricultural demonstration farms be run, attached to local unions, the cost of running being met from the common good fund of societies affiliated to the unions.

RESOLUTION. No. XXXIV.

(SUB-COMMITTEE 8. RES. 2.)

This Conference resolves the Government be requested to build godowns at its cost for trade unions and crop-loan unions as it is done in the North-West Provinces.

RESOLUTION. No. XXXV.

(SUB-COMMITTEE 8. RES. 3.)

This Conference resolves that in the model by-law of unlimited societies provision be made to lend money on the pledge of the produce to the extent of 75 per cent of the market value of the produce pledged, the loan not affecting the individual borrowing power of the member or the maximum borrowing power of the society.

RESOLUTION. No. XXXVI.

(SUB-COMMITTEE 8. RES. 4.)

This Conference resolves that a provision be made in the model by-laws to give to the crop-loan union a portion of the profit earned by the primary societies on account of the crop-loan transactions.

RESOLUTION. No. XXXVII.

(SUB-COMMITTEE 8. RES. 7.)

Resolved that lease-societies for actual cultivation of lands or for collecting Melvaram be formed.

RESOLUTION. No. XXXVIII.

(SUB-COMMITTEE 8. RES. 8.)

Resolved (*a*) that Labour unions be formed for the execution of contract works of the Local Boards, Railways and Government.

(*b*) that the Government be requested to order that the labour unions be given preference when the tenders are equal and also be given the option of refusal before the tender is accepted.

(*c*) and that the Government be requested to advise the Railway Department to give its contract work to such labour unions.

RESOLUTION. No. XXXIX.

(SUB-COMMITTEE 8. RES. 9.)

Resolved that the Government be requested to appoint a District Committee consisting of non-officials in large numbers to enquire and report on the indebtedness of the ryots in the villages and suggest remedies by finding out work in the off-season.

RESOLUTION. No. XL.

(SUB-COMMITTEE 8. RES. 10.)

Resolved that the Government be requested to amend the Village Panchayat Act and the Village Courts Act so as to recognise the Panchayats of the rural societies as the Panchayats under the two former acts.

RESOLUTION. No. XLI.

(SUB-COMMITTEE 8. RES. 11.)

This Conference recommends that there should be a co-ordinated programme of work between the Agricultural and the Co-operative departments as regards the supply of agricultural requisites and the marketing of produce. This should be worked out so as to regulate the working of the subordinate staff of both the departments in the district under a central board consisting of the agricultural and the co-operative officers and 2 or 3 non-officials.

RESOLUTION No. XLII.

(SUB-COMMITTEE 10. RES. NO. 3.)

Resolved that the Registrar be requested to move the Government to provide annually a grant for promotion of co-operative education and propaganda throughout the Presidency, that such grants as may be given by Government be distributed by the Registrar between the Provincial Co-operative Union and the District Federations wherever they exist, the responsibility for getting and utilizing grants to other districts being left in the hands of the Provincial Co-operative Union.

RESOLUTION. No. XLIII.

(SUB-COMMITTEE 10. RES. NO. 4.)

Resolved (1) that this Conference recognises the principle of the need for Federations on a linguistic basis composed of one or more District Federations.

(2) that language federations should have a definite representation in the Provincial Co-operative Union.

(3) that a language federation be formed for the Tamil Districts.

(4) that the constitution of the Provincial Co-operative Union be so amended as to give a definite representation to all the language federations.

(5) that the Madras Provincial Co-operative Union be requested to make the necessary amendments in its By-laws for carrying out the above Resolution.

RESOLUTION. No. XLIV.

(SUB-COMMITTEE 10. RES. NO. 5.)

This Conference resolves that until the constitution of the Provincial Co-operative Union is so amended, the Registrar be requested to consult a joint committee of three members from the Governing Body of the Provincial Co-operative Union and two from the Andhra Sahakara Sammelanam on all important non-statutary matters. These will be elected by the Governing Bodies of the institutions concerned and their travelling expenses will be paid by them.

RESOLUTION No. XLV.

(SUB-COMMITTEE 11. RES. 1.)

Resolved to request the Government to authorise the village Panchayat to execute Co-operative decrees giving them additional powers where necessary.

RESOLUTION No. XLVI.

(SUB-COMMITTEE 11. RES. 2.)

Resolved to request the authorities concerned to hand over the management of Elementary Schools to the local Co-operative Societies wherever possible.

RESOLUTION. No. XLVII.

(SUB-COMITTEE 11. RES. 3.)

Resolved (i) that the Educational authorities be approached with a request to include "Co-operation" among the subjects taught in Elementary, Secondary and Training Schools.

(ii) that the Director of Public Instruction be requested to include "co-operation" also among the subjects for Government Technical Examinations.

(iii) and that a committee consisting of the following gentlemen be appointed to write a suitable text-book in English on Co-operation to suit the High School standard and the Provincial Co-operative Union be empowered to publish it and get it translated in the various vernaculars of the Province: (1) Dr. John Mathai, (2) Mr. M. S. Sabhesan, (3) Mr. V. Guruswami Sastri, (4) Mr. T. K. Hanumantha Rao, (5) Mr. Mangesa Rao, (6) Mr. Srinivasamoorthy, (7) Mr. Raman Menon, (8) Mr. T. V. S. Prakasa Rao, with power to add.

RESOLUTION. No. XLVIII.

(SUB-COMMITTEE 11. RES. 6.)

Resolved that the Railway Board be requested to reduce freight charges in the Presidency for the conveyance of cattle, implements and other agricultural requisites.

RESOLUTION. No. XLIX.

(SUB-COMMITTEE 11. RES. 7.)

This Conference is of opinion that the present system entrusting the office-bearers of societies with the duty of serving summons in Arbitration References in which they are parties is defective; and it is therefore resolved to request the Registrar to devise a suitable medium for this work.

RESOLUTION No. L.

(SUB-COMMITTEE. 11. RES. 8.)

Resolved that the following committee be appointed to discuss the possibility of starting an Insurance Company and submit their report before the 1st of July 1925, and that the Provincial Co-operative Union be empowered to take steps for launching the scheme if the committee recommend it.

President: Mr. T. Srinivasa Rao
Secretary: „ Raja Rao
Members: „ V. C. Rengaswami
„ T. R. Srinivasa Aiyangar,
„ S. K. Yegnanarayana Aiyar,

RESOLUTION No. LI.

(SUB-COOMMITTEE 11. RES 9.)

Resolved that Unions and District Councils of Supervision be approached by the Provincial Co-operative Union to see that Co-operative Dispensaries are started in different parts of the Presidency.

RESOLUTION No. LII.

(SUB-COMMITTEE 1. RES. 1.)

Resolved (i) that, in fixing the maximum borrowing power in the by-laws of societies, $\frac{1}{8}$ of the net assets be alone fixed as the upper limit, the present practice of putting a lump sum being discontinued as it involves frequent charges resulting in protracted correspondence, frequent applications for registration etc. ;

(ii) that fresh property statements be prepared by societies every year in meetings of the general bodies, submitted for approval (by resolution) to the Supervising Union and communicated to the Central Bank and the Assistant Registrar for information :

(iii) that in view of the fact that loans to rural credit societies are based only on property statements, no proportion to paid-up share capital be laid as a criterion for a loan.

(iv) that, as an alternative to clause (i) above, the maximum borrowing power be also fixed at 5 times the owned capital (share capital plus reserve fund) subject to the following provisions :—

(*a*) Only short term loans be granted to a society during the first two years of its existence ;

(*b*) Sanction of further loans on the above basis do depend upon the continued satisfactory working of the society and its steady building up of a reserve ;

(*c*) A recognised supervising agency do guarantee its efficient working and certify to their requisite repaying capacity ;

(v) That in the case of societies of another category, where the $\frac{1}{8}$th proportion is found insufficient to serve the full needs of a society, additional credit accommodation may be allowed so as not to exceed five times the share capital and reserve fund, in such proportion as the financial bank may determine.

RESOLUTION No. LIII.

(SUB-COMMITTEE 1. RES. 2.)

Resolved (i) that, with a view to stimulate the growth of reserve funds in rural societies, steps be taken by local unions to fix for every society a scale of expenditure proportionate to the extent of its transactions and without reference to the net profits ;

(ii) that, with a view to augment its Reserve Fund, every rural credit society be urged to expand its transactions by affording larger credit facilities consistent with safety and that propagandist agency, official and non-official, be invited to put forth its best efforts to expand the movement intensively and extensively.

RESOLUTION No. LIV.

(SUB-COMMITTEE 1. RES. 3.

This Conference is of opinion that there is no objection to co-operative societies' accepting payments in kind, provided that the Panchayat agrees to provide adequate conveniences for storing such produce and provided also that the member accepts all risks due to fire dampness, dryage, wastage, theft, dishonesty etc.

RESOLUTION No. LV.

(SUB-COMMITEE 1. RES. 4.

Resolved that loans on the security of grain stored in the custody of members with the seal of the society (on the Imperial Bank system) be freely granted, such loans being allowed in excess of the normal borrowing power fixed in respect of each share or individual in the by-laws of the society.

RESOLUTION No. LVI.

(SUB-COMMITTEE 1. RES. 5.

Resolved that the agencies of supervision and Central Banks be requested to collaborate and find out cases of overdues which have arisen from causes beyond the control of borrowers and give them suitable extensions with reference to their repaying power ; in cases where they are due to neglect, disciplinary action should be saken by the agencies concerned without any delay and the department should expedite the disposal of arbitration suits and the procedure in regard to recovery.

RESOLUTION No. LVII.

(SUB-COMMITTEE 1. RES. 6.

This Conference is of opinion that in view of the disproportionate increase in net loss from year to year as compared with the net divisible profits in societies in spite of efforts to make adequate collection from borrowers, local unions should impress on all societies that the first charge on payments by members is the interest accrued on such borrowings and that the crediting of all such sums to principal should be condemned.

CHAIRMAN'S CONCLUDING REMARKS :

Gentlemen :—We have now come to the close of our task. You will allow me to congratulate you on the business-like manner in which you have conducted yourselves throughout these proceedings. Nearly 60 resolutions were passed, quite a large number out of which was discussed with all the spirit which true co-operators can bring to bear on the important matters which have been placed before you here. You have touched upon every question, upon every problem with which you are confronted, and you have come to the solutions which seem best to you under existing circumstances.

It may not be right on my part to draw attention to the dark side of things, which does surely exist under the best of conditions; but I refer to it not in a spirit of carping criticism but as a fellow-worker with you. I shall therefore place before you my feeling as a fellow-workerwho like yourselves feels much in the matter. It is this, that most of our time, our energy, and our attention has been devoted mainly to details. Of course, they are important details of the problems with which you have come face to face in the discharge of your duties in the village, in the unions, in the banks and everywhere in the field of co-operation. But I feel that some little more time could have been devoted to the main questions of policy, to the nobler aim, which you and other co-operators have in this country.

I mean the alleviation of the manifold evils to which our agriculturist is a victim, the task of raising his standard of living, which at present stands nowhere in comparison to that of agriculturists in other countries. It has been my lot to travel abroad to some extent, and my experience is that the best upper classes of this country, not to speak of the middle classes, do not come up to the standard whch the lower classes have reached in the Western countries. I do not say that there are no slums in London. Labourers in the Western countries are not much better off than they are here. My idea is that the agricultural classes in this country have nothing of the conditions of life that the same classes in other countries enjoy.

My emphasis on agriculture and agriculturists is due to the fact that I come from an agricultural family. Our family has been agricultural for generations and it is only quite recently that we have taken to professionalism. We are not ashamed of being members of that great class of agriculturists, that we have lived with them, moved with them, and hope to die with them, for it is that great class that pays almost the entire revenue of the Province. The agricultural revenue is one-fourth of the entire revenue but the other taxes also are largely borne by that class.

I ask, is it just that that class should be left to its own devices, left to chance or to something else, or whether Co-operation has not within it the power, the will, the energy and the means to save them from their downtrodden condition? They have endured privation for generations, borne any taxation that is imposed, and yet subsist on a standard of living which would be considered an impossibility in other countries. He would be a base ingrate indeed who would shrink from sacrifice in the attempt to lift them up. It is the duty of the patriot much more of the co-operator, to place his all in their service.

Co-operation has done much, I admit, yet, the improvement in the position of the agriculturist has been very little and if he is not so grateful to co-operators as may be expected to be, it is not altogether his fault. There are means, there are ways of helping him. What is required is the will on the part of our leaders and pioneers. May I not hope that some among this great assembly and others outside who are as good co-operators, will rise up, who can be called Raiffeisons of this land, engaging in the midst of their avocations in the task of uplifting the ryot from the position in which he is now.

It is for this reason that I think that of the many resolutions you have adopted this day, the one on Land Mortgage Banks is the most important. I am aware that the resolution is asking, with the best of intentions, for a scheme, which was practically dropped by the Government, for you believe that by reconsidering it something better might be done than has already been done.

With all my desire that this scheme should be adopted I feel a little difficulty would be experienced in getting Government to reconsider it with any good resulting from it.

Yet I do not despair; for despair is not in my nature. I look with confidence for a bright future not only for our Presidency but for the country in general. But the task is still before us. It may not be finished before we meet next year. But still in our societies, in our unions, our banks, we can further the task a little every day. Remember that the main object of the Movement as stated in the Act is the economic uplift of our countrymen. That is the task before us. Let us all unite our energies to help in the fulfilment of this task, and the day is not far off when we can say that the standard of living of our agriculturists in this country is as good as that in any other.

Then referring to his election as the president of the P.C.U. he said; "I may not have the necessary time or talent to give to the work.

Still the will will not be wanting on my part to devote everything I have, small as that may be, to the duties I have been called to, so that next year when we meet I may be able to give you some account of my work."

Mr. A Sivarama Menon on behalf of the Reception Committee proposed a vote of thanks to the president. He refered to the difficulty in getting Sir K V Reddi Naidu to preside over the Conference, and said that they were amply compensated for it by the encouraging way in which he presided over the function and the spirit-instilling address he delivered. He concluded by referring to the spirit of co-operation between the Department and the non-official gathering which he said was a happy augury of the bright future before the co-operative world.

Mr. Thathachari on behalf of the delegates thanked the Reception Committee of the Conference for the excellent arrangements made for the conveniences of the delegates. They had felt more at home than even in their own homes. He also congratulated them on their choice of chairman for the Conference, in whom, he humorously said, he found the great defect of not being irritable, in spite of the speaker's utmost efforts. He concluded by referring to the activities of Mr. Vedachala Iyer, and thanked the Registrar for his presence.

Mr. Ananthanarayana Iyer conveyed the best thanks of the Reception Committee to the delegates for assembling in such large numbers on the occasion; to the college authorities for extending to them the usual kindness of placing at their service the premises; many volunteers especially the boy scouts who attended to the comforts and conveniences of the delegates and visitors; to the Agricultural Department for making the Exhibition so much a success and for the magic lantern show; to the Co-operative Printing Works for the great help they had rendered in getting all the printing done in time; and to the Registrar and his personal staff for their presence and the silent manner in which they had helped the proceedings towards a successful issue.

The Conference thereupon dissolved at 6 p m.

There was a Co-operators' Dinner at 7-30 p m.

LIST OF DELEGATES.

District Banks.

1 E V Gopalaswami Iyer, Trichy District Urban Bank
2 Srinivasaraghavachariar, Madura Ramned Central Bank
3 J Krishnamoorthy Rao, Cuddappah District Bank
4 A Nagaraja Iyer, South Arcot District Banking Union.
5 V K Menon, Malabar District Bank
6 J Gunarathnam Pillai, Tinnevelly District Bank
7 J Kutumba Sastri, Ellore Central bank
8 A Narayana Rao, Nellore District Bank
9 A Aiyaswami Pillai, Trichy Central Co-operative. Bank
10 M Venkoba Sastri, Hospet Central Co-operative Bank
11 R Venkoba Rao do.
12 K Rangaswami, Conjeevaram Central Bank
13 T N Krishnaswami Reddiar, Chittoor District. Bank
14 N Krishnamachariar, Vellore Central Bank.
15 B Hanumantha Rao, ... Dt. Banking Union ... Guntur

Local Unions and District Federations.

16 S N Gopal Iyer, Gobichettipalayam Co-operative Union
17 V Subramaniya Iyer do.
18 T S Venkatarama Iyer, Avanashi Co-operative Union
19 V Rangaswami Thathachar, Kulithalai Co-operative Union
20 P V Vellandi Ambalam, Melur Co-operative Union
21 G Vijendra Rao, ... Co-operative Union ... Rasipuram
22 P S Cumaraswami Raja ... " ... Rajapalayam
23 V K Ramaswami Iyer, ... " ... Vilathikulam
24 R Venkatesa Iyengar, ... " ... Dharmapuri
25 V Mukunda Iyengar ... " ... "
26 R Subbarama Iyer, ... " ... Thadavur
27 S Paramananda Servai ... " ... Nilakottai
28 A Venkateswara Iyer ... " ... "
29 R A Swaminatha Mudaliar ... " ... Cuddalore
30 K P A Balasubramania Chettiyar ... " ... Bhavani
31 Ramaswami Iyer ... " ... Manapparai
32 M S Savarimuthu ... " ... Malayadi Patti
33 S K Kuppanna Thevar ... " ... Sulur
34 S T Venkatachala Iyengar ... " ... "
35 S R Nanjundiya ... " ... "
36 C S Rangaswami ... " ... Villupuram
37 R Thiruvenkadachariar ... " ... "
38 The President, ... " ... Orathanadu South North
39 G Velu Pillai ... " ... "
40 C Samundi Gownder, ... " ... Natrampalli

41	S V Chandramouliswaraier	,,	Namakkal
42	T S Ramaswami Iyer	,,	Asakalathur
43	Venkatachalapillai	,,	Sankarapuram
44	N V Subramaniya Sastri	,,	Ramnad
45	K Srinivasa Rao	,,	Valavalur
46	T V S S Prakasa Rao	,,	Narasapur
47	A Narasimha Reddiar	,,	Kauveripauk
48	Rao Sahib M S Seshachala Iyer,	,,	Tiruvannamalai
49	T C Krishnaswami Iyer	,,	Tholasampatti
50	N Kuppuswami Iyer	,,	Salem
51	M K Pattabhirama Iyer	,,	Naikarapatti
52	L Ramachandra Rao	,,	Lepakshi
53	P Venkata Rao	,,	Tanakal
54	S Annathurai Iyer	,,	Kulithalai
55	T P Velukutti Menon	,,	Malabar
56	R Dharmaraja Iyer	,,	Jayankondan
57	C Venkatakrishna Rao Naidu	,,	Kurnool
58	A Krishnaswami Iyer	,,	Manimangalam
59	M Natesa Iyer	,,	Salabanken
60	A R Muthuswami Reddiyar	,,	Arkonam
61	Sabapathi Mudaliar	,,	Nelvoy
62	Ramanuja Thathachariar,	Co-operative Union	Vellore
63	T T Sundaresa Kurukkal	,,	Cheyyar
64	N S Santhanagopalkrishna Iyer	,,	Erode
65	P V Narayanaswami Iyer	,,	Tirumangalam
66	V Srinivasa Iyer	,,	Tiruvalur
67	N Anantha Iyengar	,,	Mangalam
68	S Chokkalinga Thevar	,,	,,
69	W Markandeya Chettiyar	,,	Wandewash
70	The Secretary	,,	Agaram
71	,,	,,	Koilkunta
72	,,	,,	Periakulam
73	P S Nageswara Iyer	,,	Kalavai
74	S Narayanaswami Naidu	,,	Mellattur
75	P V Kamakshi Naidu	,,	Pattukottai
76	Bhimavenkatasubbiah	,,	Indukurpet
77	K Lakshminarayana Garu	,,	Tenali
78	M Gopalakrishniah	,,	Repalle
79	B Ananda Rao	,,	Puthur
80	K Chikkappa	,,	Kalyandrug
81	K V Narasappa	,,	Kambadur
82	BRamdas Naidu Garu	,,	Uravankonda
83	T M Gnanaprakasa Gownder	,,	Coimbatore
84	T C Krishnaswami Iyer	,,	Tolasampatti
85	S Vijayappa Reddiar	,,	Vilathikulam
86	V Narasingha Rao	,,	Perundurai
87	E T Srinivasa Mudaliar	,,	,,
88	N Ramaswami Reddiar	,,	Ottapidaram
89	N R Duraiswami Iyer	,,	Melmalai
90	S Santhanam	,,	Rajapalayam
91	A Venkatarama Iyer	,,	Omalur
92	S Thirumalai Iyengar	,,	Srivilliputhur
93	S Bhoovarahamoorthi Achar	,,	Athur
94	G Seshadri Iyengar	,,	Tirukkannapuram
95	O M Venkatanatha Iyengar	,,	Uttiramerur
96	B Konda Reddi	,,	Gurukonda
97	S V Naga Iyer	,,	Uttiramerur
98	G Venkatarangachariar	,,	Thirutharapoondi
99	T J Mahomed Ismail	,,	Tindivanam
100	T S Krishna Rao	,,	Ulundurpet
101	T B Rathnachalam Iyer	,,	Mannargudi
102	T S Raju Iyer	,,	Lalgudi
103	T Prasannaraghavachariar	,,	Walajabad
104	S D Krishna Iyengar	,,	Othakadai
105	R Venkatarama Naidu	,,	Tiruthangal
106	C Ranga Rao	,,	Penukonda
107	M K Chakravarthi Iyengar	,,	Mukandagiri
108	K Venugopal Naidu	District Federation	Chingleput
109	R Sama Rao	Co-operative Union	Panruti
110	A Rajagopala Sarma	,,	Devikapuram
111	P Sama Iyer	,,	Polur
112	G Srirambabu Naidu	Madras Pudupet Union.	
113	N Panchapakesa Iyer	Co-operative Union	Tirukatupalli
114	K R Sethuratnam Iyer	,,	Kulithalai
115	C Sambasiva Chettiyar	,,	Conjeevaram
116	A Veerabhadra Pillai	,,	Ottapidaram
117	M Appavoo Mudaliar	,,	Pattukottai
118	H Sankara Iyer	,,	Agaram
119	P Rajagopal	,,	Sriperumbudur
120	P V Narayanaswami	,,	Tirumangalam
121	M C Palaniyandi	,,	Sankaranainar koil
122	P S Venkarama Iyer	,,	Pattukottai
123	M Sankarapandiya Mudaliar	,,	Koilpatti
124	O Viswanatha Rao	,,	Nellore
125	L Dharmaraja Iyer	,,	Periyakulam
126	H Venkateswara Rao	,,	Alur
127	H Sankar Rao	,,	Dharmavaram

128	T Rama Reddi	"	Voyalpad
129	S Ponnuswami Chetty	"	Palmaneri
130	M Rama Sastri	"	Madakasira

Primary Societies.

131	S V Ramaswami Iyer,	Co-operative Society	Ukkiram
132	D Krishnaswami Iyer	"	Kulitalai
133	Chakkarayappa Pillai	"	Thathaneri
134	C V Balswami Naidu	"	Manapparai
135	S A K M Arunachala Chettiar.	"	Villupuram
136	R Kalahasti Iyer	"	Ramnad
137	C S Srinivasa Mudaliar	"	Shiyali
138	P S Subbaraju	"	Pudupalayam
139	S Annadurai Iyer	"	Nangavaram
140	The President	"	Kannampalayam
141	The Secretary	"	"
142	K V Vijaya Raghava Iyer	"	Pottivaram
143	P Venkatarama Iyer	"	Pattivadi
144	M Venkatarama Iyer	"	Pakalai
145	Thomas Jothinayakam Pillai	"	Palamcottah
146	Ovu Reddiar	"	Vanaramutti
147	Thirumalai Kondu Reddiar	"	Kalangarapatti
148	Muthuswami Chettiar	"	Tandarai
149	Angamuthu Udayar	"	Irukkali
150	T S Somasundara Mudaliar	"	Thirumeyechur
151	M Ramasawmi Mudaliar	"	Chingleput
152	E R Krishna Iyer		Mamandur
153	Varadarajulu Naidu	"	Elathur
154	Maruthi Subba Iyer	"	Kannanthangal
155	Subbaraja Mudaliar	"	Chettipalayam
156	N Sitharama Chettiar	"	Narasingapuram
157	S Janakirama Iyer	"	Salem
158	S V Srinivasa Iyengar	"	Agaram
159	V Sundaresa Iyer	"	Alapakkam
160	Muthusawmi Thevar	"	Nannilam
161	The Secretary	"	Rajapalayam
152	"	"	Koilkunta
163	"	"	"
164	"	"	"
165	Sama Subramaniya Iyer	"	Kompanalla
166	The Secretary	"	Membakkam
167	A Natesa Iyer	"	Karalapakkam
168	S Kasinatha Iyer	"	Alakkudi
169	M Ananta Rao	"	Melattur
170	S Srinivasa Iyengar	"	Puthur
		"	Melayalambodi

171	A Ramaswami Naidu	"	Pattukottai
172	L Venkatachalam	"	Atamakur
173	N Subramaniya Iyer	"	Coimbatore
174	M Arumuga Chettiyar	"	Muttalapuram
175	K Marudachalam Pillai	"	Kurichi
176	M Aiyyappa Naidu	"	Alamarathupatti
177	S Ramaswami Naidu	"	Kanara
178	K Subramania Mudaliar	"	Perunthurai
179	Venkata Rao	"	Kadirampatti
180	Chennimalai Gownder	"	"
181	T R Muthumanikka Mudaliar	"	Idupputti
182	R Narayanaswami Naidu	"	Ottapidaram
183	V Guruswami Sastri	"	Tirukattupalli
184	C Ranganatha Iyengar	"	Gooty
185	M Kalyanachidambara Mdr.	"	Chokkanathampatti.
186	A D Pattabhirama Rao	"	Athur
187	T A Sundaram Naidu	"	Tiruvanallur
188	T S Emmayappa Naidu	"	Nimily
189	M Pappiya Naidu	"	Valarpuram
190	G Lurthu Naidu	"	Pinchuvalakam
191	K Perumal Naidu	"	Selavattam
192	Chellappa Gownder	"	Koundarpalayam
193	Karichi Gownder	"	Siruvalur
194	Subramaniya Pillai	"	Eral
195	J Appayya	"	Metlur
196	K R Rajagopala Iyer	"	Kamalapur
197	R Venkataswami Naidu	"	Sukravarapatti
198	Kuppalangiri Gownder	"	Amathur
199	N K Nalla Gownder	"	Periyanagakowndambodi
200	Kolandavelu Udayar	"	Mudiyanur
201	K Venkatarama Iyer	"	Melkumaramangalam
202	C Venkataramana Iyer	"	Kallakaramapalayam
203	S Lingayya Naidu	"	Edayanachattu
204	K Murugesa Gownder	"	Palavanchattu

Trading Unions and Stores.

205	Dorairaghavachari	Co-operative Store	Pudupalayam
206	V Jayarama Iyer	"	Villupuram
207	Narasinga Rao	Trading Union,	Perundurai
208	E T Srinivasa Mudaliar	"	"

Urban Banks.

209	Rao Bahadur T Varadarajulu Naidu,	Co-operative Bank	Pudupe

210	S Chelvoraj	„	„
211	P Rajagopalal Naidu Urban	„	Pattukottai
212	P K Venugopal Naidu	„	„
213	K S Subramaniya Iyer	„	Villupuram
214	N S Narasinga Rao	„	Namakkal
215	C S Narayanaswami Iyer	„	Tiruppur
216	P Ramamurthi Garu	„	Tenali
217	M K Pottabhiram	„	Tiruchengode
218	B S Srinivasagopala Iyengar	„	Tiruvannamalai
219	L G Sastri	„	Hindupur
220	P Krishnaswami Sastri	„	Madura
221	V Krishnaswami Iyer	„	Chittoor
222	A Subramaniya Iyer	„	„
223	M Swami Iyer	„	Cuddappah
224	S M Varadarajulu Naidu	„	Big Conjeevaram
225	The Secretary	Town Bank	Cuddappah
226	K Seshachalam	„	Pungam
227	P Rajagopal Naidu	Urban Bank	Pattukottai
228	K S Madhava Rao	Town Bank	Coimbatore
229	D V S Prakasa Rao	Co-operative Bank	Cocanada
230	K Lakshmi Narasu	Town Bank	Nandalur
231	C S Narayanaswami	Urban Bank	Tiruppur
232	T V Kuppuswami Iyer	„	Tindivanam
233	P Ramamurthi	„	Tenali
234	S V Narasimhaloo	„	Kurnool
235	K Rangswami	„	Little Conjeevaram
236	G Viswanatha Iyer	„	Dindigul
237	P Narayana Reddiyar	„	Penuconda

Building Societies.

238	T S Thiruvenkatachari	Building Society,	Salem
239	P Chinnaswami Iyer	„	Nallampettai
240	E Jagannathan	„	Tenali

Provincial Societies.

241	A Sivarama Menon	C C P Works,	Chintadripet
242	P V Subramaniya Iyer	T U C S.	Triplicane
243	T K Hanumantha Rao	„	„
244	S Venkatarama Iyer	„	„
245	Ghulam Ahmed	„	„
246	P Ramaswami Iyer	„	Chingleput
247	K V Krishnaswami Iyer	„	Kovilur
248	T S Rajagopala Iyer	T. U. C. S.	Triplicane

Employees' Societies

249	V Kulasekara Mudaliar	Govt. Railway Police Co-op. Society	Madras

250	M S Sabhesa Iyer	Teachers' Guild Co-op Society	Madras
251	T Ramanujachari	do	
252	C K Vedantadesikachari	Civil Accounts Staff Co-operative Society, Madras	
253	R Sasta Iyer	Corporation Officials Co-operative Society, Madras	
254	L S Natesa Iyer,	Lalgudi Traders and Wage earners' C. S.	
255	M Desikachariar	Chingleput	
256	Ramaswami Iyengar	Villupuram	
257	S Chakravarthi Nainar,	Tiruvannamalai Teachers' Society	
258	C Subramani Iyya		Adayar

Other delagates

259	P V Kamakshi Naidu Garu		Pattukottai
260	K Raja Rao		Pakala
261	C D Tholasirama Mudaliar		Chittoor

LIST OF RECEPTION COMMITTEE MEMBERS.

1	M. G. Parthasarathy Mudaliar Esq.	H. A. R. of C. S. Vridhachalam
2	B. Hanumantha Rao Esq.	Secretary, Guntur Dt. Banking Union
3	A. Sethurama Iyer Esq.	H. A. R. of C.S. Nidamangalam
4	T. Nataraja Pillai Esq.	H. A. R. of C.S, Lalgudi
5	A. Nagaraja Iyer Esq.	Villupuram
6	C. S. Rangaswami Iyengar Esq.	Villupuram
7	P. Manickam Chettyar Esq.	H. A. R. of C.S, Tathampatti Palur
8	G. Sri Ram Babu Naidu Esq.	H. A. R. of C.S, Vepery, Madras
9	T. V. L. Narasimhachari Esq.	H. A. R. of C.S, Masulipatam
10	N. Panchapakesa Iyer Esq.	H. A. R. of C.S, Tirukattupally
11	H. C. Herman Esq.	Y. M. C. A., Esplanade Madras
12	S. S. Sankaramudaliyar Esq.	Secretary, City Co-operative Bank, Madras.
13	M. R. Setu Ratnam Esq.	Secretary, Knlitalai Co-operative Union
14	C. Sambasiva Chettyar Esq.	H. A. R. of C.S, Conjeeveram
15	P. Krishnaswami Sasttigal Esq.	Madura Urban Co-operative Credit Society
16	M. Shiva Rao Esq.	Puthur, S. Kanara District
17	Khan Sahib Mahamad Abdur Rahiman Sahib Bahadur	H A R. of C.S. Ellore
18	A. Veera Bhadra Pillai Esq.	Ottaipidaram C. U.

19	P. A. Subramaneyam Esq.	H. A. R. of C. S., Tirupathur, Ramnad
20	C. . Sreenivasa Mudaliar Esq.	Shiyali Co-op. Union
21	P. K. Anantanarayana Iyengar Esq.	Pannimadai Co-operative Society
22	M. A. Andamuthu Gounder Esq.	H. A. R. of C. S. Appichimarmadam
23	R. Krishna Aiyar Esq.	Madura City Co-op. Stores
24	T. Sreenivasa Mudaliyar Esq.	Secretary, Erode Urban Bank
25	M. Appavu Mudaliyar Esq.	Pattukottai Co-op. Union
26	T. V. Seshagiri Aiyar Esq.	Kilpauk, Madras.
27	S. Anantanarayana Iyer Esq.	Mambalam
28	C. Seshagiri Rao Pantulu Esq.,	H. A. R. of C. S Kotipalli
29	V. Krishna Menon Esq.,	Secretary, Malabar District Bank
30	The Secretary	Kurnool District Central Bank
31	S. K. Yegnanarayana Aiyar Esq.	Madras
32	C. S. Sreenivasachari Esq.,	Madras
33	P. K. Subba Aiyar Esq.	Government Servants Building Society, Royapettah
34	K. Deivasikamani Mudaliyar Esq.	P. A. to the R. of C. S.
35	K. G. Sivaswami Esq.	Member, S. I. S., Madras
36	R. Suryanarayana Rao Esq.	Member, S. I. S., Madras
37	President	Kambiliyampatty Co-op. Union.
38	Vaidyalingam Pillai Esq.	H. A. R. of C. S., Jayankondacholapuram
39	H. Sankara Aiyar Esq.	Agaram Co operative Union
40	S. Venugopala Naidu Esq.	Pattukottai Urban Bank
41	M. Kulandavelu Mudaliyar Esq.	Madras
42	Prof. K. B. Ramanathan	Madras
43	V. Venkateswara Sastrulu Esq.	Madras
44	Secretary	Tiruppur Co-operative Union
45	V. Ramanathan Esq.	Nanjai Pugalur C. S.
46	T. K. Hanumantha Rao Esq.	Madras
47	P. Rajagopal Esq.	Sri Perumbudur Co-op. Union
48	P. V. Narayanaswami Iyer Esq.	Tirumangalam Co-op. Union
49	M. Lakshmikantham Iyer Esq.	Tirupathur Town Bank, N. A. Dt
50	M. C. Palaniandi Esq.	Sankaranainarkoil Co-op. Union
51	S. Krishnaswami Naidu Esq.	Hon. Treasurer, Posts and Telegraph C. S.
52	P S. Venkatarama Iyer Esq.	Pattukottai Labour Union
53	T. S. Venkatarama Iyer Esq.	Coimbatore District Urban Bank
54	Rao Bahadur K. Krishnamachari Esq.	Madras
55	Rao Bahadur A. Vedachala Iyer Esq.	Madras
56	Rao Sahib M. S. Seshachala Aiyar	Tiruvannamalai
57	L. Gangadhara Sastry Esq.	Hindupur

58	P. Venkata Rao Esq.	
59	L. Dharmaraja Iyer Esq.	H. A. R. of C. S. Periyakulam C.U.
60	O. Viswanatha Rao Esq.	S. P. C. Union, Nellore
61	N. Bhimasena Rao Esq.	H. A. R. of C. S. Brahmanapalli.
62	V. Jayarama Iyer Esq.	Villupuram
63	H. Venkateswara Rao Esq.	Attur Co-operative Union
64	H. Siva Rao Esq.	Anantapur
65	H. Sankara Rao Esq.	Dharmavaram
66	K. Vadamalai Konar Esq.	Trichy
67	Rao Sahib T. Sreenivasa Rao Esq.	Chittoor
68	K. N. Raghavachariar Esq.	Nellore District Bank
69	R. G. Nallakuttalam Pillai Esq.	H. A. R. of C. S., Srivilliputur
70	P. G. Krishna Iyer Esq.	Chintadripet, Madras
71	M. Sankara Pandia Reddiyar Esq.	Koilpatty Co-operative Union

LIST OF DONATIONS RECEIVED.

S. No.	NAME.	Amount Rs.	A.
1	The Triplicane Urban Co-operative Society	50	0
2	The Coimbatore District Urban Bank	25	0
3	The Nellore District Banking Union	20	0
4	The Malabar District Co-operative Bank	20	0
5	The Trichy District Urban Bank	15	0
6	The Madura-Ramnad Central Co operative Bank	15	0
7	The Srivilliputur Co-operative Banking Union	15	0
8	The Salem District Urban Bank	10	0
9	The Hospet Central Co-operative Bank	10	0
10	The Salem Urban Co-operative Society	10	0
11	The South Kanara Central Co-operative Bank	10	0
12	The Ellore Central Co-operative Banking Union	10	0
13	The Cuddapah District Co-operative Bank	10	0
14	The Madura Urban Co-operative Credit Society	10	0
15	The Salem Co-operative Union	10	0
16	The Trichinopoly Co-operative Credit Bank	9	0
17	The Nicholson Town Bank, Tanjore	5	0
18	The Periyakulam Urban Bank, Madura	5	0
19	The Puttur Agricultural Co-operative Wholesale Society, S. Canara	5	0
20	The Godaveri District Co-operative Banking Union, Cocoanada	5	0
21	The Dharmapuri Town Bank, Salem Dt.	5	0
22	The Little Conjeevaram Urban Bank, Chingleput Dt.	5	0
23	The Jayankondacholapuram South Co-operative Union, Trichy Dt.	5	0
24	The Jayankondacholapuram North Co operative Union, Trichy Dt.	5	0
25	The Uttamapalayam Co-operative Union, Madura Dt.	5	0

26	The Tirupattur Bhairavaswamy Co-operative Stores, Ramnad ...	5	0
27	The Tirupattur Co-operative Union, Ramnad Dt. ...	5	0
28	The Palamkottah Co-operative Society, Tinnevelly Dt. ...	5	0
29	The Dindigul North Urban Bank, Madura Dt.	5	0
30	The Vizianagaram Co-operative Bank, Vizagapatam Dt. ...	5	0
31	The Cuddapah Town Bank	5	0
32	The Namakkal Urban Bank. Salem Dt.	5	0
33	The Asakalathur Co-operative Union, S. Arcot Dt ...	5	0
34	The Kurnool Co-operative Credit Bank	5	0
35	The Tirupathur Town Bank, N. Arcot Dt.	5	0
36	The Gobichettypalayam Urban Bank, Coimbatore Dt. ...	5	0
37	The Coimbatore Co-operative Building Society	5	0
38	The Tenali Urban Bank, Guntur Dt.	5	0
39	The Tiruvannamalai Urban Bank, N, Arcot Dt.	5	0
40	The Tolasampatty Co-operative Union, Salem Dt. ...	5	0
41	The Tinnevelly District Co-operative Banking Union ...	5	0
42	The Periyakulam Co-operative Union, Madura Dt. ...	5	0
43	The Government Telegraph Employees' Co-operative Society, Madras	5	0
44	The Tirupathur Urban Bank, Ramnad Dt.	5	0
45	The Vridhachalam Co-operative Co-operative Society, S. Arcot Dt.	3	0
46	The Paramakudi Co-operative Society, Ramnad Dt. ...	3	0
47	The Ambasamudram Co-operative Union, Tinnevelly Dt. ...	3	0
48	The Cannanore Urban Co-operative Society	3	0
49	The Namakkal Co-operative Union, Salem Dt.	3	0
50	The Coimbatore Co-operative Stores	3	0
51	The Tathampatti Palur Co-operative Union	3	0
52	The Vilathikulam Co-operative Union, Tinnevelly Dt. ...	1	0
53	The Pudupet Co-operative Bank, Madras	1	0
54	The Valasaiyur Co-operative Society, Salem Dt.	1	0
55	The Tiruchengodu Rural Credit Society, Salem Dt. ...	1	0
56	The Tiruchengodu Urban Bank, Salem Dt.	1	0
57	The Veerapandy Co-operative Society, Salem Dt.	1	0

AN ANALYSIS OF THE RESOLUTIONS ACCORDING TO THE SUB-COMMITTEES.

Sub-Committee resolution.		Open Conference resolution No.
No. 1 Rural Unlimited Credit Societies.		
Resolution No.	1	10
do	2	11
do	3	12
do	4	13

No. 1 *Continued.*		
Resolution No.	1	54
do	2	55
do	3	56
do	4	57
do	5	58
do	6	59
No. 2 Local Unions.		
Resolution No.	1	14
do	2	15
do	3	16
do	4	17
do	5	18
No. 3 District Federations and Provincial Union.		
Resolution No.	1	23
do	2	24
No. 4 Urban Banks.		
Resolution No.	1	25
do	2	26
do	3	27
No. 5 Central Banks.		
Resolution No.	1	28
do	2	29
do	3	19
No. 6 Audi-Dravida Societies.		
Resolution No.	1	30
do	2	31
do	3	32
No. 7 Employees' Societies.		
Resolution No.	1	4
do	2	5
do	3	6
do	4	7
No. 8 Non-credit Societies.		
Resolution No.	1	33
do	2	34
do	3	35
do	4	36
do	5	37
do	6	38

do	7	... ...	39
do	8	... ...	40
do	9	... ...	41
do	10	... ...	42
do	11	... ...	43

No. 9 Stores and Housing Societies.

Resolution No.	1	... ...	1
do	2	... ...	2
do	3	... ...	3
do	4	... ...	8
do	5	... ...	9

No. 10 Policy and Control of the Movement.

Resolution No.	1	... ...	20
do	2	... ...	44

No. 10 *Continued.*

Resolution No.	1	... ...	45
do	2	... ...	46

No. 11 Miscellaneous.

Resolution No.	1	... ...	47
do	2	... ...	48
do	3	... ...	49
do	4	... ...	50
do	5	... ...	51
do	6	... ...	52
do	7	... ...	53

Statement of Actual Receipts and Charges for the XIII Madras Provincial Co-operative Conference up to 27—1—25.

	Receipts.	Amounts.				Charges.	Amount.		
1	Donation	421	0	0	1	Establishment Charges	104	1	0
2	Reception Committee Fees	355	0	0	2	Postage & Telegram Charges	109	11	0
3	Delegation Fees	480	0	0	3	Contingencies	44	4	9
4	Boarding Charges and Special Lunch Sale	226	2	0	4	Stationery	14	13	0
					5	Translation and Proof Correction	80	12	0
5	Exhibition Rent	4	2	0	6	Printing Charges	354	12	0
6	Advance Received from P. C. U.				7	Charts	45	0	0
		149	12	6	8	Boarding Charges	588	7	0
					9	Travelling Allowances for workers....	111	15	6
		1636	0	6	10	Rent for the Wesley College Hall and Upstairs	75	0	0
					11	Hire of Furniture—Chairs	20	9	0
					12	Paper for Printing	69	6	6
					13	Lighting Charges	17	4	9
7	Deficit	962	13	6	14	*Advance to be returned to P. C U....*	149	12	6
					15	*Printing Bills to be paid*	267	11	0
					16	*Printing Conference Report English and Tamil*	395	6	0
					17	*Conference Committee expenses (to be spent during the year)*	150	0	0
	Total	2598	14	0		Total	2,598	14	0

CO-OPERATORS ! CO-OPERATE ! !

The Provincial Co-operative Union is the apex non-official organisation connected with the Co-operative Movement in this province. It can function steadily and systematically throughout the year only if the constituent unions and other bodies work steadily through the year, and supply the P. C. U. with the necessary "sinews of war" and materials for work.

Many that come for the Conference would think of the P. C. U. only at the time of the next Conference in December 1925. It should not be. Real work is to be done by every individual Co-operator from day to day in his own society or stores. It is a dull and prosaic work quite unlike the brilliant display of Conferences with their three days of intense activity (mostly speech-making !) and social hilarity. But we have a right to enjoy that festival only if we have worked for it and that work has to be done faultlessly and fearlessly.

We have no space in this number to deal with the weighty topics discussed in the various District Conferences that were held in the last 3 months; but we must mention the note of warning that was sounded in almost all of them about overdues. We, the non-official co-operators, have no right to talk so big as we at times are prone to do unless we acquit ourselves very much better. That is what the P. C. U. expects every union to do. "*There shall be no overdues.*" Let us take a vow to that effect and like the good folk that we are, let us fulfil the vow before God and Man.

THE PROCEEDINGS OF THE GENERAL BODY MEETING

held on 23-12-24 at 8 a. m.

1. The Annual Report for the year 1923-24 was read and adopted unanimously.

2. The President nominated Mr. T. R. Sreenivasa Iyengar as the Convener of the Central Bank Representatives for the purpose of electing 5 members from among themselves. The following were elected to the Advisory Body.

Messrs. 1. T. Adinarayana Chettiyar, (Salem)
2. T. R. Sreenivasa Iyengar, (Tanjore)
3. G. Sreenivasa Raghavachariar, (Madura)
4. A. Nagaraja Iyer, (S. Arcot)
5. U. Mangesa Rao (S. Canara)

3. The Local Union Representatives meeting was convened by Mr. M. Narayanaswami Iyer and the following gentlemen were elected.

Messrs. 1. O. M. Venkatanatha Iyegar, Uttiramerur,
2. P. K. Ananthanarayana Iyengar, Pannimadai,
3. P. V. Narayanaswami Iyer, Tirumangalam,
4. Srirambabu Naidu, 1/68, Thana St., Vepery,
5. M. S. Seshachala Iyer, Tiruvannamalai,
6. Subramaniya Sastri, Ramnad,
7. V. Jayarama Iyer, Villipuram,
8. G. Venugopal Naidu, Pattukottai,
9. L. Gangadhara Sastri, Hindupur,
10. A. Narayana Rao, Nellore,
11. T. Veerbhadra Pillai, Ottapidaram,
12. T. C. Krishnaswami Iyer, Tholasampatti.

The Advisory Body met and invited the following gentlemen to serve as honorary members of the P. C. U:

Sir K. V. Reddi Naidu, Kilpauk,
Mr. V. Ramdoss, Kutchery Road, Mylapore,
Dr. Swaminathan, Armenian St.,
Dr. C. Natesa Mudaliar, Triplicane,
Mr. T. Varadrajulu Naidu, Harris Road,
Mr. S. Muthiah Mudaliar, M. L. C.,
Mr. T. Srinivasa Rao, Graemspet, Chittoor,
Mr. S. Subbarama Iyer, Christian College,
Mr. V. Venkatachariar, President, Dt. Bank, Chingleput,
Mr. T. R. Srinivasa Iyengar, Tanjore.

Mr. A. Vedachala Iyer, proposed that Sir K. V. Reddi Naidu be elected the president of the P. C. U. for the year. The proposition was unanimously accepted.

The following resolutions were passed :

1. Resolved that the General Body do place on record its thankfulness to Rao Bahadur A. Vedachala Iyer for having presided over the P. C. U. during the last three years.

2. that Mr. A Sivarama Menon be elected the Vice-President of the Provincial Co-operative Union.

3. that Messrs. G. Srirambabu Naidu, T. Srinivasa Rao, S. K. Yegnanarayana Iyer, M. S. Seshachala Iyer and K. G. Sivaswami be elected as Secretaries.

4. that Mr. G. Srirambabu Naidu be the voting secretry.

5. that Rao Bahadur A. Vedachala Iyer, Mr. A. Sivarama Menon and Mr. T. Audinarayana Chettiyar be the members of the Governing Body

6. The following amendments to the By-laws of the P. C. U. were passed.

By-law No. IV. Insert between "Trading Unions" and "may" the following: "and (4) primary non-agricnltural societies which have a working capital of Rs. 20,000 or above."

By-law No. VI. (1) (*d*) For the words "a rural primary society," insert "an unlimited liability primary society." For "a Town Bank" insert "limited liability society."

Add as (*e*) Every primary non-agricultural society whose working capital is above Rs. 20,000 shall pay a contribution as per scale given below :

Working Capttal.	Annual contribution
Rs. 20,000 to 50,000	Rs. 3
,, 50,001 to 1,00,000	„ 5
„ 1,00,001 and over	„ 5 on every

lakh of its working capital or a fraction thereof subject to a maximum of Rs. 25."

By-law No. XIX. Delete "and" in the last line and add at the end "and two members by non-agricultural primary societies."

By-law No. XIX. (A) For the word "a secretary" insert "secretaries." For "three members selected by the Advisory Body" insert "four members selected by the Advisory Body." Add the words "the Vice-President" after "president."

By-law No. XXIV. In the second line insert "governing body" for "Managing Committee."

A. VEDACHALAM,
President.