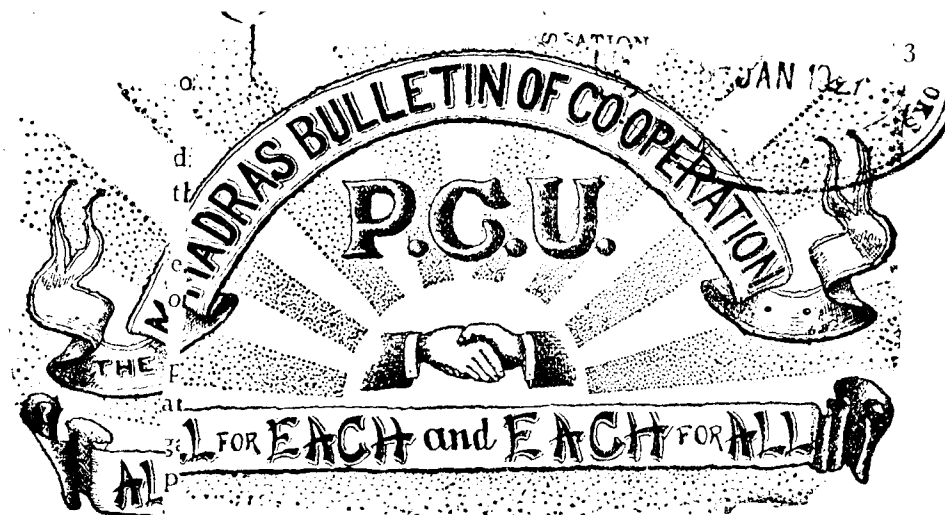




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VILLAGE RE-ORGANISATION

ADDRESS BY G. S. DUTT, ESQ., I. C. S. AT THE MECCANO CLUB, CALCUTTA.

Village has aptly been described as the cradle of the race. On the vitality of the villages and the welfare of the villagers depends the prosperity of the nation. While this is true of every nation, it is of specially vital importance to our own country. No less than 92 per cent. of the population of Bengal live in her villages. These villages are to-day in a most deplorable state of decay and the obvious symptoms of this decay and degeneration are : ignorance, poverty, diseases and dissensions among the rural population. This decay and degeneration seriously endangers the welfare and progressive development of the nation. What then are the causes of this decay and degeneration of the nation?

what are the measures that are necessary to remedy N. ascertain both the causes as well as the remedies it understand the law of social growth and development. regard the question purely from the political standpoint from an economic standpoint while others from a sanitary an educational standpoint; but on a mature consideration that the real and complete explanation of the matter lies in directions but that it is essentially biological and sociological. You must understand the laws of growth and decay of the must understand the law of growth and development of the law of social life and social biology. Government action necessary. Economic remedies are also necessary, so are education and sanitation.

The Place of Village in our National System

What is important however is to realise that mere Government action applied from the top or educational or sanitary systems cannot solve the problem. The first thing to realise is that we have to deal with live social organism. The organism, a complex social organism composed of the aggregation of many smaller organisms or groups of organisms and the smallest unit in the social body—the smallest organism is the village organism. We must realise the idea of the village as an organism. We must realise the idea of the village as an organism having life or at least capable of having its life revived and we must remember that to obtain any really lasting result we must not merely apply palliatives from outside or from above but that we must strengthen the organism like human beings to build up its wealth, its health and general welfare with such assistance as the State or other agencies can render. The common idea of "saving" the villages by something external you can save the villages—whereas the truth is that you can only help the village organisms to live and thrive by if by doing able to do so you must have the organisms in existence and in efficient condition and able to utilise your assistance and respond to any side action. If the organism is not in existence it cannot respond to any stimulus or influence and thus all outside action will ultimately be in vain.

Now what is the criterion of an organism? It has a corporate life. It has a corporate consciousness. It has sense, it can realise a corporate existence. It has limbs by which it can take measures to ensure the welfare of the whole organism as well as of its component parts; it has a common understanding by which it can devise

and a common will by which it can enforce measures necessary for such welfare.

The Indian villages and the Bengal villages were at one time organisms in this sense. The old Indian village community was a compact and efficient organism, organised for common action in all matters of communal life. It no doubt had its defects as every human organism has its defects—for it was founded on a religious and caste basis and was therefore not quite suited to modern conditions. But while it lasted it served its purpose of ministering to the want of the village and of looking after its welfare.

This organism has completely disappeared. The causes of this complete disappearance are many and they are of a complex nature and it is not possible to deal with them within the scope of the present address. But the fact is that the village organism has ceased to exist. In our national system we have villages and villages but no village organism, no village community. The village organism has disintegrated into a multitude of disunited individuals, living, it is true, in mutual proximity but unconscious of their common interests and unconscious of the fact that for the welfare of the masses of human beings inhabiting the villages they should be organised into a unit and an organism, an organisation which could think and act for the common good of the whole unit. Instead of that organisation we have in actual fact what may be described as almost a state of perpetual war between the different individuals comprising a village, a state of mutual non-co-operation which is just as ruinous as active conflict. This being so, is it to be wondered at that the villages fall a victim to the natural enemies of humanity, viz., ignorance, poverty and disease—with which humanity has perpetually to contend in all ages and to safeguard against which human society is constituted? Not only are there these natural enemies of humanity but the old economic isolation, security and self-sufficiency of the village having disappeared the disorganised villagers in this country have now to face the highly organised opposition and competition of the entire industrial world. Organisation can only be met and countered by organisation.

We must organise the Village for Common Welfare.

You will see therefore that if we want to make the villages live again and the nation to survive against this two-fold struggle, viz.—one against ignorance, poverty and the other against the various industrial organisations we must recreate the village in organic form: in other words, we must re-organise the village. We must create in each village or group of villages an organisation which will meet together, discuss matters of common interest, devise means for ensuring the common welfare and take

action to enforce these measures with the help of the State and other bodies—a group in each village through which the State or other agencies of industrial or social welfare can operate on the whole body of villagers for their educational, social, economic and sanitary progress. We must create what are called “Neighbourhood groups” for the defence of common interests and the satisfaction of common needs of the rural population.

This organisation may be of three kinds *viz*:—

- (1) Units of administrative organisation created by the State and with definite legal sanction and necessary executive and coercive powers.
- (2) Purely voluntary associations.
- (3) Semi-voluntary organisations created under permissive laws which have certain legal powers as between their members.

Under the first class come the Union Boards and Union Committees and similar organisations of local self-government created under legislative sanction. Under the second class fall the ordinary “Palli Samities,” rural reconstruction societies leagues, while under the third class fall co-operative societies for credit, production, sale, distribution and promotion of public health. It is not possible within the short compass of this address to dwell on the respective values of these three kinds of rural organisation but I may say once for all that the simultaneous existence and activity of all these three kinds of organisations is essential for the complete and satisfactory organisation of the rural population.

There is a vast field for work for these rural organisations to perform. These spheres of work may be classified under the heads:—

- (1) Wealth.
- (2) Health.
- (3) Education.
- (4) Amusements and Recreation.
- (5) Settlements of petty disputes.

Under Wealth come such matters as communications, creation of new industries, resuscitation of existing industries including agriculture as well as the organisation of the rural population for credit, production, sale and distribution. For all this work regard has to be had to science, education and organisation and finance. Even the work of settlement of petty disputes falls under this head of measures to increase wealth; for the waste of money and resources on petty and wanton litigation is one of the most potent factors in the impoverishment of the rural population.

Under Health there is the work of the spread of knowledge of laws of health, the organisation and carrying out of sanitary measures and the creation of an organisation for the enforcement of such measures.

Under head Education provision has to be made for the universal education of the young as well as of the adults as also education of girls including vocational education for all three classes and the establishment of village libraries, circulating and stationary, and the arrangement for lectures of various kinds.

Village Clubs in England and Japan—Our Union Boards.

Provision for suitable amusements and recreations to make village life less dull and more attractive is a most important matter as a lack of such amusement and diversion is one of the chief reasons for the migration of the more advanced section of the village population in all countries to the town.

When I was in England three years ago what impressed me more than any thing else was the organised attempts that were being made by the English Village Clubs Association composed of many of the most prominent leaders of English public life to resuscitate the English villages by the encouragement of agriculture, by inducing and providing facilities to educated men to settle down in the country in agricultural pursuits, by the spreading of adult education by the resuscitation of village industries and the creation and encouragement of new ones and by the holding of extensive lectures throughout the rural areas at various places in close conjunction with the Universities of Oxford and Cambridge and by the systematic organisation of amusements and sports to render village life more attractive. The efforts of the English Village Clubs Association is being actively supplemented by those of other voluntary organisations such as the Workers Educational Union and the Women's Institutes. Then again in Japan I found in every village voluntary agricultural associations as also village clubs of young men engaged actively in constructive work in helping in the improvement of the village industries and agriculture. If this work is considered necessary for the welfare of highly industrial nations like England and Japan how much more important it is in India where village life represents a larger percentage of national resources both in men and wealth than in any other civilised country in the world and where any further neglect of village life is sure to be attended with disastrous consequences to the nation.

What then are the requirements of the situation? The first requirement is that this important field of work should receive far more thought, reflection and active attention from all sections of the community—from

young men as well as from the old. Unhappily so far very little systematic consideration has been given to it by any responsible section of our people.

Let us take the first form of organisation, the organisation of a rural administrative unit. The present law of local village self-government in Bengal enables the formation of union boards for the discharge of essential rural administrative functions for the promotion of education, public health and the construction and maintenance of communications and from all accounts this system of rural organisation is working successfully in many parts of the province notably in Dacca, Burdwan and Birbhum. But unfortunately a great deal of misunderstanding has been allowed to spring up as to the nature and scope of these organisations and a considerable section of the people has taken a dislike to this form of organisation. What I would say to this section of our countrymen is this—that you must realise that a form of rural organisation is necessary for discharging the functions which these bodies are intended to perform. If you want to save the villages you cannot rest contented with even the best possible development of National, Provincial, or Municipal Government organised merely from above in large geographical districts. You have to create some “social tissue” for the routine administration of the common affairs of the village, for the management of the village school, for relief of the sick and suffering; for the maintenance of the public health and the execution of public works and the organisation of the public services for rural needs and for the protection of the life and property of the people and for settlement of their disputes. It is impossible for the State to discharge these rural functions effectively. The State may help and indeed must help with funds, with advice and with the services of its expert officers in all these spheres of rural self-government but for the very utilisation of these forms of State assistance you require rural organisations; otherwise you will not be able to utilise the State assistance effectively as is the case at present. It is regrettable that the importance of a suitable system of rural self-government has not yet been realised by our people. It is absolutely vital to the progress and improvement of the race and for the solution of such problems as water-supply, health and education. In the most civilised parts of Europe during the past three quarters of a century mainly by a development of local self-government, the expectation of life of the whole population has been actually doubled. This will give you some idea of the enormous importance of an effective and proper system of local self-government in our country where an average short duration of life and premature death through preventable diseases present such a serious

handicap to our progress. If the people of Bengal or some section of them think that the system of Union Boards devised to achieve this end is defective it is for the thoughtful section among them to ponder over the matter and to devise without delay a more effective and less objectionable system suited to our own local conditions; but it is imperative that a system must be devised if you want to save the rural population and therefore the whole country from ruin. If the present system is unsuitable let a more spontaneous and a more suitable system of grouping be devised which will take up this vital national work. There is ample field for investigation, research and experiment on the part of all thoughtful people and specially of those of our student community who are making study of municipal and civic institutions. Universal primary education for both boys and girls is of course a *sine qua non* as also suitable vocational education. But it would be impossible by mere State action to make provision for a complete system of universal primary and vocational education without the assistance of these rural organisations in developing, checking and supervising it.

The Supreme Need for Organisation: Voluntary and Co-operative Associations.

Turning to the second and third forms of organisations, viz :—purely voluntary associations and the co-operative organisations, we have here a most splendid field for work for both young and old. Let the motto of everyone in the country be “organise, organise, organise.” Form groups, aggregations, associations, societies whether voluntary or registered under the Co-operative Societies Act. There is an illimitable field for propaganda, for education and for organisation, for health, wealth and general prosperity. Multiply social service organisations in the country, associations for agricultural improvement and economic improvement in every village, organise the people into “neighbourhood groups” and in co-operative societies for credit, production, sale and distribution. These associations will be in themselves a most potent source of adult education.

The splendid work which can be done by co-operative anti-malarial societies in the matter of uniting villagers for common action, of taking active and effective measures for the eradication of the dread diseases of malaria and kala-azar has been demonstrated by the organisation created by that illustrious countryman of ours, Rai Bahadur Gopal Chandra Chatterji, and I request you to join the organisation and to work actively in creating public health and anti-malarial societies in every village in the province. That agriculture can be improved effectively by the work of co-operative societies and that the societies when organised can raise

thousands of rupees for their members for the execution of large productive works for irrigation and other purposes has been demonstrated by the Co-operative Irrigation Societies of Bankura and Birbhum as well as by other co-operative productive societies in the province.

These co-operative irrigation societies have already made a distinct progress in improving the health of the villagers and have thus rendered themselves less liable to disease and are a potent force in stopping the decadence of the districts.

These examples of Rai Bahadur A. C. Banerji in Birbhum and Babu Sasanka Sekhar Banerji in Bankura who are the leading non-official spirits of the rural reconstruction movement in the 2 districts deserve emulation on the part of social service workers in all parts of the country.

The Bengal Public Health Association and the Bengal Social Service League.

An illustration of the response that may be created in the country by a purely voluntary organisation efficiently organised has been furnished by the admirable efforts of Dr. N. Bhattacharji of the Bengal Public Health Association. The fine work of this organisation in the district to Birbhum during the last hot weather in coping with the threatened outbreak of a very serious epidemic of cholera is well known. At his initiative hundreds of educated young men joined the Kodali Brigade and did literal "spade" work in digging tanks and wells and solving the problem of water supply on the spot. It is this spirit and this kind of organisation that is now wanted in this province. Then again the value of organisation for propaganda work in education, health and Social Service League under the active guidance of that indefatigable worker, Dr. D. N. Maitra. I ask you to create branches of this splendid organisation in every village in the province. Dr. Maitra has also founded the Social Service Federation which organises systematic lectures and training classes on social service work and it is for those who want really to help in saving the villages from ruin to take advantage of these training classes and to enlist themselves as active workers in the field of social service.

Start on organising instead of merely criticising others and depending on mere Government action. The State can and must help. As a matter of fact the State has already substantially helped the efforts of the Central Anti-Malarial Society and other organisations.

Students and Village Organisation—The Example of Finland.

So far as the young men of the Universities are concerned, the field of co-operation offers a unique opportunity. Let me remind you of the

example of the University students of Finland who when they saw their country lagging behind in the march of progress and getting economically impoverished banded themselves for the work of co-operative organisation and did not rest content until they had organised the whole country for co-operative production, sale and distribution, and thus not only saved their country from ruin, but brought it back to economic prosperity and to the rank of the progressive nations.

Village Reconstruction Department of the Visva-Bharati.

It is a very encouraging sign of the times to find that investigations into needs of village reconstruction and training of teachers and village scouts in village reconstruction work has been taken up by the Sreeniketan Department of Dr. Rabindra Nath Tagore's Visva-bharati University at Bolpur. Teachers and village boys are receiving regular training at the Visva-bharati in scouting, weaving, agriculture and other village industries. It is to be hoped that all village organisations, district boards and local bodies will avail themselves of this opportunity for training the teachers and juvenile workers in their areas in village reconstruction work. It is most important to impart to the students in rural primary and middle schools a distinct bias for agricultural and other rural occupations.

The Economic Aspect—The Decay of Village Industries—Agriculture the most Important Industry of the Country.

So far as regards organisation. But before I conclude I may say a few words on the purely economic aspect on the important question of village organisation. The economic aspect, as you know, is a most important one. The decay of villages is in a very great measure due to the decay of the village industries and by village industries we mean agriculture first and foremost as well as other industries such as cottage industries and the like. The sooner you realise that agriculture is an industry and the most important industry of the country the better it will be for our national development and for the resuscitation of rural life. Why are the villages decaying? Why are the people leaving the villages for the towns? It is because the rural industries including agricultural have proved unremunerative. Steps must therefore be taken to make them remunerative now. There is only one way of resuscitation of agriculture and other industries. It is by making them up-to-date in scientific methods and by ensuring adequate finance for them. This can be done in one of two ways. Either the rural population should be educated both generally and vocationally so that they are in a position to introduce scientific methods and they should be organised for the purpose of credit

to finance agriculture and other industries or the educated section of the people may take up agriculture and rural industries as their profession and run them on scientific lines. I have again and again urged on our educated young men to attempt to do so but unfortunately they consider it beneath their dignity. These false notions of dignity have yet to disappear from our country and the idea of dignity of labour which lies at the basis of all national prosperity has to be infused in our educated young men. My advice to you therefore, if you wish to resuscitate not only village life but the prosperity of the country as a whole, is that you should adopt productive occupation instead of merely hankering after Government service paid for by the tax payers of the country and take up agriculture and rural industries in large numbers as your profession.

The Educated men should lead the Way by taking to productive occupations—unproductive occupation—A National Waste.

It is only when educated men take seriously to agriculture as a profession that the many vexed problems of agricultural progress e.g., the application of scientific methods, adoption of improved labour-saving implements, large scale production in agriculture, the consolidation of holdings, etc., can be satisfactorily solved and this great industry made to yield maximum of wealth which it is capable of producing. But remember that it is agricultural prosperity and agricultural revival alone which can ultimately solve the problem of health and wealth of the population. Nothing else will. Adopt the motto of the Taittiriya Upanishad (Annum bahu kurbita: tad bratum)—“Produce food in plenty; make that your mission”. Until the maximum possible population of the country are employed in productive occupation it is futile to expect the country to progress and the village population to prosper. Is the maximum possible population of the country engaged in productive occupation or are they even anxious to do so? Pardon me for offending our common national self-love but the answer to this question must be an emphatic “No”. There is far too much laziness, far too much dependence on a hankering after unproductive occupations like petty Government service and the Bar. Again think of the number of able-bodied people whom the country is supporting who are simply idling away their time in the towns and villages, merely living idly on the labour of others and without engaging in any productive occupation such as agriculture and cottage industries. Perhaps the social system of our country allows this state of laziness to continue. If so, this must be remedied without delay. For you can take it for granted that when a large section of any nation lives in idleness or in unproductive occupation that nation is bound to decay. This is not mere irresponsible surmise but is based on observation and

actual experience which I am having every day. Only the other day the Chairman of one of the leading Municipalities of the province was entreating me to provide a relative of his who has actually been trained in Government Agricultural Schools with the post of a Demonstrator on Rs. 30 per month only. I pointed out to him that this young man who has the advantage of a special training in agriculture in Government Schools would be most usefully employed in the productive occupation of agriculture and all that he had to do was to provide him with some land with some initial capital for starting the work of farming. He said he would have no difficulty in providing these things, but he regretted that neither the young man nor his parents were ready to accept this suggestion and indeed he did not feel that he would even have the courage to suggest it to them. They were bent upon a Government appointment on Rs. 30. It was in vain that the Director of Agriculture who also happened to be present during the interview suggested that he could get the young man apprenticed in one of the large farms conducting agriculture on scientific methods so that the young man could learn practical farming and then earn a sure and substantial income from farming. The profession was distasteful to the young man and his parents. This is not the only instance in my experience. Numerous cases of the kind exist in the country. I know cases where even Zamindars are canvassing round to obtain employment on Rs. 50 a month for their educated sons although they have land in the country which is running waste for want of cultivation and although the sons of Zamindars by cultivating their own land can improve the level of agriculture practised in the country, and earn an honourable and ample livelihood. But what our young men want and are eager for is a sure monthly income however small and an avoidance of enterprise for productive occupation. A bird in hand is for them worth fifty in the bush and a prospect of life-long drudgery on a sure income of Rs. 50 to Rs. 100 per month is to them preferable to that of ten or hundredfold that income in which there is an element of uncertainty conditional only on the inclination of the young man for preliminary apprenticeship for a number of years by applying his own brain and hands in producing wealth by utilising the natural resources of the country.

**Production of Wealth alone can banish Poverty—
The Dignity of Labour.**

If you ask a young man to learn tailoring or shoe-making or carpentry, he flatly refuses to do so simply because he is educated but it is just the educated man who alone can make these industries thrive and compete with their rivals in other countries by employing scientific and

up-to-date methods. The result is that when you have to send a pair of shoes for repair you have to send it to a Chinaman's shop as there is no competent Indian to do the work and you all know that when you require a master carpenter on 100 or 200 rupees a month to supervise work of construction of a large house in Calcutta it is only the Chinaman who is competent to do the work and no Bengalee can be found suitable to undertake it. The shame and humiliation of it all ! But what is more to the point here is how many of our countrymen have thought upon this aspect of the unemployment problem, the poverty problem and even the health problem of the country? And yet it is production of wealth alone which can banish poverty and ill-health. I would therefore appeal for united effort in eliminating the lazy section of our countrymen in towns and villages and getting them employed in productive work of various kinds. Productive occupation will alone lead to increase in the wealth of the country and increase of wealth alone will banish poverty as well as disease. Malaria cannot be effectively banished except through agricultural improvement. For experts now agree that it is agricultural deterioration which primarily leads to malaria.

The Example of Japan.

I will just give you one instance of how problems of rural organization and prosperity are tackled by such countries as Japan.

The district of Minami-Nakagun used to produce only a certain kind of timber which was in great demand but the people were not satisfied with the main industry alone but paid a great deal of attention to sericulture. Before the 15th year of the Meiji era (1882), there was only one family in the whole district interested in this business, nor was it successful in it. The persevering effort of Genshiche Yuchi the head of the family, has finally been rewarded by obtaining 1.20 koku (one koku—5.13 bushels) of cocoons, from only one sheet of silk-worm eggs. Although this man is now seventy years old, yet he is never tired of making the circuit of the district, in order to instruct the people in this important branch of industry.

When the Russo-Japanese war came to its close, the headman of the village of Inabashi, Aichi, took occasion to tell his people that the village would resort to sericulture, and that one hundred million yen would be earned by the nation if all the villages of Japan would follow their example. In this way, the nation could easily redeem the war bonds. By this opportune advice, the whole village was deeply moved, and almost all the villagers are now engaged in silk-worm culture.

Why Towns-people should take interest in Rural Reconstruction

Finally I would utter a note of warning to those who live in towns and think that they have no interest in the matter of rural reconstruction or the welfare of the village. The health and prosperity of the towns in every country are built upon and are dependent upon the prosperity of the villages and the products of agriculture and other rural industries. Let therefore every town dweller, be he an industrialist or Zemindar or lawyer or journalist, business-man or student or professor beware ! Do not consider yourself safe till the country industries and agriculture principally among them are thoroughly resuscitated and placed on a sound footing, and until production is increased to a measure compatible with the welfare of the nation. Work for resuscitation of the villages and of the village industries, is therefore national work of the highest importance in which every section of the community is vitally interested.

Reconstruction of rural life and rural industries can only be secured by voluntary effort and voluntary organisation in personal life as well as in national and not merely in political matters but in the social and economic field and specially in the sphere of production of wealth. Surely the present generation of this country has a splendid opportunity of social service, an opportunity which is only commensurate with the measure of our social and economic degeneration and the vast amount of organisation and productive work that has to be done. Mere criticism, mere expression of sentiment, mere waiting for outside assistance will not help us. What is required is a careful examination of the problem in its social and economic and sociological bearings. And finally work, work, work, productive work in all fields of economic development till we eliminate idlers from among our midst and bring back prosperity and plenty and health to the entire country side and to the homes of the nation.

CO-OPERATION: AN ATTEMPT AT A DEFINITION.*

It would be hard to give a ready definition for the term. Combination is the underlying principle of human society. A delimitation will therefore have to be carefully explained. Again, the principle of co-operation is differently applied in different countries. Therefore, writers on the subject have often contented themselves with definitions that bring out the

* This article has been written as the result of my study of some co-operative literature. There is nothing original in it except part of the treatment; but I do not intend to acknowledge sources of information farther than I have done. Quotation marks and names of authorities in brackets or footnotes have constantly distorted my studies. I wish to spare my readers, if any.

distinguishing characteristics in co-operative institutions of their own country. For example, a recent writer from the United Kingdom defined 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". Here we find the specialities of British co-operation brought out. In Britain, societies are chiefly distributive (consumers' societies) or productive in a restricted sense (Workers' societies.) That was the turn given to the great movement by the Rochdale Pioneers, whose 'objects' and work chiefly led in those directions; and the Pioneers' ideas and methods even to-day dominate co-operative activities in that country. Other countries have developed other kinds of societies; and, though the word 'Co-operative' was added to the economic vocabulary first by an Englishman, Robert Owen, in 1821, it is a meaning far more extensive than the one given in that definition that we will have to seek.

The meaning of the word 'co-operation', as given in the Concise Oxford Dictionary, is 'working together to the same end'. It is quite comprehensive. A number of people working together to produce a thing—a pen, paper, an issue of a magazine—do co-operate in such a production. The conveyance, say, of a parcel from a Madras Firm to a Cuddalore address requires the combination of a number of people and institutions for its carrying out.

Such combination is not technically co-operation. In those instances, people do indeed combine together to achieve an object, but their combination ceases as soon as that object is achieved. There is no continuity of combination with reference to those objects, because there is no need. The combination is casual.

But, in the case under consideration, co-operation means much more. It is a combination of persons, poor persons as will be shown later, into an association called a co-operative society. They combine for the attainment of a *business or trade* purpose and agree to act in the interests of the society—regulate their action in those matters for which they formed the society so as not to run counter to its interests.

There are other combinations which possess one or more of the qualifications of co-operative societies, but yet do not come within the category of co-operation for lack of some essential characteristic. Such are, for example, poor men's combinations into Labour or Trades Unions; Nidhis or Chit Fund societies in our province and capitalist combinations into Trusts and Rings and Joint Stock Companies.

Thus, in Trades Unions, we find workmen, employees, united together for the protection of their interests as against employers. But they do not engage in trade. They are not unions for the attainment of a business purpose.

The Nidhis in our province are associations where people join together to pool their savings. They cannot be called co-operative societies, although, as they are actually conducted, they have several functions in common with popular banks. But their avowed object is to 'enable subscribers to save money' and to find safe investments for such saving. They are not concerned with the business of the members, only with the successful result of such business. Even in lending, they do not care to see if the loan is put to a productive purpose; their concern is to effectively secure the loan by mortgage on land or deposit of valuable collaterals.

Capitalist combinations into Trusts, Rings and Kartells (in Germany) are not co-operative. They are big associations of very rich business men and corporations. The combination is for a definite object viz, to dominate business in their line. They regulate output and prices. They are in the hands of very powerful syndicates, and, in America for example the Standard Oil Company has throttled all competition in oil. Here strong people join together to make themselves irresistible. The object is huge profits. Having killed competition, the Trust can fix its own prices. Any person that wants the thing manufactured and sold by a Trust will have to pay the price fixed by it.

But a co-operative society cannot be true to its principles and at the same time fleece the public even if it is able to do so. Justice and generosity to the public should be its watchwords. It is an unselfish organisation to bring about public good.

Again the idea of co-operation had its birth in the mind of a philanthropist. He wanted to make weak men strong. Robert Owen was preaching that the unhappy lot of the factory hand could be made better by paying him better wages and making him 'happy, prosperous and educated'. The Pioneers worked only to make his lot—their lot—better. Schulze Delitsch, Raiffeisen and their imitators all over Europe were moved to action by the miseries of the poor. With them, a co-operative society was an association of the weak in order that they may defend their business interests against the strong, by making themselves strong. "The rich are, by law, excluded from co-operative societies in England and Italy".

* But, sometimes it happens, as in the case of certain Schulze Delitsch Societies of Germany, that the small man grows prosperous and then does

not care for his less fortunate brother. Small accounts are not profitable and are therefore refused. But safeguards are always provided and such un-co-operative selfishness is not common.

It is these characteristics that also distinguish a co-operative society from a joint stock company. There are points of agreement between both. Both are unions of individuals who pool capital for business. But a co-operative society is a union of members. Its members unite by reason of the personal confidence which they feel in each other. The co-operative share is in the nature of an entrance fee to a personal union and is generally very small. The workman, the petty producer, the landholding agriculturist cannot afford to pay much. He cannot lock up his capital in the society. Having paid the minimum of subscription prescribed, he has to reserve the remainder for his other wants.

A joint stock company is a union of capitalists. So long as the necessary amount is forthcoming, it does not matter as to who holds shares in the business or how much he holds. In both, the statutory minimum of membership is seven. A co-operative concern increases its capital by setting no limit to membership. It cannot pull on with the capital subscribed by the minimum number of members. But, in a joint stock concern, seven shareholders can subscribe all the amount they require. Since the individual does not matter, shares can be held by anybody in a joint stock company and there is no restraint on transfer of shares. In addition, the concern of capital is profits. In co-operation, profits go often in full or in great part to strengthen the society by accumulating reserves.

To sum up :—A society should possess certain special features to entitle it to be called 'co-operative'. It should be an association of poor men. The object should be business or trade which will help to lift them from poverty. It should not be a benevolent organisation but should be self-dependant. It should also be self-reliant, the management being in the hands of the members. It will have to be worked in an unselfish public spirit. It cannot, for example, close its doors upon new members because it has obtained some success and they are poor. Here are a few definitions.

A co-operative society is an association for purposes of joint trading, originating among the weak, and conducted always in an unselfish spirit, on such terms that all who are prepared to assume the duties of membership share in its rewards in proportion to the degree in which they make use of their association. (C. R. Fay.)

Co-operative societies are 'associations with an open membership list which have in view the furtherance of the craft or occupation of their

members by means of a business conducted in common. (German Law, 1889).

Co-operation is the name given to an industrial system, self-governed, and organised for the mutual benefit of its members. It does not admit of the authority of the private capitalist.—(Joseph Blayton.)

Co-operative societies are personal unions, which, without belonging to (joint stock) associations, pursue, in common, business transactions.—(Swiss Law 1881.)

A co-operative society is one which is composed of members, whose number and holdings are variable and whose shares are not transferable to third parties. (Belgian Law.)

C. S. RANGASWAMI.

REVIEW OF THE PROGRESS MADE IN NON-CREDIT AGRICULTURAL CO-OPERATION IN INDIA AND TO CONSIDER WAYS AND MEANS OF STIMULATING FURTHER PROGRESS.

BY SAADAT ULLAH KHAN ESQ., B. A., (OXON) BAR-AT-LAW,
DEPUTY DIRECTOR OF AGRICULTURE.

VI Circle, Madura.

Co-operation properly applied will go far towards securing success for ryots having small holdings. The ryots in India look on co operation mainly from the material side, counting its benefits in proportion to the monetary advantages that a co-operative society may offer. Whereas co-operation properly understood, means association for the purpose of joint working in an unselfish spirit, on such terms that all the members share in the rewards according to the degree in which they make use of the organisation. Co-operation is a form of mutual help. All its varieties are based on confidence, loyalty to principle and friendly service to one another.

The most important of the non-credit Agricultural co-operative societies are as follows :—

1. Agricultural Sale societies.
2. Cattle Insurance societies.
3. Agricultural supply societies, including manure supply societies, implement and seed supply societies, Fishermen's co-operative societies and co-operative Dairy societies,

I. AGRICULTURAL SALE SOCIETIES.

The object of these societies is or should be as follows :

(a) To assist the members in selling their agricultural products jointly in order to get better value for their crops. This will also eliminate the unnecessary middlemen and the result would be that the profits would go to the agriculturists, merchants and consumers in place of middlemen.

(b) To get good price for good produce honestly packed ;

(c) to ensure for every member the advantage of a highly specialised selling organisation.

(d) to secure economy by the distribution of necessary expenses over a large volume of business, thus reducing to the minimum the cost of selling.

(e) to keep in active touch with the market in which to sell the produce.

(f) To establish a high reputation in the markets for the produce generally sold by the society.

(g) to help their members to standardize their produce in accordance with market requirements.

There were 52 sale societies in Burma which were selling paddy of their members direct to Rangoon Mills but on account of some hitch with the millers, the results were not encouraging and so this experiment was not continued. In India the whole matter is yet under the experimental stage and no real headway is so far made. In Ganjam District of Madras Presidency one or two societies were started which were helped by the Government and Messrs. Best and Co. Conjeevaram Weavers' Union was started but did business only on a small scale. In Madras Presidency some experiments on industrial crops such as cotton may be advantageously tried. At present on account of too many middlemen the cotton growers do not get proper price for their produce, and so co-operative sale societies would be of great use to the growers as well as the big firms and mills.

Many cotton seed unions have been started by the Agricultural Department in Madras Presidency and which are doing quite useful work co-operatively, but they do not exactly come under the sale societies. A brief account of them here will not be out of place. These unions form a Panchayat of agriculturists who deal solely in the co-operative sale of seed of company cotton actually grown by individual members in certain villages. All the seed Union members are obliged to gin their kapas co-operatively. These unions have no federation, and so each union is doing its limited work individually. The seed obtained is sold to members and the surplus to other ryots or merchants. The members are selling their

lint individually and at whatever time they like. The object of starting the Seed Unions is to increase the quantity of good seed in comparatively short time and to make it available for ordinary ryots to purchase it. It will be easier to organize cotton sale societies in Madras Presidency only when educational propaganda work is carried out among the ryots and their confidence is won.

I have personally seen the successful working of Poultry and Eggs Societies in Denmark where eggs were packed and sent to Great Britain for sale in lots of hundreds of thousands. The joint sale of corn on the general market in great quantities is confined to Germany. Financial help by the Government for the success of such societies is quite essential.

The two most important crops of India which are exported to European countries are wheat and cotton. There are certain firms doing this export business but there are no organizations of the growers to deal direct with the Firms, and so as a necessity many middlemen step into the business and share in the profits.

It is advisable to utilise for the present the existing Co-operative Credit Societies for this purpose. Many agriculturists are very poor and are generally in need of money at harvest time, and those who advance them money at that time are able to purchase the produce much cheaper than the ruling market rates. The middlemen know this fact well and they make it a point never to lose such opportunities. I have suggested the existing Co-operative Credit Societies to undertake this work, as such societies are composed of agriculturists and they can easily protect their members from the clutches of money lenders and other middlemen, by advancing money to their members at the time of need and recover the loans when the whole produce is sold by the society or societies. If the business is to be carried out on a large scale then there should be a federation of all the societies in each Province, and the sales of all the produce to be conducted only from central office.

II. CO-OPERATIVE CATTLE INSURANCE SOCIETIES

A branch of agricultural co-operation which is well worth the attention of every ryot having small holding, is the insurance of live-stock. When a small producer loses a cow or a bullock for example-it may sometimes mean his complete ruin; he should, therefore, insure against such a loss. It is not my intention to write here in any detail about the rules and regulations and principles of insurance, but it is sufficient to write only a very brief account of work so far done in this connection in India. Only at two places cattle insurance has been tried i.e. in Coorg and in Burma.

Under the Coorg scheme the owner pays two-thirds of the value of the animal for which it is insured. The payment takes place within four years by easy instalments, but in case the animal insured dies before the payments are completed, then the whole amount insured for is paid to the owner. If the animal survives the period then the whole premium is paid to the owner on the death or invalidity of such animal.

In Burmah only the plough cattle between 4 to 12 years of age are accepted for insurance. The animals brought for insurance are valued and a premium of 5% is charged on the value of the animal.

In Madras Presidency the tendency of the ryots is to purchase a pair of animals, take work from them for one year or so, and then sell them in a shandy on a loss of 25 to 50%. Frequent purchases and sales are very common. One of the greatest drawbacks is that there is no grazing area, and so the cattle do not get sufficient nourishment and exercise. In Burma cow's milk is not much used for human consumption and so the calves get stronger by getting all the milk and secondly there is plenty of grazing with the exception of certain months of the year. In Madras the case is just the reverse. However, it is worthwhile to try this experiment in Madras Presidency* though cautiously and no doubt it would improve the condition of the cattle and put a stop to their frequent sales. The experience gained in other countries and especially in Coorg and Burma would be of much use in starting such societies in Madras, though some modifications to suit the local conditions would be required.

III. CO-OPERATIVE AGRICULTURAL SUPPLY SOCIETIES

(a) **Manure supplying societies.**—Co-operative purchase of requirements by societies can effect considerable saving. By bulking the individual orders into one contract on behalf of their members, these societies can dispense with needless middlemen.

All the ryots know the benefits of good manuring and this requires no more elucidation. Artificial manures are not generally available near at hand to the ryots, and they individually cannot afford to order for their small requirements from distant places and so do not manure their fields. The Agricultural Department has done much in the past and is still helping the ryots in Madras Presidency, but now it is very essential to form co-operative societies in different localities to purchase different manures for their members. There are certain co-operative societies which in addition to their various other activities do purchase manures for their members but not to any great extent. Bombay is the only Presidency where manure societies have worked quite successfully. Kelva

* Our readers would remember that the Government have sanctioned the Cattle Insurance scheme and model bye-laws are appended to this number.

Mahi in Thana and a manure store at Baramati are quite good examples of such successful societies.* There are different ways of starting manure societies but the cheapest and easiest way of starting Manure societies is as follows:—

The villagers should form a temporary society and elect one Honorary Secretary. The Secretary should collect indents for manures from the members and then bulk the whole indents into one and purchase the whole requirement. The price of the manure should be collected from the members before the order is sent to a manure firm. The Secretary should distribute all the manures among the members according to their indents either at the station or any other common place. By adopting this procedure there would be no expenses for godown, labour and salary of the Secretary etc.

If the ryots are so poor, not to be able to pay cash in advance then the existing co-operative credit societies may be utilised for this purpose.

(b) **Implements Supply Societies.** The Agricultural Department by its constant propaganda work and practical demonstrations in ryots' fields have convinced the agriculturists about the superiority of improved implements over their ordinary country implements. The one difficulty is financial, as many ryots cannot afford to purchase costly implements. It is therefore, essential to start some implements supply societies, in order that they may sell implements to their members and recover money by easy instalments or to give costly implements to their members on hire by turn. The Agricultural Department in India are giving certain costly implements on hire to ryots, and even selling some improved implements on cash payments, but activities in this direction are limited.

In the Punjab, Union Bank in Jullander, Gurdaspur and Hoshiarpur stock implements for sale, and in Bengal co-operative societies are utilised for this purpose. In Madras Presidency certain Cotton seed Unions have some costly implements, e. g. disc plough for the common use of the members, and when not wanted by the members the implements are hired to other ryots. Great developments have taken place in this connection in Great Britain and Ireland and other Western countries, but it is regretted to be that very little attempt has so far been made in India. India, where lands and climate, are better for crop growing than many of the western countries but with all these natural facilities still the yield per acre here is less than half of that of the West. The most important cause of this decreased yield is, that Indian soils hardly receive proper

* The Manure Society of Neadamangalam in Tanjore District has been doing useful work these many years by manufacturing bone manure and we hope to give a brief account of it ere long.

cultivation and for proper cultivation improved implements are required which are so rare in India. It is therefore the duty of every patriotic Indian to rectify this defect at an early date by establishing many societies for this purpose, and no doubt the Co-operative and Agricultural Departments would help them to do so

(c) **Seed Societies.**—There are many seed unions in Madras Presidency and Central Provinces which deal in good seeds; e.g., cotton and wheat. The Agricultural Unions control only a limited and compact number of villages. They have their own farms where good seeds obtained from the Agricultural Departments are sown, and thereby increase the quantity of good seeds which are distributed among the members and to other ryots for sowing purposes. They have got their own capital and reserve funds which they have raised by means of shares and other fees. These Unions have been doing and are still doing very useful work by distributing good and pure seeds among the members as well as the non-members. Many more such unions in India would be of great use.

IV. FISHERMEN'S CO-OPERATIVE SOCIETIES.

Seven such co-operative societies were started in Bengal with the help of the Co-operative and Fisheries Departments. The object of these societies is to raise funds, to grant advances to members at moderate rate of interest in order to purchase improved fishing appliances, and to arrange for the disposal of the catches of the members when necessary. A fishermen society was started with the help of the Co-operative Department at Tanur in Madras Presidency, and fishermen at Quilandai, Tellichery are also being persuaded to form such societies.

V. CO-OPERATIVE DAIRY SOCIETIES.

Co-operative Dairy Societies can claim to be performing a duty to the producer and the consumer. These societies by increasing supplies, guaranteeing quality, preventing the risk of souring and encouraging direct sales from the organised producer to the organised retailer can do great service especially to the citizens of great towns in India. The most important and cheapest way of milk supply for large towns lies in the neighbouring villages where the cultivators keep their cows under natural and economical conditions. In European countries the most important problem before such societies is how to produce cream, butter and cheese in the most economical way, while the problem in India is how to secure increased supply of pure milk.

The climatic conditions in this country may not be very encouraging but this difficulty can be overcome by having proper organisations and observing scientific methods. This difficulty has already been overcome

in United States of America and even in India milk was successfully transported from Poona to Bombay a distance of 119 miles. In India many dairy societies have been started only in Bombay Presidency and United Provinces, the names of some are as follows :—

1. Benares Co-operative Dairy Society.
2. The Lucknow Barakhana Co-operative Dairy Society.
3. The Allahabad Co-operative Dairy Society.
4. The Alibagh Co-operative Dairy Society.
5. The Thana Co-operative Dairy Society.

There are also a few such societies in Bihar and Bengal. There are many points which contribute to the success of such societies and as they are so well known so I need not mention them here. There are some obstacles in starting such societies in Madras Presidency, but still it is regretted, no serious attempts have been made in this direction.

VI. In addition to the agricultural non-credit societies about which I have mentioned something above, the following have also been tried successfully.

- (a) Co-partnership Tenancy Societies in Burmah.
- (b) Co-operative Irrigation Societies in the United Provinces
- (c) The Lakkikola Co-operative Sugar factory in Bengal.
- (d) Cattle breeding Societies in Bombay Presidency and the Central Provinces.

It is a pity that cattle which are essential for the economic development of this country, have not so far received much attention at the hands of the agriculturists. I would suggest that there should be many cattle shows in different parts of the country and prizes given for the best cows, bulls and working animals. Similar kinds of encouragement may be given to the breeders, and grazing areas to be increased. (to keep pedigree records would be quite useful).

The progress made in India so far as Co-operative Credit Societies are concerned is satisfactory, but the progress of Non-Credit Agricultural Societies is rather slow. Madras Presidency is far behind the other Presidencies or Provinces so far as Non-credit Agricultural Co-operative Societies are concerned. If many such societies begin to work successfully in India then the Agricultural Departments would take up their proper work such as research and cattle breeding etc. and would leave the manure and implements supply to these societies.

P. C. U. CIRCULARS.

OFFICE OF THE MADRAS PROVINCIAL
CO-OPERATIVE UNION LTD.,
ROYAPETTAH,

CIRCULAR NO. 1.

Madras, 16th July, 25.

To

THE SECRETARY,

*District Council of Supervision,**or District Federation.*

Dear Sir,

We are herewith enclosing the subjects on which communications might be sent to the Provincial Co-operative Union. Two notes are also appended which will explain the general principles of relationship of supervisory and propaganda bodies as well as the reasons underlying the tabulation of the subjects.

Yours sincerely,

G. SRI RAM BABU NAIDU.

Joint Secretary.

NOTE I.

**PRINCIPLES OF RELATIONSHIP OF PRIMARY SOCIETIES,
LOCAL UNIONS, DISTRICT FEDERATIONS AND THE
PROVINCIAL CO-OPERATIVE UNION.**

1. The function of supervision over primary societies should rest in the local union.
2. The administrative work regarding the regulation of work of the primary societies should rest in the Local Union, under the guidance of district federations who should be kept informed from time to time of the steps taken.
3. Propaganda and educational work is to be carried out by Local Unions with the help of the District Federations.
4. The policy of the movement is to be laid by the Dt. Federations in consultation where necessary with the Provincial Co-operative Union.
5. Subjects of grievances against the department or Central Bank may be taken up by the Dt. Federations in consultation where necessary with the Provincial Co-operative Union.

NOTE II

**SUBJECTS OF COMMUNICATION BETWEEN THE
DISTRICT FEDERATIONS AND THE PROVINCIAL UNION.**

1. Copies of proceedings of District Federations on points relating to matters of policy in the administration of the movement and to matters of general importance to co-operators in the Presidency, to be sent to Provincial Union.
2. Changes in the model bye-laws of primary societies, unions and District Federations, new proposals for the organisation of special types of societies, resolutions of District Conferences, conduct of training and propaganda classes—resolutions on such matters and correspondence connected therewith can be conducted with the Provincial Union.
3. Representations of difficulties felt by co-operators in the administration of the movement by the Dt. Federations may be sent to the Provincial Union for advice and guidance and for taking action where and when necessary.
4. Copies of communications to the Assistant Registrar or the Registrar regarding the bye-laws of the Dt. Federations may be sent to the Provincial Union only when such alterations are important and involve change in the line of policy.
5. A copy of the annual report of Dt. Federation may be sent to the Provincial Union.
6. District Federations will also report to the Provincial Union the result of their deliberations on questions sent by the Provincial Union or by the Department.
7. Copies or circulars issued by District Federations on matters other than routine may be sent to the Provincial Union.

NOTES ON THE SUBJECTS OF COMMUNICATIONS.

1. This is necessary so that the Provincial Union may have the opportunity of acquainting itself with the problems that arise in every district. Unless this is done by all the district federations it may not be possible for the Provincial Union to correlate their proceedings as the exchange house of Co-operative questions and publish them to the benefit of the other districts.
2. Item two only refers to a number of external questions in which the district federation deals directly with the Registrar or the Assistant Registrar. It does not take away the final ultimate authority of the department in considering these questions relating to a district. But

with a view to build up the relationship of the federation and the Provincial Union it states that whenever any vital change in the model by-laws of any type of societies is made and sent through the district federation, it should be communicated to the Provincial Union. This is necessary with a view to keep up the uniformity in principles of working of societies in the districts, to prevent the introduction of any vital changes without bringing to bear the view of co-operators on the subject through the Provincial Union, and give facility for the Provincial Union for the consideration of such of the changes in the light of the principles and the goal of movement.

Whenever new types of societies are organised, a number of questions crop up which need to be settled by Co-operators as a whole with a view to their success and good working. For instance, the by-laws of Labour Unions have to be settled. The difficulties that arise in the working of agricultural stores and industrial societies need be settled. But if progress in new lines of Co-operative activities is to be uniform and is to attain success it must have the consolidated strength of the Co-operators in the Presidency for which the assistance of the Provincial Union may be invoked. Whenever the departmental officer makes out any scheme of non-credit work, it might advisedly be considered by the District Federation and the Provincial Union. If this is done, it might be possible to evoke enthusiasm of the co-operators for the future progress of non-credit work, train them in considering the problems and befit them for the future undertaking of such work.

Whenever a district federation wants any assistance in the matter of lecturers and publication of leaflets for the conduct of propaganda in a district it should look up to the Provincial Union for necessary help. This is necessary because the Provincial Union is expected to command better human resources for the efficient conduct of these classes. Secondly it will be able to assist such work by putting forth a broader outlook and a clearer enunciation of the principles underlying the movement. Thirdly it will always have at its command the richness of experience by its knowledge of other districts. Fourthly it will standardise such propaganda and training classes of course consistently with suitable local adaptations. Fifthly, non-officials will be able to put forth enthusiasm and vigour into the work which alone will create a new atmosphere tending to the creation of a Co-operative brotherhood and consequent formation of business habits and administrative capacity in the society. Sixthly, in a work of this sort it will not be possible to regulate the work and standardise it without the Co-operation of the Provincial Union. Seventhly, at no time can we expect Co-operative

Institutions to undertake propaganda work on uniform and regular lines, unless all district federations either do the work themselves or are stimulated to do it through the Provincial Union. Unless this tradition of district federations communicating with the Provincial Union as regards the work of propaganda they mean to undertake, or any assistance they require for it, is built up, the goal of the non-official agency taking up of the educational and administrative work of the movement can never be reached.

3. Item 3 only makes known to district federations the way of using the services of the Provincial Union to which they can address whenever they find difficulties in the interpretation of by-laws and in the ordinary working of societies. The by-laws of district federations state that the Registrar shall be the final appealing authority for deciding interpretations and disputes. The advice of the Provincial Union can be secured in all such matters. Secondly, a number of problems arise on which the district bodies really need the opinion of the larger body as the Provincial Union. For instance, can arbitration costs be levied on societies by the arbitrator, and if so, how much, the by-laws of primary societies which are broken in practice and their bearings on the working of societies, the refusal of societies to affiliate themselves to Unions, the treatment of overdues, reloaning and its consequence and so on. In fact any question in which a district federation feels any difficulty may be communicated to the Provincial Union for its advice.

4. Item 4 explains itself. It is intended with a view to acquaint the Provincial Union with any changes in the model by-laws in a district so that other districts might know the same. Such changes will of course be communicated by the Provincial Union in the Presidency.

5. Item 5 viz. the despatch of a copy of annual report and returns to the Provincial Union is only a necessary function of a district federation towards the Provincial federation.

6. Item 6 only expresses the need for definite recording of a resolution in the federation giving the facility to the Provincial Union to get the views of district bodies on matters of policy and procedure. The collection of share capital, the building up of a reserve fund, the stimulation of deposits, methods of rectifying bad societies, collections of overdues, methods relating to the prompt conduct of business and so on, may be considered by the Provincial Union and new policies formulated for consideration by district federations. This is a piece of work which entails more duties on the Provincial Union regarding the strengthening of the movement and this item only asks the district federation to consider them whenever such communications are sent by the Provincial Union.

7. The last item requires the district federation to send copies of their circulars to the Provincial Union so that the latter body may be acquainted with the work of the federation day by day on other than routine matters.

CIRCULAR NO. II.

Dated 18th July, 1925.

To

THE SECRETARY,

Local Co-operative Union.

DEAR SIR,

Enclosed please find a note on the preparation of the annual report of your Union. If you will be kind enough to prepare your report on the lines of the appended note to the best of your ability and send us a copy of the same, we will consolidate all the reports received and issue a Provincial Report. Your advice and experience will be very much useful in taking a proper survey of the working of the movement. Our taking stock of the existing situation will greatly help us in suggesting the next step of advance in the current co-operative year.

The administrative figures of Societies will be complete within July. I daresay it would be quite possible for you to use those figures and prepare the annual report within August. If you will kindly do so and send us a copy of the report by September first week, the Provincial Union will consider all the reports and issue a consolidated report within the first week of October. Such a report will also be useful in arriving at mature conclusions at the coming Provincial Conference in December. Of course, at present, you are sending your reports in November but they reach late and cannot be fully used. We would therefore request you to send your reports within the first week of September.

We would also like to add that the getting of information from all Local Unions will be useful and successful only if everyone of the Unions co-operates with us and responds to our request. A line in reply is solicited.

CIRCULAR NO. III.

To

THE SECRETARY,

District Federation.

DEAR SIR,

Enclosed please find two letters, the one a circular to Local Unions and the other a note on the preparation of the annual report. We are quite aware that many of the Unions will not be in a position to write a

full report on the lines of the note. But you will be doing us a great service if you yourself call for these reports, consolidate them and send a District Review for the guidance of the Provincial Union. Any how we hope that you will stimulate the Unions to prepare the reports on the lines of the note and send us a copy. A District Report from you reviewing the condition of all the Unions will also be immensely helpful.

May we request you to send us a line in reply.

CIRCULAR NO. IV.

To

THE SECRETARY,

District Bank.

DEAR SIR,

The Provincial Union at its last governing body meeting has passed a resolution to request all the major co-operative Institutions to send their annual reports within the first week of September so that all the matter may be consolidated and issued in the form of an annual report, taking stock of the existing position and suggesting the next practical lines of advance. Such a report will also be useful for the consideration of the coming Provincial Conference in December.

We are, no doubt, getting your reports earlier than those of Local Unions. This is only a reminder and request to you to promptly send us your reports either as adopted by the General Body or in the draft, within the end of September.

We are enclosing for your information three circulars, one to Local Unions, one to District Federations and the other a note on the preparation of annual reports by Local Unions. The information sent by all these bodies will be incomplete without the annual report from your institution.

Yours very sincerely,

G. SRI RAM BABU NAIDU,

Joint Secretary.

NOTES ON THE PREPARATION OF THE ANNUAL REPORTS OF UNIONS.

Membership:—(1) Under this part note the total number of members, stating the number in Unlimited Societies and that in Limited Societies.

(2) Increase of membership as a result of fresh organisation or addition in old Societies, decrease as due to withdrawal of members by

adjusting loans to share capital or liquidation of any Society may be noted.

(3) Reference may be made to the economic status of members, whether they are small holders, if so the extent of their holdings, the average agricultural incomes of families and the possibilities of taking in the richer class of members with large holdings.

(4) Mention may be made of Societies which contribute to the largest number of membership.

Share Capital:—After stating the total paid-up share capital as stood on 30-6-25 as well as the demand, collection, and arrears for the year 24-25, under share capital, the following points may be noted regarding the grant of share capital in the area.

- (1) The prevailing by-law as regards share capital.
- (2) If there are any differences regarding the by-law on share capital in the several Societies they may also be noted.
- (3) The reasons for arrears on share capital.
- (4) The Societies that contribute to such arrears.

Borrowings:—Under this head the following figures may first be stated.

(1) Local deposits as stood on 30-6-24, amount invested during the year, amount paid off, and the amount as stood on 30-6-25.

(2) The amount of loan due to the central Bank on 30-6-24, amount borrowed during the year, amount repaid and amount outstanding as dues to the central Bank on 30-6-25. On this amount how much is overdue to the central Bank under principal and interest?

(3) The following notes may be added on this subject.

(a) Are difficulties experienced in the sanction of loans in the district Bank?

(b) Are such difficulties due to the defects in the working of the Societies or the central Bank?

(c) What arrangements should be made in future for the quick flow of money from the central Bank to the Societies?

(d) Are there any possibilities of increasing local deposits?

Loans:—(1) The amount outstanding on the members on the last day of the previous year.

(2) Amount lent during the year.

(3) Amount collected.

(4) Amount outstanding on the members on 30-6-25.

(5) of (4) how much overdue under principal and interest.

(6) Total of loans given in the area during the year under Rs. 50; 51 to 100; 101 to 250 and 251 and above.

(7) Total of loans given under Surety and under mortgage of property.

(8) Total of loans given for 1 year, 2 years, and 2 to 5 years and above.

(9) Total of loans given for productive purposes and unproductive purposes.

(10) After giving figures under the above heads the following notes may be added.

(a) If the overdues relate to a longer period, the societies that contribute to them may be noted.

(b) The action taken by the panchayet as well as the union for the collection of overdues.

(c) The reason for the overdues, for instance, bad panchayets, sanction of loan for shorter periods than the time needed by a member, want of repaying capacity, poor incomes from lands, effect of season, and other conditions, want of supervision, etc. Are any extensions for loans necessary and how are extension applications dealt with?

(d) Number of societies that have been dormant after getting a loan.

(e) Number of societies that have received loans during the last year.

(f) Number of loans outstanding of which, how many number overdue?

This is to be prepared only if possible.

Administration—(a) what is the total cost of management for the whole area? An analysis of the cost under the heads of remuneration, contingencies, travelling expenses, clerk, peon, lighting etc., and a statement, in which societies they are high or low may be prepared if possible. Or a general reference to societies which manage their affairs at an economic cost, and those which spend more, may be made. A note on the possible reduction of costs may be made.

(b) Net profit or loss, Society-war in the area—Amount of overdue interest to be collected Society-war. If the loss is not covered by overdue interest, what other reasons have contributed to it?

(c) **The Panchayet:**—In what Societies collections are done efficiently and reasons for the same?

(2) Whether cash balance is properly remitted?

(3) Panchayetdars in default—in how many Societies?

(4) (a) When is arbitration resorted to?

- b. Number of references pending on 30-6-25.
- c. Number of decrees pending execution on 30-6-25.
- d. Number of decrees executed during the last year.

e. If arbitration is resorted to in a large degree, how can it be reduced? Whether any recoveries were made by auction of property, if so the amount and the number of cases.

(5) How are loan applications dealt with by the panchayet? In how many Societies they are promptly sanctioned? Are efforts taken to satisfy the credit needs of members and admit new members?

THE WORKING OF THE LOCAL CO-OPERATIVE UNION.

The Governing Body :—(1) No. of Societies affiliated to the Union— of these how many Limited, and of special type as Trading Union, weavers' Societies, Panchama Societies and so on?

(2) No. of Governing body members.

(3) To how many among them was the work of the union distributed?

(4) The largest number of Societies and the smallest number of societies allotted to individual members.

(5) of 3, how many inspected all the societies in their group? How many inspected only some Societies? and how many inspected no societies?

(6) A brief note as to the extent of usefulness, thoroughness and effective character of the inspections by the governing Body members.

(7) Does the president or the secretary or any other governing body member do a considerable proportion of the entire union work, far greater than that done by any other member.

The Supervisor :—(1) How many supervisors are employed?

(2) What is the scale of pay and T. A.?

(3) What are the general and technical qualifications of the Supervisor?

(4) No. of Societies visited once, twice, thrice and oftener by the supervisor.

(5) Were any societies not inspected by him during the year?

(6) A brief note as to the adequacy of the supervisor's work.

(7) How is the work of the supervisor controlled and regulated?

The administrative or Supervising Inspector :—(1) Is there a division of work defined and previously agreed upon as between the union and the administrative or supervising inspector? If so on what lines. Please give a description.

(2) If not, how are the following things avoided between the union governing body and the supervisor on the one side, and the administrative or supervising inspector on the other?

- (a) Duplication of work,
 - (b) Conflict in the matter of instruction and direction to societies,
 - (c) Unnecessary concentration of attention by both on particular societies.
 - (d) Less than due attention or no attention to particular societies.
- (3) How is the union kept informed of the Administrative or Supervising Inspectors' doings in its societies, when there is no defined and previously settled division of work?

(4) If not, does the union find it practicable and convenient to regulate the union work?

(5) Are copies of administrative or supervising inspectors' reports of inspection furnished to the union?

The Assistant Registrar :—(1) If any instruction, as arising out of inspection reports of the administrative or supervising inspector, or his personal inspection, or any other reports, are found necessary to be issued to societies, are they sent direct, or through the union? If the former, are copies of such instructions invariably sent to the union?

(2) Do the replies to such communication pass to the Assistant Registrar through the union or direct?

Audit :—Is any action taken by the union on :—

- (a) the audit points noted in the audit certificate?
- (b) Are they communicated by the union, and the societies asked to rectify any defects noted in the audit?
- (c) Is stock taken of the audit points left unattended to, before the close of the succeeding year?

Organisation —1. Which are the agencies that do the organisation work in the area?

- (a) The Union governing body, or
- (b) The administrative or supervising inspector, or
- (c) The supervisor.

How is the work of organisation regulated among these three?

(2) Any new societies organised during the year? Have they been organised on a definite application or on the initiative of any of the agencies mentioned under 1? If the organisation is by the administrative inspector, has the union definitely recorded a resolution approving of the fresh organisation and undertaking the responsibility for its supervision?

(3) Give a brief note on the agricultural prosperity of the area, the creditworthiness of the members, and the existence of good human material in the panchayets of the newly organised societies. It the latter are at a larger distance than ten miles from the Union area, what are the reasons that prompted the starting of such distant societies?

Consolidation:—Number of bad societies in the area—steps taken to improve or end them—Were any panchayets reconstituted for the better and if so, why and how?—was section 35 applied for any society? Reasons for the same, result of the enquiry—any liquidation proceedings relating to any society—does the union feel its competency to shoulder responsibility for the good working of all the societies in the area with the help of the departmental staff? If not, what is the extent of help it requires from the department?

Propaganda and Education:—1. A brief note on the educational work done by either the supervisor or the governing body members during their tours of inspection.

2. The manner and extent of the educational work of the administrative or the Supervising Inspector of the area.

3. How is this work regulated between the union on the one side and the administrative inspector on the other?

(4) How is the education of the societies carried on, regarding account-keeping, and the preparation of property statements, and administrative statements?

(5) Any conferences or question classes, held during the year?

Union Office:—1. What are the topics of the circulars issued by the union during the last year?

2. Is close supervision exercised over the recorded resolutions with a view to see that they are acted upon?

3. Is information obtained regarding the working of the societies by calling for monthly statements of receipts and charges and members' overdues list?

General:—Agricultural incomes in the area—favourable and adverse effect of seasons—the general economic level of the members who usually join the societies—How are the societies viewed in the villages?—Are they attracting or repelling new members?—The common good fund of societies on 30-6-24. Total to its credit on 30-6-25—How is it utilised at present in the societies.

CO-OPERATIVE SOCIETIES FOR THE DEPRESSED CLASSES IN THE PRESIDENCY *

25. Two hundred and thirty-three co-operative societies were organized during the year and including 416 already in existence at the beginning of the year the total number of societies on 31st March 1924 was 649. The activities of the societies are mainly confined to the following items of work :—

- (1) Provision of house-sites,
- (2) distribution of loans for agricultural purposes such as purchase of cattle, seeds, manure, etc. ;
- (3) taking up of lands on darkhast or on lease and provision of capital for reclaiming lands so as to make them fit for cultivation ;
- (4) joint purchase and sale of provision stores, etc.

The most gratifying feature of these societies is that as a result of the intensive supervision exercised by the officers of this department they are repaying their loans with the utmost rapidity and regularity. In Tanjore district alone house-sites costing Rs. 3,61,084 were acquired up to the end of March 1924 and granted to these societies. A sum of Rs. 1,63,547 which includes a payment of Rs. 15,279 on account of future instalments has been repaid to Government and the principal amount overdue on 31st March 1924 was only Rs. 197. Again the Adi-Andhra Co-operative Societies, which have taken up the lease of lankas in Godavari and Kistna districts were, at the instance of the Commissioner of Labour and his personal guarantee of intensive supervision, granted loans amounting to Rs. 33,040 by the Christian Central Co-operative Bank, Madras. The societies have repaid a sum of Rs. 3,796 and the balance overdue was nil on the 31st March 1924, a condition which puts these societies above all the co-operative clients of the lending bank.

An account of the societies organized in the several districts is given in the succeeding paragraphs.

26. *Tanjore district.*—There were 202 societies at the beginning of the year and 75 societies were added during the year, making a total of 277 at the end of the year as detailed below :—

(1) Societies for the acquisition of house-sites	...	242
(2) Credit societies		27
(3) Societies for assignment and for lease		6
(4) Trading unions		2
	Total	277

* Extracted from the report of the Labour Commissioner on the working of his Department for 1923—1924.

The societies organized for the purpose of affording credit facilities to the members were financed hitherto by the Central Banking Union, Limited, Tanjore. Since last year the Madras Christian Bank is advancing money to the Field Labourers' Co-operative Societies. Loans to the extent of Rs. 6,795 were obtained from this bank.

In the taluks of Tanjore, Mannargudi, Tiruturaipundi, Pattukottai, Arantangi and Negapatam large areas have been reserved for assignment to the depressed classes. To cultivate the lands on a co-operative basis a society has been organized and registered in the village of Adanur in Mannargudi taluk, where the Honorary Assistant Registrar of Nidamangalam, M. R. Ry. Rai Sahib A. Sethurama Ayyar, has kindly undertaken to supervise and work this society. Such societies could be organized only in villages where it would be possible to secure men who would be able to make constant and effective supervision. In other villages where smaller blocks have been reserved, the plot will be subdivided and assigned to the individual members and they will be given financial help if they apply. It is only by adopting such measures and giving the Adi-Dravidas help it would be possible to make the lands fit for cultivation. It is proposed to organize a large number of such societies in the course of this year if the existing societies work successfully.

In this district there are very large areas of lands belonging to mutts, devasthanams, estates, chatrams and other private endowments which are leased on very favourable terms to outsiders from Tinnevely and other districts, who cultivate the lands with the aid of the local Adi-Dravidas, pay them the usual wages and derive very large profits. It is proposed to get these lands leased direct to the Adi-Dravidas who work on the land, so that they might derive the profit which would otherwise go to the middlemen from other districts. The District Labour Officer tried to induce the trustees of lands belonging to the temples and he has been successful in getting a promise from a trustee in Nannilam taluk and a society has been organized in the village of Seruppiyur recently. He has also received an offer of nine velis of land in the village of Arasur in Nannilam taluk and another offer in Karuppur in Kumbakonam taluk. It is hoped that before the beginning of the next cultivation season, he would be able to secure more lands for cultivation by the Adi-Dravidas. The owners apprehend however that by giving the lands on lease to the Adi-Dravidas they would be risking their income on men without any status or property but it is hoped that in the long run this fear will vanish when they discover the extraordinary power of the co-operative spirit as evinced by the repayment of Government loans for house-sites.

About 70 acres of land are available in the Vannar Padugai, Toger village, for being leased out to the Adi-Dravidas of the village. The Collector's sanction to let out the lease for a period of three years was obtained. After ascertaining the wishes of the members of the co-operative society the District Labour Officer has submitted his recommendations to the Collector about the terms of the lease and also to extend the period of lease to five years.

Padugai lands are being leased out by the Public Works Department every year and it was proposed to get these lands in favour of the field labourers' co-operative societies so that the Adi-Dravidas might cultivate the lands and be benefited thereby especially when they are boycotted by mirasidars for having applied for house-sites. The terms of the co-operative society have been obtained and as soon as the Public Works Department authorities agree to the terms the leases will be obtained for the co-operative societies.

Building societies.—In G.O. No. 612. Development, dated 11th April 1923, Government offered financial assistance to co-operative building societies organized for the benefit of poor and middle classes in urban areas. The Government have been addressed on the subject for extending the concession to the field labourers' co-operative societies in rural areas also as these Adi-Dravidas are as much in need of such assistance as the poorer classes in urban areas. The matter is now under the consideration of Government. If the proposal is approved, loans will be given to members of co-operative societies who have discharged their dues to Government in respect of loan for house-sites.

Co-operative bone collection.—The skin merchants who get skins through brokers or directly from the Adi-Dravidas impose a condition that they should give them the bones at a cheap rate. As there is no other demand for bones, the Adi-Dravidas have to sell the bones at a cheap price. The skin merchants sell the bones thus collected at double the price to several big firms who are able to crush them and sell them at a large profit. In order to secure to the Adi-Dravidas better income, the co-operative societies are being asked to collect bones and supply them direct to the Manure Company at Nidamangalam which has a bone crusher. With reference to this scheme, the Collector observes "if it is found on experience that a large collection of bones could be made it would be worth while to consider whether it would not be desirable to start separate organizations for the purpose in order that Adi-Dravidas might derive the full benefit." This will form the subject of a separate correspondence after seeing the actual working of bone collection by the societies.

Trading unions.—The trading union which was at Michaelpatti was transferred to Tirukattupalli. During last Dipavali season the union purchased cloth for about Rs. 1,000 and sold to members as well as non-members. The Tanjore Trading Union besides dealing in provision stores, prints and stocks account books required by co-operative societies. All the requirements of the co-operative societies of this department in Tanjore were obtained from this union.

27. *Godavari district.*—The total number of societies working at the beginning of the year was 166. Fourteen societies were organized and registered during the year so that the total number of societies at the end of the year was 180. Forty-nine societies are on probation and are awaiting registration. Loans to the extent of Rs. 18,525 were obtained during the year from the Christian Central Co-operative Bank at Madras at the instance of the Commissioner of Labour and his personal guarantee of intensive supervision. In all, 71 societies got loans amounting to Rs. 33,040 of which Rs. 3,796 were repaid. Not a single pie of instalment was overdue on 31st. March 1924.

28. *Chingleput district.*—During the year 35 societies have been organized and 2 societies were liquidated as the members were not willing to work up the societies. There were altogether 68 societies under the supervision of the department in the district at the end of the year. On the considered recommendations of the District Labour Officer, twelve societies borrowed from the Christian Central Co-operative Bank during the year loans amounting to Rs. 4,290. Two hundred and eighty members had the benefit of the borrowings and at the end of the year none of the societies had any overdue balance to be repaid.

29. *South Arcot district.*—The total number of co-operative societies that have been organized in Chidambaram taluk in 1921-22 and 1922-23 was 23. The number of societies organized during the year under report was 64, thus making up a total of 87 societies. The Adi-Dravidas have been of late very enthusiastic in forming societies even in villages where there is no acquisition work to do. In one case, loan has been obtained from the Christian Central Bank and is being repaid regularly. On account of the rapid progress made in this direction three more Co-operative Inspectors were appointed during the year, thus making up a total of four Co-operative Inspectors working in the district. The societies are working very satisfactorily and it is hoped to utilize them to the best advantage in coming years by introducing the system of joint purchases and sales.

30. *Trichinopoly district.*—Co-operation in this district has so far made little headway. As a rule housing societies are not wanted and

propaganda is necessary to make the Adi-Dravidas appreciate the benefits of an ordinary co-operation and thrift society. Better progress is expected hereafter.

31. *South Kanara district.*—Seventeen co-operative credit societies exclusively for the Adi-Dravidas were organized during the year under report, with a share capital of Rs. 17,000 out of which nine have been registered with a membership of 260, and eight are pending registration with the Assistant Registrar of co-operative societies, South Kanara. The societies were originally registered on the limited liability basis. The Registrar of Co-operative Societies, Madras, subsequently ordered that the societies should be converted into those of unlimited liability. This question is still under consideration.

32. *Bellary district.*—Six societies were organized during the year and their total strength is 141 members. Loans to the extent of Rs. 7,315 were obtained from the Madras Christian Central Bank, Limited. One more society was organized but it is awaiting registration.

33. *Kistna district.*—Ten field labourers' credit societies were started in Divi taluk and these are working well. Loans to the extent of Rs. 6,000 were given to the members who spent them in manuring and otherwise improving the lands granted to them by Government. These societies have already repaid more than double the instalments due for this year and the money has been spent to admirable purposes. Most of these lands yielded good crops as a result of the repairs done to them. Six societies in Narasapur taluk and two societies in Tanuku taluk were started for leasing Godavari Lankas at concession rates without public auction. The total extent leased out to these societies is 737 acres.

Two Field Labourers' Societies of Gudivada taluk were registered during the year. The proposal of the Assistant Registrar, Bezvada, to transfer 28 Field Labourers' Societies of Kaikalur, Gudivada, Ellore, Ernagudem and Nandigama taluks was approved by the Commissioner and these will be taken charge of shortly.

34. *Guntur district.*—Fourteen societies were organized in this district. Twelve societies organized and registered by the Co-operative department in Tenali and Repalli taluks were transferred to this department. In the beginning of the year the District Labour Officer rendered assistance to the Assistant Registrar of Co-operative Societies in the organization of sixteen Lanka societies in three taluks.

THE CONFERENCE PAGE.

1. Think about the coming Provincial Conference in December 1925.
2. Think of the resolutions passed at the last conference. What have you done to put them into practice?
3. Do you consider the Annual Conference to be a Business meeting or a show or both or neither?
4. Don't you think it your duty to see that solid piece of business is done at the conference though the spectacular side cannot be neglected.
5. Some one suggested that there should not be at the most, more than half a dozen resolutions passed at a Conference and the Co-operators should see that these few are put into practice and a definite forward step is taken and that there must be consolidation before the next forward step is taken.
6. What steps have been taken in your District to perfect the Co-operative machinery? Are your Societies affiliated to Unions and are they all affiliated to your District Council of Supervision and is that affiliated to P. C. U.?
7. What delegates are you going to send to the Conference and with what mandate?
8. Have you discussed the question of the place of the Conference? i. e. should it be a fixture at Madras or should it go about the Districts as all other Provincial Conferences are doing?
9. Have you contributed your mite to enable us to wipe off last year's arrears?

P. C. U.

No. A. 3676 1924.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
Madras, 8th July 1925.

J. GRAY ESQ., O. B. E., I. C. S.

Registrar.

CIRCULAR.

Subject:—Security deposits—Forest contract—investment in Co-operative Central Banks.

A copy of G. O. No. 868 Mis. dated 15th June 1925, is communicated to the Madras Central Urban Bank and all other central banks in the Presidency for information. The Madras Central Urban Bank and any other central bank approved for this purpose by the Registrar may take deposits of the kind referred to in the G. O. The conditions which are referred to in the G. O. and which govern the investments of the deposits referred to above in co-operative central banks are as follows:—

(1) The deposit should be made in the name of the District Forest Officer of the Division;

(2) The contractor should agree in writing that he undertakes the risks, if any, involved in the investment;

(3) The Banks should certify on the deposit receipt granted that the deposit or any portion thereof is withdrawable on the District Forest Officer's demand;

(4) When any amount is withdrawn the banks should arrange to remit it to the Government treasury to the credit of the Forest Department on the strength of the signed chalan sent by the District Forest Officer along with the withdrawal order and forward the treasury receipt to the District Forest officer.

(5) The responsibility of the District Forest Officer in connection with the deposit and interest thereon ceases when the final withdrawal order to the contractor and a simultaneous intimation to the banks of the issue of the withdrawal order are issued by the District Forest Officer.

The Madras Central Urban Bank and all other Central Banks which desire to take deposits of the kind referred to are requested to frame a subsidiary by-law relating to such deposits and to be so good as to send a copy thereof to the Registrar. The by-law may be on the following lines:—

"Deposits tendered by Forest contractors may be accepted as Fixed deposits at rates of interest fixed by the Executive Committee from time to time.

NOTES AND NEWS.

Ourselfs

With this number the Bulletin enters the Seventeenth year of its existence. It is for the readers to say whether it is everyday growing stronger and more useful or otherwise. The Editor takes this opportunity to thank all those gentlemen who by sending articles and reviews made his task easy, and also the Publishers who sent books for review in such large numbers.

Taking the present financial condition of the Provincial Co-operative Union, the authorities of the P. C. U. had ordered that each number of the Bulletin should contain 40 pages of printed matter. As a matter of fact we have given our readers during the last year not 480 pages but 760 pages. This we were able to do through the co-operation of the Reception Committees of various District Conferences who gave us reprints of Presidential addresses which we issued as supplements.

The Editor once more thanks all those who have helped him and hopes he would have more and still more willing workers.

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The Late Desabhandu C. R. Das.

We take this opportunity of adding our humble tribute of praise to the late Desabandhu C. R. Das. He was a great lover of the masses and gave up his princely income to dedicate himself whole-heartedly to serving his countrymen. He had a great idea of tackling rural problems and begin the task of National Reconstruction in villages. We have not been able to get at the details of the scheme, but we publish from our Calcutta Contemporary an ably-written article on the same subject. We would be honouring the memory of the great departed patriot really by continuing his work and not merely by making speeches in praise of him.

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The International Co-operators' Day.

On Saturday, the 4th of July, Madras Co-operators joined the Co-operators all over the world to celebrate the International Co-operators' Day. The function was presided over by our veteran Social Worker M. R. Ry T. V. Seshagiri Iyer Avl., Retired Judge, High Court, Madras. The Provincial Co-operative Union circularised all its affiliated unions and

suggested the lines on which the celebration might be conducted. We are getting reports from all over the Presidency of the day having been celebrated in a proper and appealing manner. In some places, however, the significance of the Day has not been correctly understood. In one centre, for instance, we are told speeches were made on International Co-operation when a distinguished Public Worker is said to have remarked that all such ideas were premature, that in India we have not yet evolved to the stage of nationalism and have therefore no right to talk of Internationalism. The mistake is due to the fact that the word Co-operation has a general and a particular meaning. It means both working together and a particular method of social activity in which this working together with the noble motto of 'Each for All and All for Each' is the characteristic feature. When we celebrated the International Co-operators' Day we did so not as agents and advocates of the League of Nations though we have much in common with the champions of that noble cause, but merely as members of different co-operative organisations spread all over the world who met to re-affirm their faith in the Principles of Co-operation so that we may start the new Co-operative Year with a redoubled zeal.

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A Very Successful Co-operative Function

Members of the Government Telegraph Employees' Co-operative Society celebrated their first anniversary on Monday, the 6th of July. Formerly the Postal and Telegraph Employees had one common society; but as members increased it was considered desirable to split it into two and the younger organisation celebrated the completion of the first year of its very successful working. The whole function was a unique success. The business side was harmoniously blended with the Social. The Directors are to be congratulated on the excellent idea they hit upon of presenting all members and guests with an excellent handkerchief each, with the name of the Society printed thereon as a memento of the function. M. R. Ry. Rao Bahadur A. Vedachala Iyer Avl. B. A. and Mr. P. Ramanathan addressed the meeting which was presided over by Mr. R. W. Hanson, Bar-at-law, the Postmaster General of the Province.

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Goats and Sheep.

Man is very fond of labelling fellowmen and psychologists know what a tremendous influence names have over men. A label well pasted dispenses with all further thinking about the person or object and the tyranny of words is indescribable. All lovers of Truth, those who keep their mind open to Light from whichever quarter it comes ought therefore to be on their guard against

accepting names which after all very partially describe persons and things, as completely and comprehensively describing them. We have in mind the terms Official and Non-Official as applied to workers in the Co-operative Field as an example of tyranny of words. Are these so mutually exclusive and antagonistic down to their very mentality? If so by what miracle is it that one who remains an official till the day of retirement suddenly gets transformed into non-official? All are co-workers in the same field and the tendency observed to exist in recent times of separating the workers all too few into two hostile and irreconcilable camps ought to be deprecated.

A Few More Illustrations.

We may be permitted to pursue this line of thought still further. In most of the co-operative conferences (Provincial, District, or Taluk affair) we hear so much about 'individuals' and 'society representatives,' as if they partake of the irreconcilable qualities of Asuras and Devas of our Puranas. But are they so? Should their interests, view points, and general attitude be, and are they, ever opposed to each other? Have we not many society representatives in the Dt. Banks (where chiefly the rub is felt keenest) who may well be brought under the category of men of distinction in the Co-operative Field? Similarly cannot and ought not these individuals who stand in proud isolation get themselves merged in some co-operative organisation and re-emerge as the accredited leaders and representatives of their groups? We are not, however, forgetful of the shady methods often resorted to in the time of elections by men whose ideal is self-glorification and not service, methods from which honest men of self-respect instinctively shrink and there must be some way whereby the services of such honest folk could be secured for the movement.

Another example of this slavish adherence to names is the distinction between Producers and Consumers; a distinction very useful when you study the different departments of Economics like Production, Distribution, etc. But when the distinction is carried too far and people begin to quote as an infallible dictum well balanced expressions like "Loans to Producers lead to prosperity whereas loans to consumers lead to ruin", one wonders whether this has any real basis on facts. We are all producers and consumers, the two elements being combined in us in differing proportions. The distinction is based upon the mid-Victorian notion of Economics as an abstract Science full of definitions and postulates and corollaries like the old Euclid from which a few incontrovertible propositions were deduced. Much water has flowed under the bridge since the days of Riccardo and Mill and Economics (Co-operation being a branch of it) is recognised to be a branch of Sociology, a branch of knowledge which is full of tentative propositions that have after all only pragmatic values and not absolute values.

Abreast of the Times.

The difficulty of keeping abreast of the times in co-operative thought is felt keenly by those who read co-operative literature. What a contrast between Holyoake of old and Professor Hall of to-day! Both are ardent co-operators but apart from this there are few points in common. They differ tremendously in detail. "Budge", says the fiend; "Budge not", says my conscience. We are reminded of this conflict in the mind of Launcelot Gobbo when old co-operators say "Don't advertise" and the new ones say "Advertise, Advertise, Advertise". Truth, however noble, does not find its way naturally into the human mind unless it is brought there and even very good wine may need 'bush'. The truth of all these is there is no finality in sociological matters and no truth even though based upon principles and found workable for a long time ought to be forced upon Humanity as if applicable at all times and under all conditions. Even the so-called Law of Gravity is questioned and the alchemist's dream flouted by the 19th century scientists is found to be not altogether unrealisable. Let us therefore be no slaves to words; but test every principle by giving it a chance in actual working.

An Open Letter to Mahatmaji.

We have received a copy of an open letter addressed to Mahatma Gandhi by Mr. K. S. Jassawalla, Hon. Secretary of the Indian Cattle, Breeding and Protecting Association and All-India Cow Conference Association where he puts in an eloquent plea for the preservation of Cattle the mainstay of Agricultural Industry. He shows by statistics how the number is steadily decreasing and how contrasted with other countries we have the poorest proportion of grazing ground to cultivate land. His note of warning is opportune and the indiscriminate slaughter of milch cows often indulged in is a great economic loss to the country as a whole and all patriots should join together and work for stopping of this enormous economic drain whether they be Hindus or Mahomedans or Christians.

An appeal to Co-operators.

Last July we started a series of biographies of prominent co-operators of the Province, and the series was quite appropriately headed by an article on Sir. F. A. Nicholson. We are sorry we were unable to continue it for lack of similar articles. We take this opportunity to appeal to all the co-operators of the Province, especially to those who in response to our circular have agreed to be our honorary correspondents in the districts, to send us brief sketches of the lives and work of the great pioneers. We should be glad to have their photos also which we undertake to return in safety in case they happen to be the sole copies available. We hope that this appeal of ours will meet with a more ready response than the previous one. We are making an honest attempt to publish a note next month on the life and service to the Co-operative Movement of the late Mr. Dewan Bahadur M. Adinarayanaiah Pantulu Garu.

LIST OF PLACES WHERE THE INTERNATIONAL CO-OPERATORS' DAY WAS CELEBRATED.

Name of the Place		District.
Buguda	...	Ganjam
Ichchapuram	...	"
Godaveri	...	Godaveri
Gudivada	...	Kistan
Narasapur	...	"
Allur	...	Nellore
Madras	...	Madras
Little Conjeevaram	...	Chingleput
Melattur	...	Tanjore
Nannilam	...	"
Tirukkannapuram	...	"
Tiruvalur	...	"
Lalgudi	...	Trechinopoly
Madura	...	Madura
Periyakulam	...	"
Kalugumalai	...	Tinnevely
Ottaipidaram	...	"
Tiruchendur	...	"
Vilattikulam	...	"
Vellore	...	North Arcot
Arkonam	...	"
Wandiwash	...	"
Kilkovilavedu	...	"
Tiruvannamalai	...	"
Vaniyambadi	...	"
Ambur	...	"
Chinnamottur	...	"
Vellaikuttai	...	"
Eklasapuram	...	"
Krishnagiri	...	Salem
Rasipuram	...	"
Ramanadapuram	...	Coimbatore
Coimbatore	...	"
Bhavani	...	"
Vellaikuttai	...	"
Avanasi	...	"
Puttur	...	South Kanara
Koilkuntla	...	Kurnool
Alur	...	Bellary
Ramnad	...	Ramnad

GOVERNMENT OF MADRAS.

DEVELOPMENT DEPARTMENT.

Copy of G.O. No. 488 Press dated the 1st April 1925.

Order:—The Government have had under their consideration for some time past the question of forming cattle insurance societies on a co-operative basis in this Presidency. In 1919 they directed that as an experiment an attempt should be made to organize a few societies in selected localities. The question was discussed at various co-operative conferences as a result of which it has been decided to start societies in the Chingleput district in three villages where co-operative societies of the ordinary type have been successful, and where the unions to which they are attached are working satisfactorily. A set of bylaws drawn up by the Registrar of Co-operative Societies in consultation with the Chief Superintendent, Civil Veterinary Department is appended to this order. The Registrar recommends that a measure of Government aid should be given at the outset in case total amount available with the societies is found insufficient to meet the indemnities due, and he reports that the maximum liability that is likely to be required in respect of all the three societies should not exceed Rs. 1,000. In view of the importance of the experiment, the Government are pleased to accept the recommendation and have included a sum of Rs. 1,000 in the budget estimate of 1925-26 under the head "Loans and advances by Provincial Government-g. Miscellaneous loans and advances—Advances to cattle insurance societies" to enable the Registrar to make advances, if necessary, to the three insurance societies which it is proposed to organise. The amount is not intended to be an absolute grant to the societies but is repayable the year following if the societies are in a position to do so. The maximum liability incurred in respect of the three societies should not exceed the budget provision.

(By Order of Government Ministry of Development)

(SD) G. T. H. BRACKEN,

Secretary to Government.

MODEL BY-LAWS OF CATTLE INSURANCE SOCIETIES.

BY-LAWS OF THE CO-OPERATIVE CATTLE INSURANCE SOCIETY, LIMITED, No.

Name, constitution and address.

The Co-operative Cattle Insurance Society, Limited, No. , is registered as a co-operative society under Act II of 1912 (India). Its address shall be village, post, in the taluk of

in the district. Its operations shall be confined to
Loans may however be granted to members on the security
of their immovable property situate in

Object.

2. The objects of the society shall be—

(i) to help members in checking the spread of infectious diseases among their livestock, arranging for medical relief for them when necessary and rendering pecuniary assistance to members for the death of such animals as have been insured in the societies;

(ii) to act as agent for the disposal of the bones and hides of deceased cattle of the members;

(iii) to borrow from members and others funds needed for the discharge of the above purpose; and

(iv) generally encourage thrift, self-help and co-operation among the members.

Membership.

3. The liability of the members of the society shall be limited to the share capital subscribed by them.

4. The capital of the society shall for the present be Rs. 500 made up of 500 shares of Re. 1 each. The value of each share shall be paid in one lump sum on allotment.

5. Any person over eighteen years of age who is competent to contract residing within the limits referred to in the third sentence of by-law 1 and being a member of the agricultural credit society shall be eligible for admission as a member; but no person can claim admission as a matter of right.

6. Applications for admission as members and for allotment of shares shall be made to the secretary in the form; if any, prescribed by the society for the purpose. Every such application shall be disposed of by the board of directors who shall have power to grant admission or to refuse it without assigning reasons.

7. Every member shall take at least one share, but no member shall take more than ten shares. Every member shall pay an entrance fee of 4 annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Re. 1.

8. No member shall be permitted to withdraw any of the shares held by him in the society within three years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the board of directors after such period provided firstly that he has given at least six months' notice of withdrawal, secondly that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the society as it was on June 30th preceding,

thirdly that there are no debts due from him to the society and fourthly that there are no debts due to the society in regard to which he has stood surety. When a member withdraws shares under this by-law he shall be paid back the share capital actually paid by him with the dividend declared, if any.

9. Should a member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the society shall remove his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the society either as 'principal debtor or as surety.

10. (1) If a member dies, his membership shall *ipso facto* cease.

(2) (a) Every member of the society may nominate any person to succeed, in the event of his death, to his share or interest in the society. Such nomination shall, in the event of his death, be given effect to by the society provided—

(i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;

(ii) the nomination has been registered in the books of the society kept for the purpose; and

(iii) the person nominated shall have been admitted by the board of directors as a member of the society under by-law 6.

(b) In the event of there being no person nominated by the deceased and entitled to succeed to his share or interest in the society, the heir or legal representative of the deceased, or any person nominated by such heir or legal representative within one month of the death of the deceased member, shall be entitled to succeed thereto, provided such heir or legal representative or his nominee shall have been admitted by the board of directors as a member of the society under by-law 6

(c) In the event of there being no person entitled to succeed under clause (a) or (b) of this by-law to the share or interest of a deceased member of the society, the society shall pay to the nominee of the deceased or to his heir or legal representative, as the case may be, a sum representing the deceased member's share or interest at the time of his death ascertained in accordance with the by-laws of the society.

11. (1) A past member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2). The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the society as they existed on the date of his decease, for a period of one year after his decease.

12. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the board of directors.

13. With the sanction of the board of directors a member may at any time increase the number of shares held by him so as not to exceed the limit of ten shares laid down in by-law 7.

Borrowings.

14. It shall be competent to the board of directors to borrow funds either from members, or from persons other than members, or from institutions registered under the Indian Companies Act or under the Co-operative Societies Act or Government, provided that the interest payable on the borrowed amount shall not, in any case, exceed 8½ per cent per annum.

Maximum borrowing limit.

15. The total borrowings of the society both by way of deposits or otherwise and whether from members or others shall not at any time exceed eight times the paid-up share capital plus the reserve fund.

Management.

16. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the society shall vest in a board of directors. The board of directors shall consist of not more than five members.

17. The members of the board of directors shall be elected by the general body for a period of one year from among the members. Members of the board of directors shall continue in office after the expiry of their term of office, until by election another board is constituted. A retiring member of the board of directors shall be eligible for re-election. After the board of directors is elected by the general body, they shall elect from among themselves a president and a secretary. Interim vacancies on the board of directors may be filled up by the remaining members of the board by co-option for the unexpired portion of the period. Any member or members of the board of directors may at any time be removed by a resolution of the general body.

18. The board of directors shall meet once a fortnight or oftener if necessary to conduct the affairs of the society. No decision of the board of directors shall be valid unless it is passed by at least four members. All questions before the board of directors shall be decided by a majority of votes. Should there be an equality of votes, the president or other presiding member shall have a casting vote. No member of the board of directors shall be present at a meeting of the board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the board of directors and in all cases in which such a procedure may, from time to time, be prescribed by the board of directors, the secretary may obtain the orders of the board of directors by circulation of papers among the members present at the headquarters of the society. Such decisions arrived at by circulation shall be placed before the next meeting of the board of directors for their ratification. Should a difference of opinion arise in the course of such circulation, the matter shall not be decided by circulation but shall be placed before a meeting of the board of directors.

19. Should a member of the board of directors absent himself from four consecutive meetings of the board, he shall cease to be a member of the board of directors but may be reinstated by the board of directors.

20. Subject to such resolutions as the board of directors may from time to time pass, the several officers of the society shall have the powers mentioned below:—

(a) The president shall have a general control over all the affairs of the society and shall ex-officio be the treasurer and shall have the custody of all the properties of the society. He shall also have power to appoint the members of the establishment as well as to fine, suspend or dismiss them subject in the last two cases to the approval of the board of directors;

(b) the secretary shall be responsible for the executive administration of the society subject to the control of the president;

(c) the president shall be the officer to sue or be sued on behalf of the society and all bonds in favour of the society shall be in the name of the president.

21. Receipts shall be issued for all moneys paid to the society. For moneys paid by members the receipt shall be signed by the president or the secretary whoever is selected by the board of directors to discharge this function. In the case of borrowings from non-members or from other societies, the receipt or bond shall be executed by at least three members of the board of directors of whom the secretary or the president shall be one.

22. It shall be the duty of the board of directors to maintain such accounts and registers as are prescribed by Rule VII of the rules under the Act and by the Registrar from time to time, to place before a general body meeting of the members the Registrar's notes of audit or inspection within one month from the date of receipt, to correspond with the Registrar and to do all other business relating to the society.

23. The board of directors shall have power to prescribe from time to time the scale of office establishment and to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the general body for each year.

24. The board of directors shall be competent to fix the amount and nature of the security, if any to be given by the office establishment.

25. It shall be competent to the board of directors to frame subsidiary by-laws for the conduct of the business of the society consistent with the rules under the Act and these by-laws. Such subsidiary by-laws shall be entered in the minute book of the society and they shall be reported to the Registrar of Co-operative Societies for approval.

26. The services of the members of the board of directors shall be gratuitous.

General body.

27. The ultimate authority in all matters relating to the administration of the society shall be the general body of the members who shall meet from time

to time and at least once a year to conduct the work of the society. The following among other matters shall be dealt with by the general body :—

- (1) the election and removal of the board of directors ;
- (2) the annual report due to the Registrar of Co-operative Societies ;
- (3) the Registrar's annual audit order ;
- (4) the amendment or repeal of any existing by-law or the enactment of a new by-law ;
- (5) the expulsion of a member ;
- (6) the consideration of any complaint which any individual member may prefer against the board of directors ; and
- (7) the returns that may be prescribed by the Local Government.

28. A meeting of the general body of the members may be convened whenever necessary, for the conduct of the business by the board of directors and shall be so convened by the board of directors at the request of 15 or more members or at the instance of the Registrar or by a member of the governing body specially deputed by a resolution of the governing body of the union to which the society is affiliated.

29. It shall be the duty of every member to attend the meetings of the general body. The quorum for a general body meeting shall be 15 or one-fourth of the total number of members on the list at the time, whichever is less.

30. The president, when present, shall preside at the meetings of the general body. In his absence the body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal, the chairman of the meeting shall have a casting vote.

31. Twenty-four hour's notice shall ordinarily be given to members before a meeting of the general body is convened.

32. If a member deceives the society in any way, or if his general conduct is such as to render his removal necessary in the interest of the society, it shall be open to the general body to expel such member. An expelled member shall be paid all moneys due to him from the society after deducting therefrom any money due from him to the society. A member who drives the society to court to recover the money due from him shall, for that reason, be expelled from membership. An expelled member shall be liable, as provided in by law 3, for the debt due by the society as they stood on the date of his expulsion, for a period of two years after such expulsion.

33. The general body shall have authority to affiliate the society to any co-operative union (with suitable jurisdiction) that may be registered by the Registrar or that is working in the neighbourhood of the society. Towards the expenses of such union the society shall contribute at the rate of 8 annas for every Rs. $10\frac{15}{16}$ of interest earned by it in the preceding year on its working capital minus the share capital, and the reserve fund provided that the total amount payable on this account in any one year shall not exceed Rs. 150

Insurance.

34. Any member can offer for insurance in the society any cattle owned by him including buffaloes above one year and less than eight years.

35. No member shall at any time have more than ten animals insured or more than one animal for each share taken by him.

36. (a) The member shall declare the true value of the animal in the application for insurance which shall be in the Form A appended.

(b) The description and the value of the animal in the application shall be verified by the board of directors and if a majority of them is satisfied with the proposal they may accept the premium.

(c) As soon as possible a veterinary assistant shall certify to the health and description. In the event of his refusal to certify the animal as sound in health, the premium shall at once be remitted in full.

(d) The fees to the veterinary assistant for certifying to the health and description of the animal insured shall be paid by the owner of the animal.

37. The insurance will cover only two-thirds of the actual value.

38. A member may transfer to the purchaser without extra charge the policy of an insured animal which he has sold, provided the purchaser is also a member of the society.

39. The insurance shall be only for one year at a time. But the board of directors may, if they see fit, call for a fresh veterinary certificate in the case of animals brought for reinsurance.

40. Animals newly purchased shall not be accepted for insurance until they have been for at least one month in the possession of the owner.

41. The rate of premium shall for the present be 1 anna per rupee on the sum insured for male animals and $\frac{1}{2}$ anna for female animals. The premium amount shall be paid in lump before the policy is accepted. The period of insurance will run from the date of such payment. A policy in Form B shall be issued when the insurance is accepted and completed.

Rebates.

42. (a) A rebate of 3 pies per rupee on the insured amount will be allowed on all castrated (not muled) bulls with effect from three months after the date of operation.

(b) A further rebate of 3 pies per rupee on the insured amount will be allowed on all animals protected against rinderpest by the 'serum simultaneous' method.

43. Premium will not be repaid nor will any claim for indemnity be accepted if the animal is sold before the end of the period of insurance or is removed permanently from the village and not available for inspection by members of the board of directors.

44. When an insured animal dies, the member shall report the death immediately to the board of directors who should inspect the carcass and record a certificate in Form C before it is ordered to be flayed.

45. The society will, subject to the conditions in by-laws, pay the indemnity covered by the policy in case of deaths from all causes except

- (a) from improper use or wilful neglect;
- (b) from the act of a third party for which he is legally liable to compensate the owner;
- (c) from wilful failure to obtain or carry out the advice of a veterinary assistant;
- (d) from those happening through riot, civil commotion or military or usurped power;
- (e) from transit by rail;
- (f) from any surgical operation unless carried out by the veterinary assistant or with the consent of a director other than the owner.

Note to (b).—In cases of suspected poisoning the confirmation must be obtained from a chemical examiner through a certificate. Otherwise the indemnity will be paid to the holder of the policy.

46. In the case of any contagious disease occurring amongst any animal belonging to a member, whether it has been insured or not, he shall at once inform the board of directors and segregate the diseased cattle, whether insured or not. The board of directors shall report the occurrence to the veterinary assistant and secure his services to deal with the diseased promptly. The member shall be bound to have his cattle, whether insured or not, inoculated if he is so advised by the veterinary assistant. If he fails to do so, no indemnity will be paid.

Note.—The contagious diseases referred to in this by-law are rinderpest, anthrax, malignant sore-throat, black quarter or quarter evil, epizootic aptha.

47. Before indemnity can be paid, the member is bound to hand over the hide and the bones of the deceased animal to the society. He has no claim for any portion of the sale-proceeds of the hide and bones, the whole of which shall be credited to the society. If any hide is spoiled, the indemnity will be reduced by such an amount as the board of directors may decide. If the hides and bones are not produced or the policy amount is not claimed within a fortnight of the death of the animal, the policy will be held to have been forfeited. If, on any account, beyond the control of the member the hide and bones are lost, it shall be open to the board of directors to pay a sum not more than half the amount of the policy.

48. The indemnity for a deceased insured animal should be paid to the policy holder as promptly as possible after the death of the animal is proved from the funds of the society or by borrowing under by-law 14. The amount so paid should be recouped from the amount of premium received in the year and the sale-proceeds of the bones and hide of the deceased insured animal for which indemnity was paid during the year. The balance, if any left out of these sums after such a recoupment, should be carried to the profits of the year. In case the total amount got from these two source is found to be insufficient to recoup the amount of indemnities paid in the year, the deficit shall be met by

drawing from the indemnity fund of the society formed and accumulated under by-law 50. If the deficit is not made good completely even after drawing from the entire balance of the fund at the disposal of the society in that year, the excess should be adjusted from the sums which may be available for indemnity fund under by-law 50 out of the profits of the succeeding years. But attempts should be made to wipe off the deficit which has to be so carried forward by grants from Government or by donations from members and other sympathisers.

49. It shall be competent to the board of directors to undertake the joint sale of the bones and hides of members at their request, but in undertaking such sales it shall accept no liability for loss and shall act merely as the agent of members.

Profits.

50. The net profits of the society as declared by the Registrar every year shall be disposed of as shown below :—

- (i) Twenty five per cent shall be carried to the credit of the reserve fund.
- (ii) Out of the balance, a dividend on the paid-up share capital may be paid to members at a rate not exceeding $6\frac{1}{2}$ per cent per annum.
- (iii) Out of the balance, if any, a sum not exceeding 25 per cent of the premium received during the year may be set apart for being utilized for the grant of rebate to such members who re-insure the same animals in the next year, provided that the rebate so allowed is not more than 3 pies for an anna of the premium payable for the first re-insurance and 6 pies in an anna of the premium for the subsequent re-insurance of the same animal by the same member. Any balance not appropriated out of the sum so set apart before the close of the next year shall be added to the indemnity fund under clause (v) infra.
- (iv) Out of the balance still left, if any, $7\frac{1}{2}$ per cent may be paid to the common good fund to be utilized for any of the purposes mentioned in section 2 of Act VI of 1890, India, viz, medical relief to cattle, if the general body so wish.

(v) The entire balance that may still be left shall be added to the indemnity fund. This indemnity fund shall be augmented by grant from Government and donations from members and sympathisers. The entire balance of this fund will be invested in a suitable co-operative society and interest accrued then being added to the fund from time to time.

Reserve fund.

51. The reserve fund shall be invested in such manner as the Registrar of Co-operative Societies prescribes. The fund shall be one and indivisible. It belongs to the society as a whole and is intended to meet unforeseen losses. No member can claim a specified share in it. It shall not be drawn upon except with the sanction of the Registrar. Even if the society be dissolved, the reserve fund, if not absorbed by losses, shall not be divided amongst its members, but shall be devoted to some public purpose at the discretion of the general body,

Miscellaneous.

52. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

53. Should any doubt arise as to the construction of the Act or any by-law, the board of directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

54. Within fifteen days after the close of the co-operative year ending June 30th the society shall prepare (1) a statement showing the receipts and disbursements during the past year: (2) a statement showing the assets and liabilities as they stood on the last day of such year: and (3) a statement showing the profit and loss for the year. These three statements shall be submitted to the Registrar without delay. After the Registrar has verified these three statements and granted his audit certificate, the society shall publish the statements in a manner approved of by the Registrar.

55. In the case of a dispute touching the business of the society between members or past members of the society, or persons claiming through a member or past member or between a member or past member or persons so claiming and the board of directors, a reference in writing may be made by any party to the Registrar. Similarly, in the case of a dispute relating to a debt due to the society by a member or past member or persons claiming through a member or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators as the case may be, shall be final and it may be enforced in either of these ways —

(a) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amounts due under the decision or award may be recovered in the same manner as arrears of land revenue;

(b) by an application to the civil court having jurisdiction over the subject matter of the decision or award requesting that the court may enforce the decision or awarded as it were a decree of the court

FORM A.

Application for insurance of cattle in

I, _____, member No. _____ of the said society, request that my animal described below may be insured in the society. I declare that the description and the value thereof is quite true. If my statement is found to be untrue, I shall be liable not only for the loss, if any, to the society but also for prosecution.

Co-operative Cattle Insurance Society.

Bullock or buffalo.	Age.		Year.	Whether in sound condition.	Value applied for insurance.
	Description by teeth.	Year.			
(1)	(2)	(3)	(4)	(5)	(6)

STATION.

(Signature of the member.)

Date

We, the undersigned members of the board of directors of the above society, certify that we have examined the animal above stated and declare to the best of our knowledge that the animal is in sound condition and it may be insured on the value of Rs. _____ which we think is the fair price for it.

(Signature of the members of the Board of Directors.)

1
2
3
4
5

STATION

Date

Certified that I examined the animal and I consider that the animal is sound in health and the value taken for insurance is _____ passable not good or weak and it should have been assessed at Rs. _____

STATION

Date

FORM B.

Veterinary Assistant.

Insurance policy granted to M.R.Ry.,

Village _____

Policy No. _____

The _____ Insurance Society hereby grants this policy for your animal of following description:—

Bullock or buffalo.	Colour.	Value.	Amount insured.	Insurance premium paid for the year ending with.
(1)	(2)	(3)	(4)	(5)

We bind ourselves to pay you the above said insured amount subject to the provisions of the society's by-laws.

Date

(Seal)

(Signature of the President and the members of the Board of Directors.)

FORM C.

Certificate of death of animal.

We, the undersigned members of the board of directors, do hereby certify that the the undermentioned statement for the animal for which the insurance is claimed by is quite true.

Bullock or buffalo.	Colour.	Year insured	Amount insured for	Policy number.	Date of death.	Cause of death.
(1)	(3)	(3)	(4)	(5)	(6)	(6)

We declare that the death is not due to any fault of the owner and we hold ourselves responsible for any loss the society may suffer if it be proved that this certificate is not true.

Date

Witness (who must be a member of the society.)

(Signature of Board of Directors.)

NOTE.—If cattle die from a contagious disease, the secretary will ascertain whether it was at once reported and he will countersign the certificate as follows :—

Contagious disease was duty reported on (date) not at all reported.

Secretary.

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AUGUST 1925.

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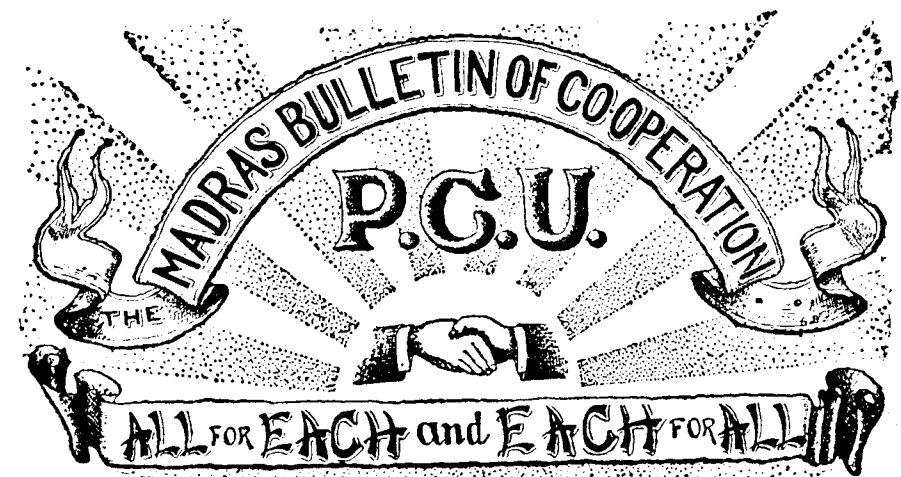
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INDIAN CO-OPERATION IS CO-OPERATION FOR PRODUCTION ONLY.

It need hardly be said that India is an agricultural country and the occupation of the majority of the people is agricultural production. It is a well known fact that the individual producers form themselves into a co-operative association for one of the three objects—supply of credit, supply of raw materials required for their occupation or joint sale of their produce. Whatever classification of co-operative societies may be adopted, the only broad lineament is either production or consumption. Each of these may be divided into two sub-divisions, Agricultural and Industrial. Each in its turn may be either credit or non-credit.

The net profit of the Panama Canal works for the last year was 2 crores of dollars or 8 crores of rupees.

ative movement, as a living organisation, must shape itself largely according to the material with which it has to deal. The sculptor in marble works with a different economy of line and detail from the artist who casts in bronze. Similarly even where co-operation has the same ideal to express, it must assume somewhat varying forms according to the National Character and economic circumstances which are the material for its self-expression."

In conclusion what appears to me is that the present Indian Co-operative Movement is only Agricultural Producers' Co-operative Credit movement, rightly initiated by the Government of India for its people, though termed and classified as Resource movement, might better be called Agricultural Producers' resource movement. Further time is now ripe and the attention of all co-operators deserves to be directed towards the non-credit side—supply of agricultural requisites and sale of agricultural produce—of the agricultural producers' movement, to attain the *summum bonum* of co-operation.

S. HANUMANTHACHARIYA,
Bombay Co-operative Department.

THE DRAVIDA BRAHMIN CO-OPERATIVE HOSTEL, LTD.

(PUTTUR, S. KANARA BY M. RAMAN NAMBIYAR, B.A. L.T.)

Origin. It was started in 1923 as a protest against the miserly treatment of the students by the keeper of a certain hotel where the majority of the Brahmin students were boarding and lodging at the time. The goodly man stoutly refused to accept any reasonable terms of settling the differences between himself and the wronged students under the firm belief that the latter would bend their knees before him and went to the extent of challenging them to leave his hotel at once if they were not satisfied with his meals and accommodation. To his great surprise and sorrow the students accepted the challenge and walked out in a body. A certain Dravida Brahmin Hostel Committee organised a few years previously, happened to be in existence on paper at the time. This body was roused to immediate action by the exertions of some of the teachers and well wishers of the students. A small rented building was procured for the time being and the hostel was formally ushered into existence on the 1st of February 1923.

Wife:—"What do you think of my new portrait?"

Hubby:—"Oh, quite good, if it were not for the artist's wild imagination."

Wife:—"What do you mean?"

Hubby:—"Why, he has painted you with your mouth closed."

Registration. The hostel continued to work satisfactorily and attracted more students than the small building could accommodate. The necessity for a separate building of its own began to be felt quite keenly. Those who know Puttur should also know how hard it is to procure decent buildings either for love or for money. At the same time the difficulty of finding funds for putting up the building was felt to be equally great. At this stage Mr. M. Shiva Rau, the spirited leader of Co-operation in the district, who was all along co-operating with the hostel affair conceived the novel idea of surmounting the above difficulties by converting the Hostel into a co-operative concern. He discussed the matter with the leading Dravida Brahmin friends of the place and eventually got the Hostel registered as a Co-operative Society on the 30th of September 1923 under the Government of India Act II of 1912.

Constitution. The hostel was registered as a limited liability society. The share capital fixed for the present is Rs. 15,000 made up of 1,200 shares of Rs. 10 each and 3,000 shares of Rs. 1 each. Any Dravida Brahmin over 18 years of age and competent to contract is eligible for admission as an A class member; and any Dravida Brahmin over 18 years of age, who is interested in the education of children attending any of the schools within the town of Puttur, and who is competent to contract, is eligible for admission as a B class member. No member is allowed to take more than 90 A class shares or 50 B class shares.

Management. Subject to the control of the General Body the executive management of the affairs of the society vested in a Board of Directors consisting of not more than five members, of whom 3 are to be A class members and the remaining 2 B class members. The Board of Directors is empowered to purchase or construct buildings for the Hostel with the funds collected by way of A class shares or raised on the strength of such shares. As distinct from the above two bodies there is the Hostel Committee consisting of the Head Master of the Local Board High School as chairman and four others nominated by the Board of Directors from year to year. The committee is authorised to raise funds, if necessary, on the strength of B class shares and to so manage the Hostel as to be able (1) to put by a reserve fund, (2) to pay a dividend of not more than 6 per cent on B class shares and (3) to form a sinking fund for the gradual extinction of A class shares.

Special Features. Being a registered Co-operative Society it is competent to borrow amounts to the extent of 5 times the paid up share

Theodore Stauning, the new Danish Premier, has as long and as honourable a career in the co-operative movement as has Premier Ramsay MacDonald.

—*The Locomotive Engineers Journal, August, 1924.*

capital and the reserve fund. This means much when we take into account the general tendency among people to postpone payment of promised donations and subscriptions and, if possible, to avoid paying them altogether. The Board of Directors is thus enabled to commence building operations at an early date instead of waiting indefinitely for the collection of the full amount required for the purpose.

Secondly, as the bye-laws provide for the payment of decent dividends annually on paid up share capital and for the gradual return of A class shares there is ample inducement even for over-thrifty persons to purchase shares and thus to contribute to the success of the work on hand. In other words, *it is business combined with philanthropy.*

Thirdly, as the Society is competent to receive deposits, both fixed and recurring, on reasonable terms, there is ample scope for it to attract large amounts from the parents and well-wishers of the students and thus to grow into a very useful and popular institution.

Fourthly, as a Co-operative Society it enjoys all the privileges which any ordinary Co-operative Credit Society does under the Government of India Act; matters requiring the intervention of the court of law under ordinary circumstances can be settled by the Assistant Registrar of Co-operation and the decree can be executed by revenue process. Mention should also be made of the free audit furnished by the Co-operative Department. The checking of the accounts is periodically done also by the Local Union to which the Hostel Society is affiliated.

The following special feature of the Hostel is one which does owe its existence to its being a Co-operative concern. In spite of the limited space available at present, the students and the warden work together in the compound and try to grow their own vegetables. In these days when manual labour is treated with contempt even by the sons of agricultural parents, the noble example set by the Hostel is worthy of admiration and even of imitation, if possible, by other Students Hostels. This activity of the Hostel is being nurtured into a permanent feature of the institution, and when the Society comes to possess an extensive compound of its own, the Hostel should deem it a privilege to be able to grow all the vegetable required for its use.

Last but not least, the spirit of Co-operation that pervades the whole Hostel, the homely life the inmates lead there, the way in which they begin their work before dawn, the brotherly care which the grown up

French consumers have been building up a powerful co-operative trading movement, which today numbers more than 2,445,000 heads of families, and which carried on a business last year of close to 100,000,000 dollars,

boys bestow upon the younger ones—all these ought to captivate the mind of any casual visitor to the Hostel and remind him of the glowing account he must have received of the students of Dr. Rabindranath Tagore's SANTINIKETAN at Bolpur.

The Hostel is at present located in a rented building and has 27 members on its rolls. Serious attempts are being made to obtain more shareholders and to put up a decent building of its own. The District Board has assigned a splendid site near the High School on a nominal rent. We are yet at the initial stage. Much remains to be done. It is our earnest hope that with the hearty co-operation of influential and enthusiastic persons like Mr. M. Shiva Rau and of the leading Dravida Brahmins of the Taluk, the Hostel may be developed into an ideal institution by the grace of God. —*From the Brennen College Magazine.*

DISTRICT CO-OPERATIVE FEDERATION AND ITS NEW MODEL BY-LAWS.

I have had occasion to peruse the Model Bye-laws of the District Co-operative Federation, Ltd., framed by the Registrar of Co-operative Societies, Madras. The bye-laws are apparently the outcome of the deliberations of representative co-operators called by the Registrar on the 7th of March, 1925. Though the model by-laws is a great improvement over the draft put up by the Registrar, yet it seems to require modification in some important particulars as below:—

Bye-law 3 :—This provides for admission of individuals as members, but limits their number to one-fourth of the total number of members of the Federation, or five, whichever is less. The anxiety on the part of the Registrar to limit the number of individual members is not understood, especially if regard be had to the fact that individuals as a class, have, unlike in Central Banks, no subserving separate interests in the District Federation, as against those of societies, and that the District Federation is more or less a propaganda and educative institution. With a view to secure the sympathy and active support of co-operators, who are not members of co-operative institutions for some reason or other, this limitation may, with great advantage to the movement, be removed, or the minimum fixed may be raised.

We should always keep in mind the wisdom of the Athenians of whom Pericles said: "We listen gladly to the opinions of others and do not turn sour faces on those who disagree with us." A nation is truly cultivated when that can be said truly of it.

By-law 6:—The entrance fee of Rs. 5/-fixed for individual members, who join the Federation merely to help the movement, is rather heavy, and may well be reduced to Rs. 2/-

By-law 10:—This bye-law shuts out individual members from having a seat on the Board of Management, where alone their presence and help may be required most, especially during the infant stage of a Federation. Under the bye-law as it stands, only representatives of supervising and audit unions, non-union limited and unlimited liability societies and District Central Banks can constitute the Board of Management. It is a known fact that representatives of Supervising Unions, and of Non-Union Unlimited Liability Societies, coming for the most part from distant rural areas, may not be qualified to efficiently undertake the more onerous and responsible duties of a Federation, while the representatives of Audit Unions, Limited Liability Societies and Central Banks, who may come from urban areas, may not possess the requisite leisure. It is, therefore, necessary that the field of selection of members to the Board of Management should be as wide as possible, and to this end the ban put upon individual members may be removed.

By-law 11:—This bye-law restricts the field of choice for the Secretaryship of the Federation by limiting it to representatives of Supervising Unions. Anybody acquainted with the working of Supervising Unions should know that it would be very difficult for a Federation to find a representative coming from a rural area to have the high technical qualification and business habits required for the post of the Federation Secretary and to have the mind to shift his residence to District headquarters, for performing the onerous duties of the Secretary of the Federation efficiently. Further, for some years to come, *i. e.*, until the Federation should come to stay, the place of Secretary should not be liable to constant changes by reason of his position in the Supervising Union being affected by the annual or interim elections. The restriction, therefore, should be removed by deleting the third sentence of the bye-law.

By-law 12:—Clause ix of this bye-law requires the Board of Management to select and arrange for the training and examination of Supervisors required by local Supervising Unions, in consultation with the Registrar. Besides the Registrar of Co-operative Societies, there have now come into being the "Deputy Registrar" and "Assistant

"Fools sometimes ask questions that wise men cannot answer," said a professor in the course of his lecture.

"Then that explains why so many of us get 'plucked' in our examinations," said one of the students.

Registrar", and it is not known which of these officers have to be consulted. The District Federation, the Supervising and the Audit Unions are created to relieve the departmental officers gradually of all non-statutory functions, and it is not clear why the Registrar should be anxious to have a voice in the matter of selection of individual Supervisors, who are to work under Supervising Unions. If the Registrar is afraid that qualified men may not come to be selected for the post, it may perhaps be better for him to fix, in consultation with the Dt. Federation and the Madras Provincial Co-operative Union, the minimum qualifications for the post of Supervisors, instead of the selection being left to be questioned in each case by the Registrar, be he the Deputy Registrar or the newly created Assistant Registrar.

By-law 14. This bye-law requires that the training to be given to Supervisors shall be on lines approved by the Registrar. It is presumed that the "Registrar" in this bye-law means the "Registrar of Co-operative Societies." If so, this may be made clear by substituting for "Registrar" the words "*Registrar of Co-operative Societies in consultation with the Madras Provincial Co-operative Union.*"

By-law 15:—This bye-law requires that a Supervisor trained by the District Federation should be certified fit by the Registrar to do independent work. Here again the word "Registrar" will have to be defined. Any Federation under whose supervision and control a Supervisor has been trained and found fit for the appointment by its own office bearers, should get annoyed if a Deputy Registrar or a newly recruited Assistant Registrar should choose to question its finding. This will surely lead to unnecessary friction. The power of certification, should, therefore be given to the Board of Management of the Federation or to its chief office-bearers. The words "*By the Registrar*" in this bye-law may well be omitted.

By-law 28:—This is an extraordinary bye-law going as it is against the very root of the principle namely, that no person should be condemned without being heard. It should, therefore, be omitted.

It is no use starting District Federations before the above defects are rectified, and it is hoped that the Provincial Co-operative Union will take early steps to move in the matter.

Madura,
Dated 26th July 25. }

G. SRINIVASARAGAVACHARIYAR,
Retired Dy. Collector.

There are 137 consumers' co-operative societies in Australia, representing a membership of 111,879 heads of families. These societies operate nearly 100 branches and the average membership of the societies is 800,

PROCEEDINGS.

OF THE

Conference of the Registrar with the Representatives of Co-operative Central Banks held at the office of the Registrar of Co-operative Societies, on the 9th March 1925.

Subject 1. What should be the basis upon which the distribution of the resources of financing banks between long and short-term loans should be made?

Is it not desirable that a working basis should be adopted by each central bank with reference to its resources?

Does the present method of distribution adopted by financing banks ensure

- (1) the best utilization of their resources, and
- (2) financial safety?

Note.—This subject was considered at a Bankers' Conference held on 29th March 1924 but was postponed for further consideration in the light of additional statistics which were called for.

Subject 2. Can the maximum period for long-term loans given by central banks to primary societies be extended to ten years?

Resolution. Resolved that these questions (subjects 1 and 2) will be referred to a sub-committee consisting of Messrs. Rao Sahib T. Srinivasa Rao, Rao Bahadur A. Vedachala Ayyar, Rao Sahib N. Krishnamachariyar and the Registrar of Co-operative Societies for examination and report to the next Bankers' Conference. The report should be circulated along with the agenda for the next Bankers' Conference.

Subject 3. Should central banks allot a portion of their net profits every year to a special reserve for bad and doubtful debts?

Resolution. It is considered desirable that a provision should be made by central banks for a special non-statutory reserve for bad and doubtful debts.

Subject 4. Is it necessary to pay more than 6 per cent as interest on deposits taken by central banks from local boards and municipalities when the period exceeds one year?

Resolution. Resolved that it is unnecessary to pay more than 6 per cent interest on deposits for one year taken by central banks from local board and municipalities or to pay more than 6½ per cent on deposits from such sources when the period is two years or more.

The largest palace of the ex-Sultan of Turkey, namely, the Delma Bagtche on the Bosphorous is to be converted into an hotel. It is also proposed to transform the Beglerberg Palace into a girls school and to sell two smaller palaces.

Subject 5. Is it possible to induce abkari renters who have given security in the shape of deposits in central banks, to leave their deposits with the central banks instead of requiring the banks as at present is the general practice to pay the deposits towards the last instalments due by the renter to Government? Will a higher rate of interest induce the renters to leave the amounts with the banks?

Resolution. The general opinion is that it is not as a rule possible even by offering a higher rate of interest to induce abkari renters who have given security in the shape of deposits in central banks to leave their deposits with the central banks instead of requiring the banks to pay the deposits towards the last instalments due by the renter to Government.

Subject 6. Should interest be levied on a debt due by a liquidated society to a central bank even after the registration of the society has been cancelled? If so, should it be credited before or after paying off other liabilities?

Resolution. Under section 42 (2) (e) of Act II of 1912, the liquidator of a cancelled society has power to investigate all claims against the society and, subject to the provisions of the Act, to decide questions of priority arising between claimants. Generally interest is not allowed to be claimed after date of the cancellation of a society. The theory is to stop all things and divide the wreck of the society's property as it then stood. The following procedure is suggested for general adoption:—

As soon as the liquidator of a cancelled society assumes charge, he shall prepare an assets and liabilities statement as they were on the date of the cancellation of the registration of the society and shall invite claims against the society. He shall then determine the amount due to each creditor including interest, if any, at the agreed date up to the date of the cancellation of the registration of the society. From this date no interest shall be allowed on any debt till all the debts of the society, as determined by the liquidation in the abovesaid manner are paid off. If there is a surplus, after payment of both principal and interest in the above said manner, it will be distributed among the creditors in proportion to the interest accrued since the date of cancellation of the registration of the society on the original sums in respect of only such debts as carry interest according to the original terms of the contract. No compound or penal

"White lies lead to a habit of dishonesty. And life becomes largely made up of falsehoods. Truthfulness is a characteristic frequently noticeable because of its absence. We become untrue even to ourselves."

interest shall be allowed on any debt after the date of the cancellation of the registration of the society. The debts referred to above shall exclude share capital held by members which will be available to meet deficiencies in payment of interest due to creditors. The liquidator shall enforce unlimited liability in the case of societies which are of that type before he declares that no surplus assets are available to pay interest.

Note.—It is obviously not desirable to appropriate payment towards interest and add such interest to profits and distribute it to members while as a matter of fact it may so happen that the whole or a substantial portion of the debt may have to be written off at the end.

Subject 7. Should the concession given to central banks of giving loans to non-members on the security of their deposits be extended to other central banks? Has the concession already given to certain banks brought in any new money into the movement?

Resolution. The Conference is of opinion that the concession referred to should be extended to all central banks.

Subject 8. Consideration of the report of the Subject Committee appointed at the Bankers' Conference held on 29th March 1924, in regard to the following subjects:—

- (a) General information register—central banks—maintenance of.
- (b) Modification of the Quarterly Financial Statement.
- (c) Big deposits from Local Boards and Municipalities—acceptance by central banks—is any restriction necessary?
- (d) Records of central banks—destruction of—.

Resolution. (a) Resolved that this be adjourned to the next Bankers' Conference. The form proposed by the Sub Committee for the general information register should be circulated to all central banks along with the explanatory note which Rao Sahib T. Srinivasa Rao Garu has undertaken to prepare.

Note.—The form proposed by the Sub-Committee is appended (Appendix I).

(b) The Sub-Committee's report will be recorded.

Note.—The Sub-Committee's report is appended (Appendix II).

(c) The Conference is of opinion that this matter should be further examined. The Registrar is requested to make the examination in consultation with a committee consisting of (1) representatives of those central banks which hold very large sums in the shape of deposits from

*New Minister:—*Good morning, Mr. Giles. As you have lived in the district all your life, I want you to show me round. I suppose you know all the in's and out's.

Giles:—"I can't say about the 'outs' but I know all the 'ins'."

local boards and municipalities, (2) M.R. Ry. Rao Bahadur A. Vedachala Ayyar, (3) M. R. Ry. Rao Saheb T. Srinivasa Rao and (4) Dr. S. Swaminathan.

(d) Resolved that the report of the Sub-Committee and the dissenting note of M.R.Ry. T. Adinarayana Chettiyar be circulated to all central banks.

Note.—The report of the Sub-Committee and the dissenting note is appended (Appendix III).

Subject 9. Subjects sent by M. R. Ry. A. Srinivasachariyar, Secretary of the Srivilliputtur Co-operative Banking Union, Limited, for discussion at the Bankers' Conference held in March 1924 but held over for want of time.

(1) "Issue and transfer of share certificates by central banks and societies.—When and how share certificates should be issued? When societies are liquidated, how is transfer of shares effected? Whether the liquidators should sign the transfer or the bank itself can do so?"

(2) "Share capital of societies in banks.—The share capital of societies invested in banks is non-withdrawable, while the share capital paid by members withdrawable after five years in primary societies. In such cases, a society has got invested in bank much larger amount as share capital while according to its own share register a far less amount is possessed in banks. How to reconcile them? What steps are necessary for such reconciliation?"

(3) "How is the dividend on share capital calculated in various central banks? From day to day or half month or full month only, i.e., whether the dividend is given for all days of the year in which share capital was put in by societies or from the half month in which it was so put in or only from the succeeding month alone?"

Resolution. As M. R. Ry. A. Srinivasachariyar is not present, the subjects proposed by him will be adjourned.

J. GRAY,
Registrar.

We are surprised to hear that in the enlightened United States of America "there is no national law prohibiting the labour of children and most of the State laws are pitifully inadequate," and that according to the census of 1920 there were 1,050,000 child wage-slaves in the U. S. A., from 10 to 15 years of age.

THE SALEM DISTRICT 4TH CO-OPERATIVE CONFERENCE.

Resolutions Passed at the Conference on the Second Day 4th April 1925.

Resolution I :—Resolution of Condolence on the death of late Mr. Neikarapatty Kuppusami Aiyer.

Resolution II :—This conference requests the Government that Land Mortgage Banks be opened at Namakkal as an experimental measure and in as many places in the District as possible.

Resolution III :—That Government be requested to issue a circular to all heads of departments and of Educational institutions authorising them to arrange for recovery of dues of members of all Public Servants' Co-operative societies or of the staff of educational institutions, as the case may be, by deductions from salaries with reference to the understanding given by such members to the societies.

Resolution IV :— (a) That the appointment of Honorary Assistant Registrars might be discontinued as they are unnecessary.

(b) That Government be requested to grant the amount now spent on the Honorary Assistant Registrars, to the supervising unions.

Resolution V :—That the Salem District Urban Bank be requested to grant for each society a long and a short term loan in the beginning of each year according to the requirements, and the society executing two pronotes for the amount sanctioned and permitting the societies to draw the amount piecemeal according to their necessities.

Mr. Rao Saheb T. Srinivasa Rao spoke on the subject.

As amended, the resolution was passed unanimously thus :

"That the Salem District Urban Bank be requested to sanction for each society a short term loan in the beginning of each year according to the requirements, the society executing a pronote for the amount sanctioned, and permit the societies to draw the amount according to their necessities."

Resolution VI :—That Government and the Registrar be requested to send audit certificates before the end of December of each year at the latest to enable the supervising unions to take necessary steps for remedying the defect.

In Canada the number of students that attended schools and colleges during the year 1922 was 2,124,254 out of a population of 8,788,483 or nearly 25 per cent. Generally the school going population is calculated to be one-sixth or 15 per cent of the total population.

Do you know the corresponding figures for India or for the province of Madras?

Resolution VII :—That Government be requested to exempt all co-operative societies from the payment of all kinds of taxes to Local Boards and Municipalities.

Resolution VIII :—This Conference resolves that the Government be requested to include the subject of co-operation in the syllabus of secondary education as a compulsory subject.

Resolution IX :—This Conference resolves that Government be requested to permit co-operative societies to send their postal money orders at 1/4th the general rates of commission and to send all insurances free from insurance charges.

Resolution X :—That Government be requested to pass necessary orders to reduce the minimum amount of Remittance Transfer Receipt in Government treasuries from Rs 150 to Rs 50.

Resolution XI :—This Conference requests the Government to exempt co-operative societies from payment of deposits or purchase money in revenue sales when those sales are made for recovery of dues, due to the society on arbitration awards in cases where the society itself is the purchaser and to amend Act II of 1864 accordingly.

"நீண்ட காலக் கடனுக்கு கொடுக்கப்பட்டிருக்கும் வாய்தா 5 வருஷமென்பது சங்கங்கள் போட்டிருக்கும் ரிசர்வ்ஷன், இதர நீண்ட கால டிபாண்டுகளை உத்தேசித்தும் தகுந்த சங்கங்களுக்கும் 11 வருஷ காலமாக மாற்றவேண்டுமாய் சென்ட்ரல் பாங்கை இந்த மகாநாடு கேட்டுக்கொள்ளுகிறது."

Copy of the letter of the Registrar of C.S. Madras on the Resolutions to the Chairman, Reception Committee. IV Salem Dt. Co-operative Conference—Letter No. B. 1659-25 Dated 13-6-25.

I have perused with much interest the resolutions passed at the above Conference. With regard to some of the resolutions I have the honour to offer the following remarks :

Res. No. III. I am forwarding a copy of resolution to Government.

Res. No. VI. Every endeavour will be made consistent with efficient audit to complete final audit and issue audit certificates before 30th December following the close of the co-operative year.

Res. No. VII. I have already made representations to Government on this subject.

Res. No. XI. The matter is being considered.

The day of repentance always dawns for the thief if he lives long enough.

EXEMPTION FROM STAMP AND REGISTRATION DUTIES**For documents executed by members of societies as guardians on behalf of minors**

A certain member as guardian of a minor executed a mortgage document in favour of the Co-operative Society, Tiruvannamalai, and the District Registrar on a reference made to him by the Sub-Registrar who registered the document impounded it and collected a penalty of 3-12-0. The Registrar of Co-operative Societies addressed the Inspector General of Registration to order for a refund of the amount collected and he upheld the decision of the District Registrar. Thereupon an appeal under Sec. 45 of the stamp act was preferred to the chief controlling Revenue authority and he held that the document is exempted from stamp duty and ordered the refund of the amount collected. The decision being one of important reference to the societies copies of correspondence on the subject and the final orders thereon are published hereunder.

I. Copy of letter No. B. 4638/24 D. 4-4-25 referred to.

"I enclose copies of correspondence between the Secretary of the Tiruvannamalai Co-operative Society Ltd, and the District Registrar of Assurances, North Arcot, and myself in regard to the impounding by the District Registrar of a document executed by a member of the aforesaid society. The facts of the case are as follows.

A member executed a mortgage deed in favour of the society for a loan taken by him from it. As the borrowing member has a minor daughter the society required the guardian of the minor (i.e.) her husband, to join in the execution of the document. The guardian joined the society as a member and executed the document jointly with the borrower. The Registrar of Assurances was of opinion that the document is not exempt either from stamp or registration duties and therefore collected a sum of Rs. 4-4-0 from the society. It will be observed that the guardian joined the society for the very purpose of serving as a guardian for the minor. A minor can become a member of a society only through his guardian. It cannot therefore be said that the guardian is not a member of the society in his capacity as a guardian of the minor. Even according to the proceedings quoted by the District Registrar in his letter addressed to me, if the guardian had signed the document as a surety without becoming a member of the Society, the document would still be free from stamp and registration duties. The man who executed the document is a member

An Irishman entering an ironmonger's shop to buy a stove was recommended one that would save half his coal when he joyfully exclaimed:—"By the powers then, I'll buy two, an' save the whole of them."

and it cannot be said that he did not sign it as a member. Even assuming that he did not sign it in his capacity as a member—which is not the case—the document is still free from stamp and registration duties, for in an analogous case: i.e. in a case where a member of a society who was a paid employee gave a receipt for the pay received by him in his capacity as an employee and not as a member the Advocate General was of opinion that the receipt need not be stamped. I enclose a copy of the Advocate General's opinion in the matter for your information. In the circumstances I request you to be so good as to order the refund collected.

II Copy of letter No. 237 genl, Dt. 13-5-25 from the Inspector General of Registration, Madras to the Registrar of co-operative Societies, Madras.

Ref. your letter No. B-4638/24 Dt. 4th April 1925.

As the document in question does not expressly set out that the guardian joined the society as a member on behalf of the minor, it should be construed as it stands with reference to I. L. R. Cal. (XVI-432.) I accordingly agree with the Registrar of North Arcot that the document is chargeable with stamp duty and registration fee. It is, however, open to the society to appeal against the Registrar's decision to the chief controlling Revenue authority under Section 45 of the Indian Stamp Act. 1899.

Appeal by the Secretary Tiruvannamalai Co-operative Society to the Chief Controlling Revenue Authority under Section 45 of the Indian Stamp Act 1899, against the orders of the Inspector General of Registration in his No. B. 4628 of 24 Dated 4th April 1925.

One Thav Saheb, a member of this Society, No. 633, applied for a loan of Rs. 45 on the mortgage of his house, and this Bank sanctioned the loan on condition that the bond must be executed both by him and his son-in-law, Abdal Shookoor Sahib member No. 662, as guardian to minor Mareembi his wife as the minor had also interest in the property. Both the executants are members of the society. The bond was executed and registered in number 3607 on 25-9-24. The document was impounded and ten times the regular duty, Rs. 3-12-0, was collected on the ground, that the guardian did not expressly join the society as a member on behalf of the minor. He has no other loan except this and has executed the bond as guardian, as per recital in the bond. He has no other purpose to join the society and he is competent to contract on behalf of

Man shall not live by bread alone, said the Nazarene; nor shall co-operation live merely by dividends in dollars and rents to its members, says the All-American Co-operative Commission. A comprehensive programme of educational and social work should accompany all genuine co-operation.

the minor. Whatever it may be, he is a member of the society and the instrument executed by him is exempt from stamp and registration duties. The definition for a member in the Act Sec. 2. c is clear, that any person joining in the application for registration or a person admitted to membership after registration is a member under the Act. I. L. B. Cal. XVI-432 quoted by the Inspector General is also in favour of our contention as it is decided that ascertaining stamp duty, the documents should be considered as it stands. Here it stands executed by members of co-operative Societies and is entitled for exemption.

This is a broad question affecting the transactions of a number of Co-operative Societies and I beg to request the question may be considered with the spirit with which the exemption was granted by Government and refund of the amount collected will be ordered.

Proceedings of the Collector of North Arcot

A. G. LEACH ESQ. I. C. S.

D. Dis 8193-25.

Vellore, Dated 21st July 25

Stamp duty :—documents executed by the guardian of a minor—Co-operative societies—exemption—appeal under section 45 of the stamp act—orders passed.

Read (i) Letter No. B. 4638/24 D. 4-4-25 from the Registrar of Co-operative Societies, Madras, to the Inspector General of Registration, Madras.

(ii) Letter No. 237. Gl. D. 13-5-25 from the Inspector General of Registration Madras to the Registrar of Co-operative Societies, Madras.

(iii) Appeal under section 45 of the stamp act preferred by the Secretary, Tiruvannamalai Co-operative Society, Ltd. Tiruvannamalai and

(iv) Letter No. B. 4638/24 D. 30-6-25 from the Registrar of Co-operative Societies, Madras.

ORDER.

The document in question is exempt from stamp duty under the Government of India notification No. 2781 F. Fin D. 23-10-1919. The stamp duty and penalty collected will be refunded.

(Sd). illegible,

For Collector.

To The Secretary, Tiruvannamalai Co-operative Society Ltd., Tiruvannamalai
To The Registrar of Co-operative Societies, Madras, and Inspector General of Registration, Madras.

The Congress of the Co-operative Union of Canada held at Toronto on the 27th and 28th of November 1924 passed six resolutions,

OUR CORRESPONDENCE COLUMN.

I. Proceedings of the Last Co-operative Business Conference in South Kanara.

Sir,

Our attention has just been directed to what purports to be a review of the Proceedings of the last Co-operative Business Conference in South Kanara in the "Bulletin" for June last.

Regarding the resolution suggesting that the Department should disallow remuneration disbursed in societies that do not submit their monthly statements, I have to point out that it is only a request to the Department to exercise the power already vested in the Department by statute and regulations. Viewed from this standpoint, I believe it will be agreed that there cannot be any question in it of the step being either retrograde (as the reviewer says) or progressive. It is not the contention of South Kanara co-operators that the step is a progressive one and that it ought to be adopted for that reason. The bye-law gives certain powers to certain authorities, and the Conference merely pointed out the desirability of those powers being exercised as they seemed hitherto to be "honoured more in the breach than in the observance." Some powers which had hitherto been vested in the Department have already been transferred to Unions. Whether they are being exercised to good effect is a question which the reviewer can answer as well as anybody else. When the powers already vested in Unions are exercised properly, it will be time enough to invest Unions with more powers. The reviewer says :—"if they [i. e., the Unions] have not the ability to enforce disciplinary measures and if societies would not be amenable to such a control let us not talk big of de-officialisation." (The italics are my own). Is the reviewer sure that the Unions have already been able to enforce discipline? We need not talk either big or small of de-officialisation at any time. Let the Unions energetically exercise what powers they have already, and everything will then be done quietly and well, without anybody talking about anything either big or small.

The reviewer has questioned the wisdom of the appointment of an Assistant Secretary in the Central Bank. There is of course no doubt about the necessity of strengthening Unions to do inspection and collection work themselves. But quite apart from such influence as the Unions will be able to exert in respect of collections, it seemed necessary that the Central Bank as a creditor institution, should send its own man to the borrower institutions and speed up collections independently also. The best and most widely followed method known in the ordinary villages for collecting dues from borrowers is that of the appearance of

The study of the vitamins, their necessity in the human economy, their loss and destruction through overcooking of vegetables, and facts relative to "denatured" foods, such as white flour, helps the average to regain and maintain health.

The more raw foods, vegetables and fruits, and the less meat that are eaten to say nothing of less "Pasteurized" and "sterilized" milk, the better off the human family.

the creditor at the very door of the borrower. By this it is not meant that that is an ideal method, but taking conditions as they are, it has proved itself to be a very effective one. The experience at any rate in South Kanara has hitherto been that while departmental Inspectors and Union Supervisors have not been able to exercise any appreciable influence in speeding up collections, Union Governing Body members have not also as yet begun to devote such detailed attention to the societies as is necessary to speed up collections. The result is that the work that has to be done remains undone or is only half done. Of course, if Unions do their work properly, none else need do it. But then, it can as well be said, if the societies do *their* work properly, Unions also need not bother themselves any more about anything but can go clean out of existence altogether. We do not know what point is sought to be made out by using the word "poaching". Inspection is as much the duty of Central Banks as of Unions. In the Bombay Presidency, Central Banks have appointed their own Inspectors in addition to the inspecting staff of the Department and of guaranteeing and supervising Unions. We have yet to reach the stage when the number of persons recruited for inspection can be said to be beyond the extent of the demand or necessity therefore. Until then, none need be afraid of any "poaching" in this matter by one institution over the jurisdiction of other institutions.

In the last paragraph but two of the review, reference is made to some resolution by which the idea of appointing a propagandist is said to have been given up. We do not understand the reference here. So far as I can see, no such matter had come up before the Conference and no such resolution had been passed.

I shall thank you to find space for this in an early issue of the "Bulletin."

PUTTUR, SOUTH KANARA. }

Dated 15th July, 1925. }

Yours truly,

M. ANANTA RAU,

Secretary of the Central Bank and (till recently)
Secretary of the District Council of Supervision also.

II

Copy of letter from the Deputy Director of Agriculture, IV Circle, to the Vice-President, Co-operative Agricultural and Industrial Society Ltd., Kallakurichi.

DEAR SIR,

In response to your personal request to send you in writing my suggestions in regard to cultivation of sugarcane and to allied improvements in and around Kallakurichi I herein fully give my observations of the morning's visit I paid recently to your Society's premises and the sugarcane gardens in the neighbourhood of Kallakurichi.

2. I find that the three varieties of sugarcane which are being cultivated are in many cases mixed. This is bound to lead to a good deal of trouble and will end in nothing valuable unless steps are taken immediately.

Mr. Newrich (to bored member of his club): "They talk of putting me in 'who's who'."

The bored one: "Whose zoo?"

That education has been unmaking agriculturists was the complaint in many civilised countries like America. The tendency of the educated man to live in towns is not at all confined to our country. It has been seldom possible here to get the really educated man to take to agriculture and to lead a contented and happy life in a rural area. As a result of this it is also felt that in the same family the unfortunate amongst brothers who was unsuccessful in his educational career goes back to his lands as a matter of necessity. Thus in many rich families there is a sort of aversion created to farming as it is meant to be the profession of the failures. By this process of selection as a rule the least intellectual of the brothers of a rich family goes to manage or cultivate lands and the man who could not get into schools on account of his poverty also happens to be the farmer of the village. Perhaps the largest proportion of the present day farmers belongs to the latter class. This is quite an unfortunate state of affairs which retards progress in farming.

3. Again, I found that of the 3 varieties J 247 is for some reason or other suffering badly from a very serious disease known as red-rot. Remedies for this disease are more in the way of prevention. One is that canes which have red colouring inside should not be used for planting. In fact the whole clump from which the cane is noticed to be suffering from this disease should be absolutely discarded in planting. The red colouration can easily be recognised while the crop is harvested. The second method is to see that canes are planted in well drained soils. Water stagnation is the chief cause of this disease. Therefore plant in wet lands surrounded by a number of paddy fields is objectionable. If they should be planted only in wet lands high level lands alone should be chosen and great care should be taken to see that water from surrounding wet lands does not get into such fields and that these are thoroughly drained as soon as possible after irrigation.

4. Thirdly, I found that both J 247 and B 208 are deteriorating even though they are planted for the first time this year. The canes are tall and have many tillers but lack in girth which they normally possess. This is mainly due to manure. When the Department introduces a good variety of cane into a new tract it also strongly recommends that the cultivators look after it by proper and judicious manuring. As a department we do not for a moment recommend the sugarcane crop to poor people unless they are helped by Co-operative Societies, and I am not a

Many British workers live in homes which were bought and paid for with their dividends from the co-operative store. It is thus said that Great Britain is the only country in the world where a man can eat himself into a house and home.

of future expansion and prosperity. It was composed of nine eminent men representing the varied official and non-official agricultural and labour interests and was presided over by Prof. J. P. Drew, Professor of Agriculture, University College, Dublin. The Commission held 74 sittings in 1923 and collected evidence from a very large number of well-informed persons, representatives of the I. A. O. S. Owing to the urgency of the questions involved it was thought necessary to issue five interim reports on Tobacco growing, marketing of butter and of eggs, agricultural credit and licensing of bulls. The final report included a minority report signed by two members. A perusal of all these reports shows that the members have left no stone unturned in correctly understanding the causes of the agricultural depression and in suggesting suitable remedies for the same. They have boldly and forcibly expressed their views and their sincerity of purpose and their desire to make the reports useful to the country are very striking.

5. Fourthly, I would suggest that the canes are trashed, i.e., dried leaves removed once before the northeast rains, that is to say in October and again in December for a second time when the rains are over. This would enable the fields to be properly aerated and would permit cultivators to enter the fields and hoe and weed which are all very necessary if they want to get good crops of sugarcane.

6. Fifthly the canes should be planted deeply in trenches 3 feet apart. This would enable the roots to have a good hold during the windy season but this is not enough. I saw in several places canes lodging badly. This means that jaggery produced from such canes would be of inferior quality. Besides planting them deeply I would suggest that they should be supported by means of bamboos, after they grow to some 8 or 10 feet height. Bamboos purchased once can be reserved for the following crop so that under care they could be kept for a number of years. I explained to you in person how to prop these canes but the Assistant Agricultural Demonstrator at Kallakurichi would I am sure be able to demonstrate the method wherever it is needed.

7. In this connection I would suggest that you should have a demonstration plot somewhere near Kallakurichi in which all the suggestions I have offered above are carried, side by side with a field planted locally according to local methods. This I am sure if properly conducted would give you very satisfactory results and be an example for others to follow.

(True copy)

In the province of New South Wales in Australia motion pictures are used to make the teaching of agriculture more effective. And the picture as a means of depicting agriculture in all its varied phases is increasing in popularity, and officers report good results from the use of such pictures, which, therefore, are increasingly in demand.

Vice-President.

REGISTRAR'S SPEECH AT THE OPENING OF THE LAND MORTGAGE BANK AT AMBUR (N. ARCOT)

Gentlemen.—It is a great pleasure to me to be present here to-day and to take part in the formal inauguration of the Ambur Land Mortgage Bank. Although the formal inauguration takes place to-day the bank was actually registered about the middle of June 1925. It is the second Land Mortgage Bank to be registered in the Presidency but it is no dishonour to Ambur to take second place, in a matter of this sort, to a co-operative stronghold like Conjeevaram. The primary object of this Co-operative Land Mortgage Bank and of other similar banks which are being organized elsewhere in the Presidency is to facilitate the redemption of mortgage of agricultural land and thereby to afford relief to ryots who are encumbered with mortgage debts. But besides this primary object the bank is also intended to assist in the improvement of agricultural land and of methods of cultivation.

THE OBJECT OF THE BANK.

I have no doubt that many of you have taken part in or at least have listened to discussions regarding the need for and the method of work of a Land Mortgage Bank and some of you have no doubt raised the question why special separate organizations should be started for the purpose of providing the rural co-operators with long term credit. Rural co-operators are already accustomed to the idea of long term loans from their ordinary rural credit societies. Not only rural co-operators but some of the other co-operators who are responsible for the management of a Co-operative Central Bank occasionally press for the further extension of the period for which loans may be granted by the existing organizations. Some at least of those who press for this change seem to forget the financial limitations of our existing co-operative organizations. Existing rural credit co-operative societies depend mainly on co-operative district banks and the Provincial Bank on which many of them depend obtain the bulk of their working capital in the shape of deposits mostly for periods of 1 to 2 years. Now it is obviously unsafe, as the MacLagan Committee pointed out for any banking institution to invest its funds in loans for longer periods than those for which the funds so invested are entrusted to it. The ability of our existing central banks and primary societies to meet the needs of the agriculturists in the matter of long term

Three hundred million dollars are wasted yearly through preventable illness and death.

One hundred years of active, useful life is predicted through spread of health knowledge and facts concerning the human mind.

**AUDIT ORDER OF THE
DINNEDEVARAPADU LABOUR UNION Ltd., No. 9671
for the year 1923—24.**

The accounts of the DinneDEVARAPADU Labour Union Ltd., No. 9671 for the year 1923-24 as audited by M.R.Ry., C. Murugesam Mudaliar, Inspector of Co-operative Societies, are passed. The three statements of (1) receipts and disbursements (2) profit and loss and (3) assets and liabilities are appended to this order.

Membership and Share Capital.—The society was started on 24-1-24, and worked for less than six months. It had on its rolls on the 30th June '24 28 members who took one share each and paid 0—4—0 towards its value. The overdue share capital pending collection on 30th June was Rs. 35.

Borrowings.—The society carried on its work with a borrowing of Rs. 150 which sum was however repaid within the year.

Labour.—The society executed labour for an estimated value of Rs. 1932-2-0, while the charges incurred by it amounted to Rs. 1559-5-6. There was thus gross profit of Rs. 372-12-6.

Net Profit—The society earned a net profit of Rs. 270-9-0 during the year. One fourth of this sum namely Rs. 67-10-3, should be carried to reserve fund. 15 per cent (Rs. 40-9-4) has to be carried to sinking fund. A sum of Rs. 0-3-6 may be paid as dividend on the paid up value of share capital at maximum rate of 9 per cent. A sum of Rs. 20-4-8 being $7\frac{1}{2}$ per cent of the net profits may be set apart towards Common Good Fund. The balance Rs. 141-15-3 or such sum as the general body may choose, may be divided as bonus among the members. All unallotted and undistributed profits should be added to reserve fund. The reserve fund of Rs. 67-10-3 may be invested with the Kurnool District Central Bank.

General.—The share capital arrears may be collected at an early date. The society is congratulated on its successful working during the year.

TRUE COPY,

Office of the Assistant Registrar of
Co-operative Societies, Kurnool
section, Kurnool, dated the
13th May, 1925.

K. RANGASWAMI,
Assistant Registrar.

The experience gained by co-operators, even when their undertaking is a failure, will qualify them to make another undertaking a success, for most co-operative failures are due largely to lack of experience. My own view is that the probability of success is greater for a second undertaking.

William Shakespeare, Jr.

**AUDIT CERTIFICATE ON THE ACCOUNTS OF NO. 9403
VELLORE WEAVERS CO-OPERATIVE CENTRAL DEPOT Ltd.
for the year 1923-1924.**

The accounts of No. 9403 Vellore Weavers' Co-operative Central Depot. Ltd., for the Co-operative year ending 30th June 1924, as audited by M. R. Ry. R. Krishnasami Ayyar, Chief Inspector of Co-operative Societies, Vellore Section, are passed. Statements of (1) receipts and charges (2) profit and loss and (3) assets and liabilities as furnished by him are appended to this order.

2. The Depot was registered on 1-2-24 and was started on its work on the same date. The period under review is the first year of the Depot's working.

3. Twenty two members were admitted in the year each taking one share, the value of the same being Rs. 50 a sum of Rs. 110 (hundred and ten.) was collected by way of share capital each member paying Rs. 5 for every share taken by him and this amount was outstanding on the last day of the year.

4. There were no transactions before the close of the year and the only item of profit was receipt of entrance fees to the value of Rs. 11 and a sum of Rs. 9-13-0 was pending payment on the 30th June 1924 under contingent charges being the cost of account books.

5. The Depot worked at a net profit of Rs. 1-3-0 in the year under review. One fourth of this namely Rs. 0-4-9 should under by-law 34 of the Depot, be carried to the credit of the Reserve Fund and the balance is available for dividend, honorarium etc. as the amount of divisible net profit is small, the Depot may consider the advisability of carrying the whole amount of net profit to Reserve fund.

6. The object of the Central Depot is the improvement of the hand-loom industry and of the economic condition of the weavers residing in North Arcot District and it is hoped that it will try its best to achieve its object by successful working.

(Sd.) C. D. NAYAGAM,
Assistant Registrar.

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Both as to aim and method, modern education is often faulty in that the excessive desire shown to obtain tangible results of a practical nature has had the effect of obscuring its ideals and perverting its methods.

AUDIT CERTIFICATE

On the Accounts of the Saidapet Co-operative Dairy Society, Ltd., No. 5258, for the co-operative year ending 30th June 1924.

The accounts of the Saidapet Co-operative Dairy Society, Limited, No. 5258, for the co-operative year ending 30th June 1924, as audited by M. R. Ry. D. Duraiswamy Mudaliar, Inspector of Co-operative Societies, Saidapet Circle, are passed. Statements of (1) Receipts and Disbursements, (2) Profit and Loss and (3) Assets and Liabilities as furnished by him are appended to this certificate.

2. *Members and Share capital*:—During the year under review the number of members fell from 24 to 17 of whom 2 are milk suppliers and the others consumers. The paid up share capital fell from Rs. 471 to Rs. 296 of which Rs. 11 is that of the milk suppliers.

3. A loan of Rs. 50 was advanced to a milk supplier during the year. Out of Rs. 155 outstanding as advance against a member at the opening of the year, Rs. 125 was repaid. A sum of Rs. 80 was outstanding at the close of the year against the two members.

4. 1602 measures of milk were supplied by the B class member at $2\frac{1}{4}$ and $2\frac{3}{8}$ measures per rupee. It was distributed at $2\frac{1}{4}$ and $2\frac{1}{4}$ measures per rupee to the A class members and others. The transactions secured a gross profit of Rs. 35-4-4.

5. The society earned a net profit of Rs. 27-0-1. 25 per cent, viz., Rs. 6-12-1 should be carried to reserve fund, the balance is available for distribution as dividend, common good fund, and bonus subject to the maxima and limitations laid down in by-law 39 of the society. The balance, if any, left after distribution, should be added to reserve fund.

6. The reserve fund to the credit of the society according to the audit certificate of the previous year was Rs. 21-10-4. With the addition now added it will amount to Rs. 28-6-5. The Conjeeveram Co-operative Central Bank has allowed Rs. 0-14-10 as interest for 1923-24 to the amount invested in the reserve fund already with it. The society is therefore requested to remit Rs. 5-13-3 to the Central Bank towards that fund.

7. The society is requested to pay a nominal sum of Rupee one to the Saidapet Supervising Union towards contribution to supervision fund.

Office of the Assistant Registrar
of Co-operative Societies,
Chepauk, Madras, 3-12-1924

A. RAMANUJACHARIAR,
Assistant Registrar.

Doctor: "I hope your husband followed my prescription?"

Mrs Chubbs: "No, indeed! If he had he would have broken his neck!"

Doctor: "Broken his neck?"

Mrs Chubbs: "Yes; he threw it out of the fourth-floor window."

THE APPLICATION OF THE DANISH HIGH SCHOOL PRINCIPLE IN IRELAND.

Ask any intelligent Dane, or any foreigner who knows Denmark, what is the secret of Danish prosperity and the success of the Danish Co-operative movement, and he will tell you a chief factor in that prosperity and success has been the working out of the Folk High School Principle. This suggests the further questions? What exactly is this principle? What are the methods and conditions of its working?—and—most important of all for us to-day—is its application possible in Ireland?

To answer these questions fully should furnish matter for a bulky book; but some of the main points may be indicated in an article. And first, as to the Danish High School principle it may be stated that it assumes that the spiritual life of the people is fundamental, and that if it is allowed scope to expand into their material life they will love to work—it reconciles the spiritual and material desires of man so as to unite the nation. It is the secret of applying education from the standpoint of the spiritual inter-dependence of all human life, in order to develop group or national thought, which assured the whole success of these High Schools. Moreover if a nation's citizens realise their spiritual interdependence it is only a natural consequence for them to come to an understanding that their economic interests are also identical. This in turn, builds up an unshakable confidence between all citizens, and a cultural conscience develops which continually impels each individual to put forward his full intellectual and physical energy. In actual practice such a psychology reveals itself through the co-operative movement in Denmark, which is solely founded upon the confidential relationship prevalent between the citizens of the whole nation; even with just one-third of the Danish population entering these High Schools the spirit emanating from this portion permeates through the whole life of the nation, until the parents on the hearth eventually impart it to their children. In psychological terms, the High School principle undermines the instincts of self-assertion and acquisition due to the competitive mind with the creative and social instincts that make for co operation.

That it is possible for the farmer to mould a mind that would be predominantly co-operative in spite of competition all around him, is due to the fact that he has a degree of control over his finished product, and that he can eke out a somewhat crude existence regardless of the outside world; it is the degree of sub-conscious security arising from his control of his own material necessities of life that makes possible the survival of a mind predominantly co-operative when at the same time he disposes of his surplus product and buys his farming essentials on a competitive world's market.

In little Denmark to this day there are no laws to sponsor co-operative marketing; the people have built their wonderful economic systems about which the various subsidiary, social, educational and legislative branches have clung, by persistence and spirit, not by capturing government or even attempting to.

In a word, the Dane, through his High Schools, generates the co-operative mind as a means to the co-operative movement. Thus, he proceeds from cause to effect, instead of expecting, as we do, the effect to give birth to the cause.

Next we must consider the methods and conditions of the working of this principle. The length of school—term for men is five months—from November to April and for women three months—May to August. The age of the students ranges from 18 to 25. The Danes have found that this age is the best, because man at this period of life is most adventurous and is searching for a real outlook on life, both economic and spiritual, and if not given the right perspective, can be most dangerous to humanity and civilisation. Lectures occupy about five or six hours during the day. These are not lectures in the academic sense, but mere talks. The Danes place a great deal of faith in the "spoken word". The mother tongue used in discussing history and ancient literature seems to make a living connection between past and present life, and also serves as a clue to the real characteristics of the people; the national language, ancient literature and history appear to give an insight into the national characteristics before they were suppressed or perverted by the acquisitive or competitive mind. An hour each day is spent in the gymnasium. But the most important of all is the communal life of these schools, for through personal contact man is able to express the highest and deepest factors in life. No amount of lecturing can impart the true spiritual values in life—personal contact is the only means available—one must live them to know them. Song again is greatly utilised to give ideas to the students. It seems as if song sublimates and opens the mind to a patient understanding of the good things possible in life.

Towards the upkeep of these schools the Danish Government gives a grant, and it costs the individual student £3 10s. od. per month for tuition, board and residence; at the International High School at Elsinore, the fees are £ 20 for four months.

That the application of the High School principle is possible in Ireland is self-evident since 75 per cent of the real wealth of the nation is derived from agriculture, and since also, there already exists a strong co-operative movement, which at present sorely needs the real co-operative spirit that inspired its founders. Again, it is agreed that farming, generally, has not been profitable since 1921; this appears to be due to competition between farmer and farmer and farmer and consumer; hence some educational impetus that will alter the farmer's competitive outlook is absolutely essential, for farming, producing a perishable commodity, cannot stand competition like other industries.

Those who know the power springing from the single school established by Padraic Pearse, will at once realise the influence of school of this nature.

History is a progression of social stages, which have preceded each other like the unfolding of life from the amoeba to the mammal, from the bud to its fruit, the flower.

Yesterday we were in the political stage. To-day we are in the economic stage. To-morrow we shall be in the co-operative stage.

For the High Schools and his appear to differ only in their ultimate aim and the age of the students. He seems to have cultivated the assertive instincts arising from the fundamental instincts of self-preservation, whereas the High Schools of Denmark canalise them along with the creative and social instincts to exploit nature. The methods and conditions were largely similar.

If it be granted that the High School principle is theoretically possible, the final question then presents itself: "What are the requirements of its practical realisation?" A nucleus of people keenly interested in the idea is already in existence, and for the actual working out of the experiment there is still required sufficient practical support to provide the necessary equipment and the wakening of sufficient interest in the country to ensure the attendance of some pioneer students. If Ireland possesses enough people with sufficient public spirit to take up the idea and to meet these requirements, there is no reason why an experiment should not be made immediately in the application here of the High School principle, which has already had such success in Denmark. In conclusion, it should be stated that 92 of these high schools have lately been established in Russia, 27 in Finland, 35 in Norway, 55 in Sweden, some in Germany, Switzerland, Canada and in the United States of America.

D. J. DAVIS.

(From the Irish Statesman, May 30th 25.)

A WARNING.

The late Sardar S..... was one of the first promoters of the Gurdaspur Central Co-operative Bank Limited; he was one of its principal shareholders and helped the institution with deposits from time to time in the days when the credit of the bank was not yet fully established.

The Sardar died in 1910 when the following amounts stood to his credit in the bank:—

				Rs.
Shares	...	...	...	1,500
Deposits	...	...	...	10,000

No successor had been nominated and the amounts standing to the credit of the deceased member were transferred to the joint account of "M major, B, H and K minors through their mother BK. sons of the late Sardar."

The account continued to be operated on the joint signatures of the major son and the mother of the minors for some time after the death of the Sardar; after that, "somehow or other" the major son *alone* was allowed to receive payment of dividends and interest on deposits held in the joint account without producing any authority from the mother.

As mentioned at the outset the Sardar (and certain other shareholders of the bank) held a large number of shares (50) which exceeded the statutory limit. To remove this illegality and to obtain shares for newly formed societies the

Alone, our work is of little worth; together, we are the lords of the earth; so it's all for each and each for all—united stand, or divided fall.

G.—I agree with what you have said about the ideals of the East, and I give you one instance. The West honours inventors simply because of their capacity to invent, even though that invention may be purely for their own profit. In China only these inventors, and we have many instances of this, were admired who produced some good thing for society and not merely for their own advantage or for unsocial purposes.

T.—This has been true of all great men both in India and China. In their creative work they have devoted their energies to the whole people because they regarded their special gift as a responsibility which must be dedicated to the public good. They never thought to trade on this gift from God for their own self-aggrandisement.

G.—This is specially true in the realm of agriculture. All over China we have built temples to Agriculture, and therefore it became the habit to admire any invention which could be made use of by all the people. I often have occasion to correct my friends on this point, when they express their admiration for some man for his method of inventing or for the way he has succeeded in making money out of his invention and a name for himself.

In regard to the reform of the village I entirely agree with you. I feel very profoundly on this matter because the methods which you are using are exactly those I myself have been trying to put into practice. Man was born to be happy and if anything stands in his way it is the duty of the Government or other political power to try and prevent any one from interfering with a man's developing his own individuality and habits. The family is our unit, and if the family is happy then all are happy. It is the duty of the Government to remove all barriers that prevent the achievement of happiness. We have an old Chinese saying that it is for the plant to study how to die, that is how to develop its fruit, how to ripen it. This is best assisted by leaving the plant alone, then the fruit, having ripened, will duly drop off. The same is true of man. If he is left free and undisturbed, if he is physically and mentally alert, and if there is nothing to disturb the growth within him of a refined spirit, then alone will he come to perfection. The Government is not responsible for bringing about this result, but it is the duty of the Government to do all that is possible to remove physical and moral disturbances so that such growth may not be impeded.

T. I also believe it to be the duty of Government to enable people to remove their own obstacles and not to remove the obstacles for them. By removing opportunity for the use of initiative, the people are left truly helpless. We should give strength to people but never take upon us the work which should be theirs, by keeping all power and responsibility in our own hands. A wise government will not exercise its power, but will allow that power to grow out

To the oft-repeated insistence that the economic side of life is very important the answer is clear. Yes, certainly it is important, but it is not all-important. The true importance of the economic side of life lies in the just recognition of the fact that it is an artificial instrument of our social welfare, not an end in itself.

of the mind and capacity of the people. I was glad when in China I found how little it has been the custom for the Government to interfere with the life of the people. This non-interference is best because it allows a natural wisdom to develop. Interference is too often only another form of that obstruction which is negative, and which prevents the spirit of man, finding its full expression. **Let all sages and great men, all well-wishers of the people, help the people to discover their own inner light within them and never offer them that light from outside.**—(Extracted from *The Visva-Bharati Quarterly*, Oct, 21)

EXTRACTS FROM THE ANNUAL REPORTS ON THE WORKING OF THE CO-OPERATIVE SOCIETIES ACT FOR THE YEAR 1923-24

I VIZAGAPATAM DT.

Supervising Unions.—At the beginning of the year there were 8 supervising unions of which one was not started on its work. During the year one union was registered and started on its work along with the one that had not been started by the end of the previous year. There were thus 9 supervising unions actually working on 30-6-24. During the year another union has also been organised for the societies at and around Chodavaram. The total number of primary societies affiliated to supervising unions on 30th June 1924 was 205 with 12,822 members as against 146 with 7,498 members on 30th June 1923.

Trading Societies.—Joint purchase by primary credit societies other than stores societies amounted to Rs. 1,767 as compared with Rs. 792 in the previous year. No joint sale transactions were carried on by any of the societies in the district. The transactions of stores societies amounted to Rs. 80,022 under goods purchased and Rs. 82,315 under goods sold against Rs. 46,597 and Rs. 43,857 respectively for the previous year. The income is mainly due to the increase of transactions in the Vizianagaram Co-operative Stores.

Societies—There were 247 societies of all kinds at the beginning of the year. 31 societies were registered during the year as against 80 in the previous year. The registration of none of the societies was cancelled during the year. At the end of the year therefore, there were 278 societies. The decrease in the number of societies registered during the year was to some extent due to the division of the out-door staff of Inspectors into two sections, audit and administrative, the administrative staff alone being employed on organisation work. Bad season and the consequent concentration of attention on collection work may also be taken to account for the comparatively small number of societies registered during the year.

"Is it true Doctor," asked the gushing young lady, "that you are a lady-killer?"
"Madam," replied the Doctor, "I make no distinction between the sexes."

pectors met the local officers of the department and also instructed the Anchayats of a few societies to open agricultural demonstration plots.

Attitude of the Public. It may be stated with pleasure that there is every harmony prevailing in the relations between the departmental officers and non-official co-operators in the district. The latter are (in more advanced areas) heartily co-operating with the former though in some particular instances they continue to be slow to appreciate the good intentions of the officers.

II. KISTNA DT.

Summary of Progress. 88 Societies were registered during the year and one of Revenue Settlement Party No. II Public Servants was added to this section, while the registration of 8 was cancelled, so that the number of societies of all kinds on 30-6-1924, was 625 as against 544 at the beginning of the year or 137 societies over and above the maximum allotted to this district in the Development scheme.

Field Labourers' societies and the other Audi-Dravida societies depend upon the Madras Christian Central Bank for their supplies as usual. The rest are either dependent on their own resources and did not therefore feel the want of money from outside or are in a moribund condition.

There were on 30-6-24, 32,653 individual members (excluding unions) against 26,785 in the previous year giving an average of 53 per society as against 50 last year. The working capital of all societies rose from Rs. 36,33,080 to Rs. 45,52,132 and the paid up share capital from Rs. 4,89,937 to Rs. 6,06,274. Individual deposits in all sorts of primary societies and central organisations rose from Rs. 1,43,010 and Rs. 8,28,371 to Rs. 1,55,043 and Rs. 8,69,382 respectively. The central banks had altogether a further deposit of Rs. 9,44,849 from Local Boards and Municipalities and other sources as against Rs. 6,16,187 of last year. Loans issued by the Central Banks to Primary Societies during the year amounted to Rs. 11,93,544 leaving an outstanding balance of Rs. 16,85,534 on the last day of the year as against Rs. 11,98,184 of the previous year. The Reserve Fund of all primary societies increased from Rs. 84,807 to Rs. 1,09,554 out of Central Banks from Rs. 24,887 to Rs. 32,922.

One of the special features of the year was, several societies have been started in the Narasapur sub-division at the instance of the Sub-Collector, Mr. Sengodan, for the benefit of the Adi-Andhra Field Labourers who were granted Godaveri Lankas on favourable terms. These societies are for the present in charge of the Labour Department and bid fair to be highly beneficial under patient and close supervision.

Considerable attention has been paid for reclamation of bad societies and as many as 8 societies were in fact cancelled. A few moribund societies have been vivified into life and induced to work but there is a very great deal yet to be

She: "Women can bear pain better than men."

He: "So I was told the other day."

She: "A Doctor told you, I suppose."

He: "No, a shoemaker."

done to purge the societies of drawbacks. One difficulty is the utter absence of self-consciousness and self-assertion on the part of the ryot population and the consequent ease and facility with which the more intelligent and less scrupulous of the villagers could capture the organisations and turn them to their own advantage. This difficulty is further aggravated by the absence of other educated men willing to conduct the affairs of the societies.

The present attitude of the village co-operator is that the present system of loans is not suitable to the Upper middle class who would prefer Land Mortgage banks of some type which would lend much larger amounts in thousands and for much longer periods like 20 and 30 years.

During the year, the system of crop advances on the pledge of produce has been inaugurated and further developments are anxiously awaited.

The three banks continue to be mixed banks admitting both individuals and societies as members and the representatives are in the majority on the directorate. The supervising unions also have a voice. There is a feeling in some parts of the district that central banks should be multiplied by organising small union banks for limited areas.

Class II. Purchase and purchase and sale Societies.—The only society still remaining under this class is the Rayakuduru Agricultural co-operative stores which did very little work in the year and has applied for de-registration. The number of members remained the same at the end of Last year, viz 17 as also share capital, Rs. 660—It disposed off existing stock worth Rs. 114—2—2 and sustained a loss of Rs. 39—6—3 during the year. The reason for the failure of this stores is the same as that for the failure of other similar organisations. The members are not loyal. The management lacks experience, interest and perseverance; absence of mutual trust also is not absent. The members' wants are few, and above all, there is the weekly shandy within a few miles in Pallakollu.

Other Activities of Agricultural credit societies.—Very few societies in the district attempted to make joint wholesale purchase of their domestic or agricultural requirements on indent system in spite of several exhortations regarding its benefits. The societies are most unwilling to undertake these risks.

The Madavaram rural credit society advanced loans to the extent of Rs. 5,170 during the year on the pledge of produce and the Machapuri society to the aggregate of Rs. 1,040.

Societies for backward classes—The caste societies in the district are freely admitting Panchamas and other depressed classes as members but separate denominational societies have been also organised. There are several societies for Adi Andhra Christians and Adnhras for credit purposes.

It is sometimes foolishly imagined that "co-operation" implies the denial or at least the ignoring of individuality. Indeed it is possible that it is through some confused thinking of this kind, that so many painstaking efforts at amicable co-operation have come to grief.

The blanket weavers' were to have sold their wares jointly to advantage but were unequal to the effort of combating local tyranny.

It may be distressing to note that most of these numerous societies are not doing any satisfactory work. But even when they were started it was never hoped that they would produce immediate results. Only, foundations have been laid, and further construction will be only possible by patient toil. One chief difficulty is lack of human material and another is absence of non-official undertaking of any sustained character and a third is inadequate staff in the department for paying that constant and close attention which alone can lead to success in such cases.

Miscellaneous—The IX Kistna Dt. Co-operative Conference was held on the 9th March 1924 at Ponnangi in Ellore Taluk under the presidency of M. R. Ry. Sree Rajah Venkitadri Apparao Bahadur, Zamindar Vuyyur estate. There was nothing of special interest in the resolutions passed. The agricultural officers also attended the conference and discoursed on several subjects at the conference of the Inspectors which was also convened at the same time. A course of lectures and discussions was held for a week for the benefit of the Inspectors and Supervisors and this proved very helpful. There are agricultural demonstrators at work in parts of the district but co-ordination of their work with that of the co-operative staff is not yet systematically organised. Two co-operative Inspectors employed for the Labour department have been trained. Three probationary assistant registrars, Messrs. K. Rengaswami Naidu of Kurnool, Muhammad Mohideen Sahib Bahadur of Ganjam and M. Vankitaratnam of the Agency have been trained during the year.

The Telugu edition of the Bulletin Sahakari was regularly published by the Andhra Sahakara Sammelanam every month. But the support to it from the societies in other districts except Kistna and Anantapur is very meagre. The support of all the societies in the Andhra Desa is essential to make it a proper exponent of non-official opinion on co-operation.

It is regrettable that the Sammelanam has not been able to do any other useful work during the year.

Attitude of the Public.—Official and Non-official.

The attitude of the Public to the movement is sympathetic and the movement is gradually gaining public confidence as is evident from the inflow of local deposits into the banks.

The Co-operative Movement ought not to be content simply to show increasing sales with the probable increase in the trade of the country. We must win trade from those who are already getting it. We ought to convert from the private trader to the co-operative store a large amount of trade each year.

AGENCY TRACTS. (GANJAM, VIZAGPATAM AND POLAVARAM DIVISION OF GODAVERI DT.)

Jurisdiction.—Government in their Order No. 1524 dated 8-10-23 directed that the Agency district as a separate administrative unit be again split up into its original units under the three agents of Ganjam, Vizagapatam and Godavari and so the different units are treated separately in this report wherever it is found desirable to do so. The co-operative department thought it desirable for the development of the agency to keep a separate section for the whole agency (excluding Bhadrachalam revenue division where there are no registered societies) and so this section continues to exist with the Headquarters at Vizagapatam.

Summary of Progress.—All the societies except Rayagada were working on their own capital. There are no separate financing banks in the agency. The Agency primary societies shall for the present have to rely on the good will of the nearest central banks in the plains whenever necessity arises. There are no supervising unions in the section nor is there any likelihood of forming any in the near future. There are no building societies nor do the peculiar circumstances allow of any such societies sprouting up.

Of the societies that are said to be working informally the one at Rayagada in the Chicacole division of the Ganjam agency is in its infant stage and has not commenced any work. The one at Narayanapur said to have been working informally in the last year's report has begun to melt down. It may not be taken as one with any promising future. The reason is that it is not the centre of any officer to goad the society.

The work of the co-operative societies in the Agency is mainly purchase and sale combined with credit. These are intended mainly for the backward and the depressed classes of the Agency.

The societies in the Ganjam agency were started in 1919—1920 and were registered one after another. After the formation of the Agency division and the appointment of a separate Assistant Registrar for the Agency, more societies were started in the Vizagapatam agency. In the Ganjam agency the movement has reached the hillman and he is beginning to utilise the opportunity afforded to him. In the Vizagapatam Agency has just begun to spread.

The outstanding loans in the section amount to Rs. 10,511 of which a sum of Rs. 2,728 is overdue. One of the main reasons I find now is the shortness of the period of repayment granted by the panchayat. At times the due date does not suit the convenience of the borrower because it does not fall during the period of any harvest. I am trying to impress these two defects to the panchayats.

Activities. These societies store articles necessary for the settlers and the hillmen. In some of the societies paddy is stored to control the vagaries

New Nurse (wishing to gain favour with her new mistress): "I think the baby has your hair, Ma'am."

Mistress: "Good Heavens, run and take it off him. He'll spoil it,"

of the merchants. None of the registered societies are cancelled. The tendency to continue the purchase and sale of articles requisite in the agency is given an impetus. For bulking agency produce to be sold in the plains, there are various difficulties—the everwatchfulness of the agency dealer (the *pano* or *domb*), the want of commercial knowledge among the workers, the fluctuations of the market, and the want of proper storing places. Yet small beginnings are made in some societies, Anantagiri, Balliguda and G. Udayagiri—to purchase local articles and sell them elsewhere.

School Societies. Though this is a humble beginning of such societies and there is much to be done to bring them into working organisations, such societies provide not only a definite benefit to the members but also act as excellent training grounds for future citizens. In Jeypore an impetus was already given for such a society. There is a High School and so there is much scope for the teachers and the taught to have the training.

Supervision The supervision in the agency is entirely departmental. As has already been said there is no possibility at present to form supervising unions. There is only one Inspector for the section. When the number of societies is taken into consideration there is no justification for any increase in the staff; but the distances an Inspector has to travel and the special nature of work, of not only checking accounts but bringing them up to date whenever he visits a society, have a tight grip over the Inspector's time.

Miscellaneous. The Magic Lantern which was purchased through the benevolence of the Registrar was freely made use of in the tours by Rao Sahib Apparao Pantulu and he not only exhibited the slides pertaining to co-operation but also some relating to health and sanitation. I was an eye-witness to one of these exhibitions at Pallikuda. The hillmen that assembled there fully enjoyed the exhibition. Some more sets relating to co-operative stores will be added to the stock of slides and these may give some impressions on the hillmen. This lantern has been lent to the Tinnevely section for exhibition during the conference.

Attitude Of The Public. M. R. Ry Rao Sahib M. V. Apparao Pantulu Garu left no stone unturned to introduce the movement into the agency. Even this progress (though laymen call it very small) is due to his sincerity in work and perseverance in attaining his object. There was no co-operative feeling in the past. Every movement in the initial stages is not only viewed with indifference but with apathy in some cases. It was stated in several reports and references and on several occasions that in the agency tracts the management and control of the societies have to be in the hands of the local government officers. There is no one else at present to take up the management and

The belief that "we are meant to be happy" irrespective of all evidence to the contrary, is a delusion deeply implanted in our natures. In practice this delusion takes the form of insisting that we have a prescriptive right to the gratification of all our ephemeral wants.

control and thereby to teach co-operation to his brother residents. Even in its beginning this sacred movement was having more official support. Government declared that their officials should not hold themselves aloof from the movement. The co-operative societies are not to be viewed by other Government officers as isolated experiments outside the sphere of their public work, and still less by officers of the Revenue department. The societies represent an influence closely connected with the welfare of the people; and the revenue officers cannot disassociate themselves from the movement. On the other hand they are to thoroughly acquaint themselves with the movement in discharging their administrative duties. It is through the encouragement and guidance of the local officers that the movement will gain strength.

REGISTRAR'S CIRCULAR.

No. A. 2265/25

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
Madras, 28th July 1925.

FROM

J. GRAY ESQ., O.B.E. I.C.S.,

Registrar of Co-operative Societies, Chepauk, Madras.

TO

The Secretaries of all District Central Banks.

SIR,

Subject:—Loans to societies—surplus money in the movement.

I shall be grateful if you will kindly place this matter before the directors of your bank and if they will give it their careful consideration.

2. Certain financing banks in this Presidency, and more particularly the Madras Central Urban Bank, have succeeded in attracting more money than they have been able to invest within the movement. On the other hand many primary societies, especially in rural areas, are at present unable to meet in full the legitimate needs of their members in the way of loans for agricultural and other productive purposes. One of the main reasons for this anomalous position is the fact that the directors of certain central banks are unduly nervous in the matter of granting loans to their affiliated societies.

3. It is of course only right and proper that financing banks should exercise special caution in dealing with applications for loans to societies which have not been punctual in the repayment of previous loans. But it should be borne in mind that a defaulting society is not necessarily a bad society and that default by itself is not necessarily an indication of bad management or of financial insecurity. In bad societies defaults are generally the result of mismanagement

Ruskin enumerates sources from which pleasure can be got—the pleasure of doing good, the pleasure of gaining knowledge, and the gratification of the senses. Now, all these are simple pleasures. They can be enjoyed by all, and if our tastes are simple, they will prove sufficient.

or dishonesty on the part of the panchayatdars or of the leading office-bearers. But even in societies the management of which is honest and efficient defaults may occur as a result of circumstances over which neither the management nor the general body can exercise any control. This is particularly true of rural societies the members of which may, owing to seasonal conditions or other similar causes, be unable to repay their loans on the due date.

4. Good societies which apply for fresh loans when they are in arrears to the central bank in respect of previous loans should not be dealt with in the same way as bad societies in which default indicates inefficient or dishonest management. In the case of a bad society the refusal of further loans on the ground of its being a defaulter may induce it to set its house in order and thereby lead to the speeding up of recoveries. But a similar refusal in the case of a well managed society is almost certain to have the opposite effect. I know of good societies which have taken to reloaning when they are in arrears to the central bank, and of equally good members who refuse to pay what they can towards their dues, because they are convinced that they will not be able to obtain further loans when necessary, unless they have repaid their dues in full. So far as the financing bank is concerned this not only tends to increase the difficulties of recovery and to swell the overdues, but it also means and entirely unnecessary contraction of its legitimate business and consequently of its usefulness to the movement. For the member of the primary society it means unnecessary harassment, and eventually resort to the outside money lender (with all the disadvantages attendant thereon,) for the accommodation which he ought to receive from his own society. The results are on the one hand surplus money in the financing banks and on the other hand dormant societies in the villages.

5. I would therefore urge upon the directors of all central banks the necessity for systematic endeavours to discriminate, when dealing with applications for loans, between good societies in which extensions of time should be given for overdues, and bad societies which have no legitimate claims for such extensions. If the management of a society is honest and efficient, and if the panchayatdars have taken every step they possibly can for the recovery of member's dues and for the repayment of the central bank loan, there is no reason why the society should not be given an extension of time for the old loans and such fresh loans as are necessary to meet the legitimate requirements of its members. Take for example the case of a rural society which has borrowed Rs. 2 000 from a central bank repayable within 12 months and distributed it amongst 20 members. At the end of the year it finds that 10 members are unable to repay any portion of their loans owing to damage caused to their crops by floods, that 2 members will not repay even although they are able to do so, and that the remaining 8 members have

Magistrate (to witness): "Tell me, have you ever seen the prisoner at the bar?"

Witness: "Yes, that's where I generally meet him."

actually paid their dues. The Panchayat has taken all possible action against the two recalcitrant members and has also remitted to the central bank the amount collected from the 8 members who have paid their dues and has at the same time submitted an application for an extension of time in respect of the balance. The society also applies for a new loan of R. 500 not only to help the members whose crops were damaged by the floods but also to finance certain new members. The society should be granted not merely an extension of time in respect of the old loan but also the fresh loan for which it has applied.

6. I am aware that certain central banks already deal with loan applications on the lines indicated above. But there are other central banks which adopt a less courageous policy and it is to them that I would make a special appeal. If co-operators (particularly rural co-operators) are to reap the full benefits which they are entitled to expect from the co-operative movement and which the co-operative movement is capable of bringing within their reach they must be able to rely upon their societies for all the loans which they legitimately require for productive purposes. The extent to which they can do so depends in great measure upon the attitude of the Central Bank.

7. There is one other point to which I should like to invite the attention of your directors. As you are aware the system of granting advances to the members of rural societies on the pledge of their produce has been introduced in certain areas. This system opens out great possibilities for the economic betterment of the poorer agriculturists and I would urge central banks to adopt a courageous policy in regard to the granting of loans to societies for financing such advances. Primary Societies should be encouraged in every possible way to give loans to their members on the pledge of their produce. The produce pledged in this way may be transferred to the central bank as security for the loan given to the society for the purpose. This will of course be additional security over and above the general assets of the society and the unlimited liability of its members. For the purpose of such loans, it may in some cases be found necessary to relax the ordinary rule under which the maximum borrowing power of a rural credit society is fixed at one-eighth of its total net assets. This can safely be allowed as produce pledged to a central bank, safely stored in its godown and insured against fire is obviously very good security. The development of co-operative business of this kind is very desirable not merely from the point of view of the rural co-operator, but also from the point of view of the financing banks which are not at present able to utilise within the movement all the money which they have attracted.

Yours faithfully,
(By Order).

R. DESIKA
Manager.

Copy to the Madras Central Urban Bank

- " the Deputy Registrars who are requested to interest themselves in the matter.
- " the Editor, the Madras Bulletin of Co-operation for favour of publication.
- " the Editor, The Kannada Sahakari for favour of publication.

STUDIES OF ADMINISTRATION REPORTS OF CO-OPERATIVE SOCIETIES IN PROVINCES FOR 1923-24.

I. BURMA.

This report is an honest attempt to state the facts as they are without any whitewashing. In the forwarding letter of the Secretary to the Development Commissioner there is a frank statement that the Utopia dreamt of by the pioneers when the movement was started in 1904 has "not been realised and the position of societies in some districts in which co-operation was first introduced is probably no better than it was twenty years ago".

Registrar's summing up the general features of this year's work is an example that other registrars will do well to follow.

The following extract answers the question 'when will de-officialisation be complete.' "The three main qualities which co-operation requires are thrift, sense of moral responsibility, and ability to sink self in the interests of the community. The part played by Government in developing the co-operative system in Burma has consisted largely in endeavouring to teach this lesson. But no Government can change men's natures; reform, where reform is needed, must come from the people themselves through the force of public opinion and the influence of moral training. If the Burmese cultivator can develop the qualities required, there need be no fear for the future of co-operation in this country; and when, in addition, there is a sufficiency of enthusiastic and public spirited men of education, who are ready to devote time to the organization of central co-operative institutions for finance, supervision and audit, the need of Government staff will disappear."

Burma seems to have committed the same mistake as Madras and started an Apex Bank which was lending to Primary societies direct and later on when District Banks were started there was clash between these two organisations and we are glad to note that the friction between them is considerably less now. The Registrar rightly emphasises upon the necessity of having more central banks which would act as deposit-collecting agencies through the country.

The system of lending money on "Crop loan pronotes" granted solely for business connected with the planting, growth, and harvesting of the crop, and terminable at a fixed period after the harvest has been put into operation and this places co-operative financing on a business basis and not dependant on any form of Govt. guarantee.

Before registering agricultural credit societies, applicants are asked whether they "are prepared to work by means of such share capital and members' deposits as they can raise together with deposits from the neighbourhood". Though this principle is good it may not always be possible for a society to be self-sufficient and self-dependant financially at the initial stage and Central Banks have to extend the necessary help before they can inspire sufficient confidence in the neighbourhood and draw out deposits from members and non-members. The Registrar's observations that attempts should be made to get deposits from non-members and familiarise the public with Banking methods is applicable to other parts of India as well and we quote it below.

"It is, however not only the savings of members that these small village banks should attract but the savings of the rural population outside the societies as well. The want of banking facilities is one of the most important obstacles to progress in Burma. The banking habit grows slowly among a people unaccustomed to Western ways of life; it is not only necessary to provide the machinery for developing its growth, but the general public needs educating up to it. Co-operative village banks played an important part in the economic and social development of parts of Europe, and it is to be hoped that in course of time the village banks of Burma will win the support of the public and will assist in promoting Burma's progress."

The distressing feature of overdues is there and is due to reckless lending and unjustifiable leniency in recovery. The Land Mortgage Banks have not been functioning sufficiently long to make their usefulness felt.

It is curious to note that in spite of the wide margin between borrowing and lending rates and the existence of a number of societies of the Lazzatti type which pays no interest on the owned capital the profit realised was lower than in any other province in India and the Registrar attributes this to the abnormally high cost of management.

There is a separate A. R. in charge of Urban Co-operation and that is a feature which other provinces will do well to imitate if the number of urban societies justifies such a step. There need be less of supervision as members of such societies would be mostly literate, a fact which has another side i.e. such members "of keen intellect and argumentative dispositions" often have strong differences of opinion.

The Registrar's report on Insurance (exclusively of Cattle Insurance) is not very encouraging and this must serve as a warning to us who have just begun to march along this line of advance.

There seems to be in Burma better Co-operation between the Agriculture and Co-operative department than here and the Registrar has thought it worthwhile to quote briefly from the working of different agricultural circles.

The Rice mills and cotton ginning factories that were first started have not been working satisfactorily.

Two Co-operative House building Societies have been started though they have not begun to function efficiently. We hope the Burmese Government will follow the example of Bombay and reduce the interest charged on Govt. loans to 5 per cent.

The Burma Co-operative Council corresponding to our P. C. U. shares the "eternal want of pence" with us and the Registrar is of opinion that most of its constituent societies were unable to pay higher contribution because they failed to realise to the full the income due from interest on loan to members and hence did not forward an application for a Government grant. The Registrar's remarks on Dt. Associations are full of wisdom and eminently practical. "All are not," says he "equally efficient; but the way to get work out of them is to give them work to do, and there is evidence to show that the experiment of this important devolution of function will be justified by results".

LIST OF SOCIETIES REGISTERED*during the month of July 1925.*

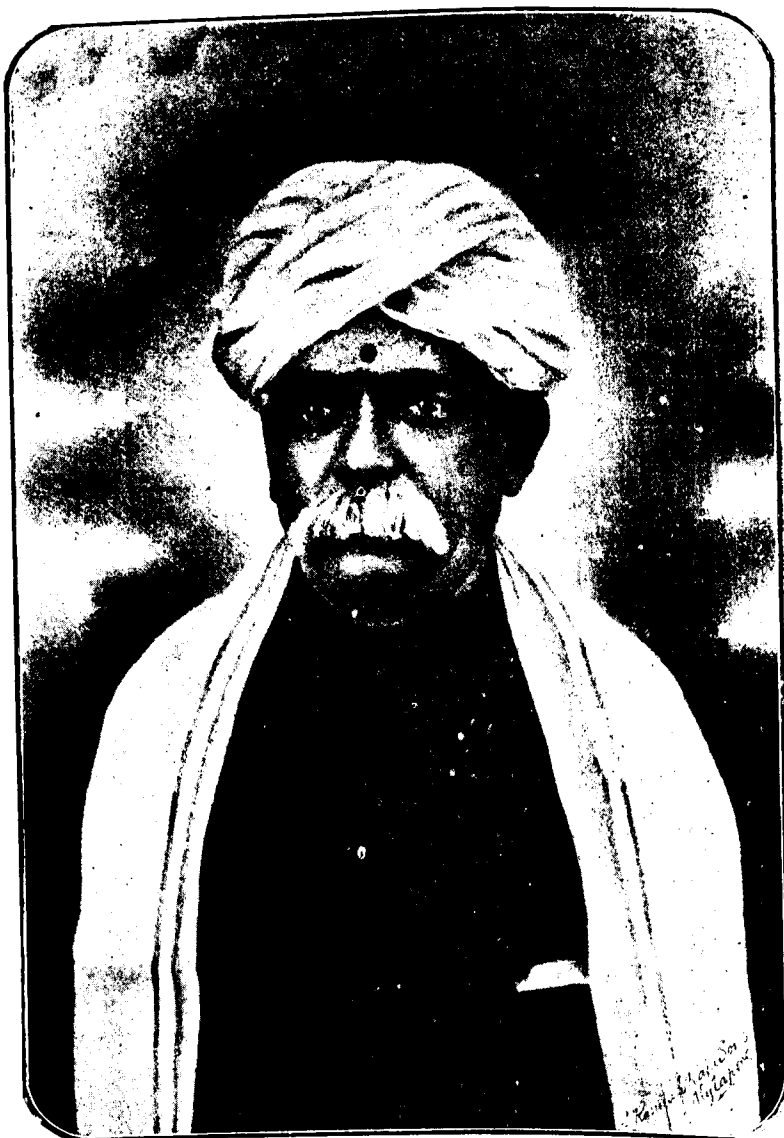
Name of the District.			Number of Societies Registered
Vizagapatam (Agency Division)	...	...	1.
Godaveri (West) ...	...	...	1.
Kistna ...	...	...	2.
Malabar ...	...	...	Nil
Chittoor ...	...	...	Nil
Bellary ...	...	...	4.

LIST OF SOCIETIES CANCELLED*during the month of July 1925.*

Name of the Society Cancelled.			District.
1. Irjaram ...	...	...	Godaveri
2. Coordapur Trading Union ...	...	...	S. Kanara
3. Kalyanapandal Estate Labourers and Staff Co-operative Stores ...	...	...	Coimbatore
4. Malappuram Public Servants Co-operative Society ...	...	...	Malabar
5. Pillutta ...	...	...	Guntur

Errata.

The 18 societies shown as registered in the Vizagapatam Agency Division during the month of June (vide page 43 of the July '25 Bulletin) were registered prior to June '25 and not during June '25.



DEWAN BAHADUR
M. Adinarayana Iyah Pantulu Garu
 1847—1916

ONE OF THE GREAT PIONEERS OF THE
 CO-OPERATIVE MOVEMENT IN THE PRESIDENCY
 (See p. 97 for a brief account of his life.)

NOTES AND NEWS.

A Brief Sketch of a Pioneer's Life. Dewan Bahadur, M. Adinarayana Iyah, an *Andhra*, whose ancestor, of the third remove, migrated to the South from his original home in the Kistna District, was born in 1847; entered Government Service in his 18th. year; retired from it, at the earliest opportunity, in 1902, as the Deputy Commissioner of Revenue Settlement, the highest post then open for an Indian in the *Pre-reform* days; was almost the first of the Retired officials who devoted their time, energy, well-disciplined and ripe experience, for the use of the public and the country at large.

Varied were his activities in Social, Political, Industrial and other useful, humanitarian, fields. He was one of the foremost of the founders of the Indian Bank and worked for its success in several capacities. The Co-operative movement claimed, perhaps, the largest share of his attention and sympathy. The first Co-operative Society in the Madras Presidency was started in his village at Tirur. He took a leading part in the formation and working of the Madras Central Urban Bank, as the next important step in the furtherance of the Co-operative movement. The first District Bank, fully carrying out the co-operative ideal of Societies running their own Central Bank, was also his creation:—(The Conjeevaram District Banking Union.) He had undertaken many tours, in addition, to preach Agricultural Co-operation.

Rarely does the soulless, routine-ridden Government service produce one with such an estimable character and a soul so well adorned with good qualities. Endowed with the natural gift of a great intellect, he could speak and write English with the polish of a scholar and the directness and force of a practical man. His high sense of duty, thorough and conscientious work, lofty character and high integrity, were his outstanding characteristics, that marked him out as a great asset to the country, serving which, he passed away in his 69th. year, on the 17th March 1916.

* * *

The Registrar's Circular about the Surplus Money in the Movement.

The Registrar's Circular printed elsewhere in this number draws the attention of all financing banks to the fact that the movement in this province has attracted more money to it than it can well absorb. This shows the great confidence the movement has inspired

Once a month or every two months the depositor takes the safe to the office of the society, where the cashier opens it in his presence and takes out the money, which is placed to his credit, the amount shown in his pass book. The safe is then returned locked to the depositor, who takes it home pleased with the result so far attained and starts saving for the next period.

We generally furnish five keys with each 100 safes with orders for 1000 even less, as customers do not want so many keys; but more can be had if desired. The lock combination is reserved for your society, and subsequent orders receive the same lock. The safes are numbered from 1 up, or whatever it is desired to start with, of which a record is kept at our office, and repeat orders are numbered in continuation, or as instructed by the Registrar."

This may be tried with great advantage in towns where we have urban banks with nearly 500 members and more. The T. U. C. S may start this experiment as it has now nearly 6000 members.

Quo Vadis. The question is very often asked "whither are we tending?" It is more than 20 years since our movement was started under official auspices and we have expanded at a pretty rapid rate; but what is the sum total of our achievement? Has the ryot been made more self-reliant, resourceful, and more inclined to co-operate with his neighbours for other purposes than credit i. e. have we altered the mentality and general outlook on life of the average peasant whom we went out to rescue? The still small voice within asks such questions when we trumpet forth our achievements relying on numbers of societies and amount of money involved in the movement.

Is it not a pathetic phenomenon that old societies instead of growing stronger and stronger as years advance very often decay and die so that even though the total number of societies may show an increase every year it does not mean that all our seedlings thrive on? It would be very useful if the district reports give the number of societies according to their age so that we may find out how many old societies die and for what reasons. Apart from the number of societies the extent of moral regeneration effected is the most important criterion and unfortunately we have not many unfailing tests to find out the progress along this line. Still it is worthwhile to note whether on account of Co-operative activities litigation has decreased and general education has improved, whether economic prosperity has been achieved and standard of life raised naturally and whether the members of our Rural Co-operative Societies are not only richer in money but lead a richer and fuller life than before. A few villages

may be observed and we shall always welcome any report from our readers and honorary correspondents dealing with such aspects of village life.

Perhaps what is wanted for such an all-sided improvement is not more co-operative Inspectors and Union Supervisors who would "organise" new societies, but cultured young men imbued with high ideals and having a clear idea of village reconstruction and the place that the co-operative movement occupies in that larger programme. We want more men like the members of the Rural Department of Y. M. C. A. and the Members of the Servants of India Society who are in charge of village reconstruction work as in Thanur and other centres in Malabar. We want Missionaries fired with true zeal for the all-round improvement of the Indian ryot, not the men with no vision who are guided by the audit reports and departmental statements only.

International Co-operators' Day elsewhere

We are glad to see from the Bombay Co-operative news that the International Co-operators' Day this year was celebrated in many a centre in the Presidency. It is a hopeful sign and shows we are slowly getting linked to the larger and world wide organisation.

Spontaneous growth.

One of the standing charges against many a well-intentioned reform introduced by our rulers in this country is that they are exotics and do not grow out of the soil of the country and hence they seem to flourish only under special conditions favourable to this growth guaranteed by the bureaucracy and the moment the protecting hand is removed they decay and eventually die. We are not at all sure whether such a charge cannot be levelled against the co-operative movement. The average villager regards that still as a government concern and is not conscious of the significant fact that is based on his *moral worth ultimately*. He looks to some external agency for its proper maintenance and growth and does not realise that he is its true bulwark and mainstay. This could be remedied if societies are registered at least in advanced districts only in case applications come spontaneously from among the villagers and not due to the stimulus of an officer, honorary or paid. The reputation of existing societies around and the good work they do should be depended upon to serve as a sufficiently strong stimulus and there should be no need for any other; and officers (paid and honorary), should be satisfied with being "gardeners" helping things to grow and not aspire to be "builders" constructing huge structures.

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An Old Fashioned Suggestion.

If Rural Co-operative Societies were to grow spontaneously there would be an element of religion and of beauty underlying them which features are conspicuous by their absence in modern societies. Let us watch what the average villager does when he buys a new bull, constructs a new cart or builds a new house. He decorates it with flowers, sandal and kunkum, invokes the blessings of the Almighty in his own way, remembers Him and worships Him and thus with His blessings and with the blessings of elders invited, amid song and laughter, joy and feelings of harmony, he yokes the bull or draws the cart or enters the house. To the supercilious critic the whole thing may appear absurd and silly; yet the sympathetic observer sees the underlying piety and beauty and blesses the civilisation that has instituted such fine customs. What happens when a Rural Co-operative Society is started? We are not advocating the resuscitation of astrology but does the Assistant Registrar or the Supervisor care to have the society started in an 'Auspicious moment'? Do we have prayer or song flowers and sandal, fragrance and betel leaves, mirth and laughter blessing it? Do we not have on the other hand some man dressed in foreign costume explaining in broken Tamil or Telugu the sacred by-laws before getting the thing registered? Fortunately for us in this land such ceremonies are inexpensive. Some water sprinkled, mango leaves and wild flowers strung together and made into festoons and garlands, some rice-powder for 'kolam' in front of the house where the meeting is to take place, a beautiful old-fashioned lamp with pure oil and fine wicks with kunkum on its forehead, a few girls to sing and elders to bless, some betel leaves and plantain fruits, the thing is done and the whole won't cost more than a single one of the registers we have to buy and this 'preliminary expense' may legitimately be incurred and no auditor would or should object to it.

We should be very happy if our suggestions are heeded to at least on future occasions.

We should be happier indeed to be told that at least nowadays the starting of a new Rural Co-operative Society is made as natural a village phenomenon as possible quite in harmony with the surroundings, physical and cultural.

SUPPLEMENT TO THIS ISSUE.

BY-LAWS OF THE CO-OPERATIVE LOAN AND SALE SOCIETY, LIMITED, No.

Name, constitution and address.

The Co-operative Loan and Sale Society, Limited, No. is registered as a co-operative society under Act II of 1912 (India). Its address shall be village, post, in the taluk of in the district. Its operations shall be confined to

NOTE.—The Loan and Sale Society shall be referred to in these by-laws as the "Society" and a member society as an "affiliated society".

Objects.

2. The objects of the Society are:—

- (1) to encourage self-help, thrift and co-operation among members;
- (2) to advance loans to members on the security of their produce;
- (3) to arrange for the sale of produce of members to the best advantage;
- (4) to rent or own godowns to facilitate the grant of loans to members and the sale of their produce;
- (5) to act as the agent of those members which are affiliated societies in the matter of disbursing and recovering loans sanctioned to individual members of such societies; and
- (6) to act as the agent of those members which are affiliated societies in the matter of receiving for safe custody in its godowns or elsewhere the produce pledged to such societies by their individual members.

It shall be competent for the Society to borrow money and do such other things as are incidental or conducive to the attainment of the above objects.

Membership.

3. The liability of the members of the Society shall be limited to the share capital subscribed by them.

4. The capital of the Society shall for the present be Rs. made up of shares of Rs. each. The value of each share shall be paid in one lump sum on allotment.

5. Any person over eighteen years of age who is competent to contract residing within the limits referred to in the third sentence of by-law 1 and also any agricultural co-operative credit society with unlimited liability situate within the area of operations, shall be eligible for admission as a member: but no person or co-operative society can claim admission as a matter of right.

7. Every member shall take at least one share, but no member shall take more than shares. Every member shall pay an entrance fee of annas for each share taken by him at the time of taking the share provided that the total payment of entrance fees by any one member for all the shares held by him shall not exceed Rs.

8. No member shall be permitted to withdraw any of the shares held by him in the Society within years after the date when such shares were taken by him. But a member may withdraw shares with the consent of the Board of Directors after such period provided firstly that he has given at least six months' notice of withdrawal, secondly that the total amount of share capital that is permitted to be withdrawn in any one year does not exceed 10 per cent of the aggregate paid-up share capital of the Society as it was on June 30th preceding, and thirdly that there are no debts due from him to the Society. When a member withdraws shares under this by-law, he shall be paid back the share capital actually paid by him with the dividend declared, if any.

9. Should an individual member cease to be eligible for membership either on account of the removal of his residence from the limits prescribed in by-law 1 or for any other cause, the Society shall remove his name from the list of members and shall pay back within a reasonable period to such member the share capital actually paid by him with the dividend declared, if any, after deducting therefrom the money, if any, due from him to the Society.

10. (1) If an individual member dies, his membership shall *ipso facto* cease.

(2) (a) Every individual member of the Society may nominate any person to succeed, in the event of his death, to his share or interest in the Society. Such nomination shall, in the event of his death, be given effect to by the Society provided—

- (i) the nomination was signed by the deceased in the presence of at least two witnesses attesting the same;
- (ii) the nomination has been registered in the books of the Society kept for the purpose; and
- (iii) the person nominated shall have been admitted by the Board of Directors as a member of the Society under by-law 6.

(b) In the event of there being no person nominated by the deceased and entitled to succeed to his share or interest in the Society, the heir or legal representative of the deceased, or any person nominated by such heir or legal representative within one month of the death of the deceased member, shall be entitled to succeed thereto provided such heir or legal representative or his nominee shall have been admitted by the Board of Directors as a member of the Society under by-law 6.

(c) In the event of there being no person entitled to succeed under clause (a) or (b) of this by-law to the share or interest of a deceased member of the Society, the Society shall pay to the nominee of the deceased or to his heir or

legal representative, as the case may be, a sum representing the deceased member's share or interest at the time of his death ascertained in accordance with the by-laws of the Society.

11. An affiliated society shall on liquidation cease to be a member of the Society and the share capital held by it will be returned to the liquidator after deducting therefrom the debts if any due by the affiliated society.

12. (1) A past member shall be liable, as provided in by-law 3, for the Society as they existed on the date when he ceased to be a member, for a period of two years from such date.

(2) The estate of a deceased member shall be liable, as provided in by-law 3, for the debts due by the Society as they existed on the date of his decease for a period of one year after his decease.

13. No member shall be permitted to transfer his share or shares or create a charge in respect of the same in favour of another member or person except with the previous sanction of the Board of Directors.

14. With the sanction of the Board of Directors a member may at any time increase the number of shares held by him so as not to exceed the limit of shares laid down in by-law 7.

Borrowings.

15. It shall be competent to the Board of Directors to receive deposits and to borrow funds either from members or from persons other than members or from institutions registered under the Indian Companies Act or under the Co-operative Societies Act or from the Imperial Bank of India provided firstly that the aggregate indebtedness of the Society whether to members or to non-members shall not exceed times the sum of paid up share capital and reserve fund and secondly that the rate of interest payable shall not exceed—

- (a) per cent, per annum on deposits and other borrowings from non-members;
- (b) per cent, per annum on deposits and other borrowings from members; and
- (c) per cent, per annum on borrowings from the Central Bank. The previous sanction of the Registrar of Co-operative Societies shall be obtained for borrowing money from societies registered under the Indian Companies Act or from the Imperial Bank of India.

16. Subject to such resolutions as the general body may from time to time pass, the executive management of the affairs of the Society shall vest in a Board of Directors. The Board of Directors shall consist of not more than

members, of whom at least shall be representatives of affiliated societies. A director who is a representative of an affiliated society shall cease to serve on the Board if the society concerned withdraws its delegation or when he ceases to be a member of his society.

custody the produce pledged by such individuals to such societies as security for loans.

Godowns.

29. It shall be the duty of the Board of Directors to arrange for the safe custody of the produce either in the godowns of the Society or in suitable places. For this purpose, they may build, buy or hire one or more godowns for the purpose of keeping the produce pledged to the Society for loans given to individual members of the Society or lodged with the Society for safe custody by individual members of the affiliated societies, and charge a reasonable rent on a scale to be fixed by them from time to time for the use made of these godowns by individual members of the Society or by members of affiliated societies or by others. They shall also arrange for the insurance of the produce pledged.

Sale of produce.

30. The Board of Directors may arrange for the sale of produce of members pledged or deposited with the Society. In arranging for the sale, they shall act only as the agent of the members concerned and shall not do the business as owner on behalf of the Society. Any loss arising out of the transactions shall be borne by the members concerned, and not by the Society. When the Board of Directors act as agent it should be under the written authority of the members concerned. The Board shall not enter into any forward contracts with dealers without the express permission of the member or members concerned. No produce shall be removed from the godowns until all loans, interest, fees or charges due thereon shall first have been paid in full to the Society or to its affiliated societies.

31. All transactions by way of sales on behalf of members shall be on the ready money system.

32. The Board of Directors may charge a reasonable commission on sales arranged by them.

33. At the end of each quarter stock shall be taken of all the produce in the custody of the Society after giving due notice to the member concerned. It shall be competent to the Board of Directors to fix the scale of depreciation to be allowed in the case of produce deposited in the godown of the Society and such scale shall be binding upon the members of the Society.

General body.

34. The ultimate authority in all matters relating to the administration of the Society shall be the General Body of the members who shall meet from time to time and at least once a year to conduct the work of the Society. The general body of the Society shall consist of individual members and representatives of affiliated societies. Each affiliated society shall elect a delegate from among its members to be its representative on the General Body of the Society. Such delegate shall continue to be its representative for a period of years or till his successor is elected by the affiliated society concerned. An affiliated society can withdraw its delegate at any time and send another instead.

A delegate ceasing to be a member of the affiliated society which he represents shall cease to represent it. The following among other matters shall be dealt with by the general body:—

- (1) the election and removal of the Board of Directors;
- (2) the annual report due to the Registrar of Co-operative Societies;
- (3) the Registrar's annual audit certificate;
- (4) the amendment or repeal of any existing by-law or the enactment of a new by-law;
- (5) the expulsion of a member;
- (6) the consideration of any complaint which any individual member may prefer against the Board of Directors; and
- (7) the returns that may be prescribed by the Local Government.

35. A meeting of the General body of the members may be convened whenever necessary, for the conduct of the business by the Board of Directors and shall be so convened by the Board of Directors at the request of 15 or more members (individuals or representatives of Societies) or at the instance of the Registrar.

36. It shall be the duty of every member to attend the meetings of the General Body. The quorum for a General Body meeting shall be or one-fourth of the total number of members on the list at the time, whichever is less.

37. The President, when present, shall preside at the meetings of the General Body. In his absence the general body may choose a chairman from their number to preside at the meeting. Every member present shall have one and only one vote. All questions shall be decided by a majority of votes of the members present and voting. When votes are equal the chairman of the meeting shall have a casting vote.

38. days' notice shall ordinarily be given to members before a meeting of the General Body is convened.

39. If an individual member deceives the Society in any way, or if his general conduct is such as to render his removal necessary in the interest of the Society, it shall be open to the General Body to expel such member. An individual member expelled shall be paid all moneys due to him from the Society, after deducting therefrom any money due from him to the Society. An individual member who drives the Society to Court to recover the money due from him shall, for that reason, be expelled from membership. An individual member expelled shall be liable, as provided in by-law 3 for the debts due by the Society as they stood on the date of his expulsion, for a period of two years after such expulsion.

Loans.

40. Loans shall be given only to members, but no member can claim a loan as a matter of right. Applications for loans shall be disposed of by the Board of Directors.

41. All applications for loans shall be made to the Secretary in the form, if necessary prescribed for the purpose who shall place them before the Board of Directors.

42. No member shall at any time be indebted to the Society by way of principal to the extent of more than Rs. on account of any loan or loans taken by him.

43. Interest on loans granted by the Society shall for the present be charged at one and a half pies per rupee per mensem, the first month being reckoned from the date on which the loan is paid to the corresponding date of the next. Every fraction of a month shall be treated as a whole month if it be more than fifteen days and as half a month if it be fifteen days or less.

44. Loans may be given on the security of agricultural produce pledged to the Society and placed in its custody. No loan shall be given exceeding 60 per cent of the market value as fixed by the Board of Directors of the produce pledged by the borrowing member.

45. A loan is repayable as soon as the produce which forms the security for it is sold and in any case not later than six months from the date of disbursement of the loan, in the event of a borrower being unable to repay, the Board of Directors may, for satisfactory reasons to be recorded in writing, give him an extension of time for a period not exceeding one year from the original date of the loan. If a borrower does not pay his dues on the due date it shall be competent for the Board of Directors to sell without notice to the borrower and without his consent the produce pledged and credit the sale-proceeds to this loan account. If there is a deficit the borrower shall make it good.

46. The amount of paid-up share capital, deposit and any other money to the credit of a member or a past member shall be subject to a first charge in favour of the Society in respect of any moneys due to the Society from such member. The Society shall be at liberty to appropriate the whole or any portion of such paid-up share capital or deposit or any other money to the moneys due by the member to the Society.

47. When a member from whom money is due pays any sum it shall be appropriated in the following order:—

Firstly, to fees, fines, postal, registration and other miscellaneous charges due by him;

Secondly, to interest; and

Thirdly, to principal.

48. When a loan is not paid on the due date, the loan account shall once be closed and the Board of Directors shall inform the borrower of the fact and of the amount outstanding against him including interest up to the date of closing the loan account. On the total amount so found due, the borrower shall be charged interest at two pies per rupee per mensem from the date of closing the loan account to the date of recovery and steps shall be taken without delay to recover the amount.

49. If a member becomes ineligible for membership at any time and his name has on that account to be removed from the list of members under by-law or should a member be expelled under by-law 39 the loan account, if any, of the member concerned shall at once be closed without reference to the term for which the loan has been granted and action shall be taken to recover from the borrower the amount outstanding against him including interest up to the date of closing the loan account. Interest shall be charged at two pies per rupee per mensem on the amount so found outstanding from the date of closing the loan account to the date of recovery.

Profits.

50. The net profits of the Society as declared by the Registrar every year shall be disposed of as shown below:—

(1) fifty per cent shall be carried to the credit of the reserve fund;

(2) out of the remainder, a dividend subject to a maximum of 9 per cent per annum on the paid-up value of each share may be paid to members proportionately to the amount of paid-up share capital held by each and also to the period during which the paid-up share capital was so held during the year;

(3) out of the remainder—

(a) an honorarium of $12\frac{1}{2}$ per cent of the net profits subject to a maximum of Rs. may be paid to the Secretary;

(b) a sum not exceeding $7\frac{1}{2}$ per cent of the net profits subject to a Common Good Fund to be utilized for any of the purposes mentioned in section 2 of the Charitable Endowments Act, VI of 1890 (India), namely,

'If the general body so wish;

(c) a sum not exceeding per cent of the net profits may be carried to a Building Fund if the general body so wish;

(4) any profits not allotted in the manner aforesaid in any year shall be forthwith added to the reserve fund.

All undistributable and indivisible profits shall be added to the reserve fund

Reserve fund.

51. (1) The reserve fund shall belong to the Society as a whole and is intended to meet unforeseen losses. No member can claim a share in it. It shall not be drawn upon except with the sanction of the Registrar.

(2) On the dissolution of the Society the reserve fund and other funds contributed by it under provisions of its by-laws shall be applied:

(i) to discharging such liabilities of the Society as may remain undischarged after the enforcement in full of the liability of the members of the society,

(ii) to the repayment of the share capital paid up, and

(iii) to the payment of dividend upon such share capital at a rate not exceeding 9 per cent per annum for any period or periods for which no dividend has been paid.

(3) Such portion of these funds as shall remain after payments mentioned in subclause (2) shall be applied to such local objects of public utility as may be selected by the general body and approved of by the Registrar. If within three months of the final closing up of the Society the general body fails to make any selection that is approved of by the Registrar the latter may use the abovementioned portion of the funds in supporting other co-operative societies in the neighbourhood or shall place the same on interest or otherwise with some

co-operative bank until a new co-operative society with a similar area of operations is registered in which event the funds shall be credited to the reserve fund of such society.

51-A, If, however, at any time the general body resolves to split the Society into more than one Society by excluding a portion of the existing area of operations from the operations of the Society and a new society or societies be registered to cover the area so excluded, a portion of the reserve fund shall be transferred to the society or societies as decided upon by the general body which resolves upon the splitting of the original society.

Miscellaneous.

52. No amendment to, alteration in, or cancellation of, a by-law nor the enactment of a new by-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

53. Should any doubt arise as to the construction of the Act or any by-law, the Board of Directors shall refer the same to the Registrar of Co-operative Societies for advice and act according to his advice.

54. The Society shall prepare annually in such form as may be prescribed by the Registrar (a) a statement showing the receipts and disbursements for the year, (b) a profit and loss account, (c) a balance sheet and (d) such other statements as may be prescribed by the Registrar.

These statements shall be made up to 30th June and a copy of each shall be sent to the Registrar within fifteen days after the close of the co-operative year ending 30th June. After the Registrar has verified the statements and granted his audit certificate, the Society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

55. In the case of a dispute touching the business of the Society between members or past members of the Society, or persons claiming through a member or past member or between a member or past member, or persons so claiming and the Board of Directors, a reference in writing may be made to the Registrar. Similarly, in the case of a dispute relating to a debt due to the Society by a member or past member or persons claiming through a member, or past member, a reference in writing may be made by either party to the Registrar. The Registrar shall have power, on receipt of such reference, either to decide the dispute himself or refer it to an arbitrator appointed by him or to several arbitrators of whom one shall be appointed by him and one other by each of the parties to the dispute. The decision or award of the Registrar or of the arbitrator or arbitrators as the case may be shall be final and it may be enforced in either or these ways—

(a) by an application made to the Collector of the district through the Registrar of Co-operative Societies requesting that the amount due under the decision or award may be recovered in the same manner as arrears of land revenue;

(b) by an application to the Civil Court having jurisdiction over the subject matter of the decision or award requesting that the Court may enforce the decision or award as if it were a decree of the Court.

56. Should any sum belonging to the Society be either stolen or otherwise lost and found irrecoverable, it shall be open to the general body to write off such amounts after obtaining the sanction of the Registrar.

THE MADRAS CENTRAL URBAN BANK LTD. (THE PROVINCIAL CO-OPERATIVE BANK FOR THE MADRAS PRESIDENCY.)

Head Office: Luz, Mylapore.

Branch Office: 117 Armenian Street, G. T

CURRENT ACCOUNTS opened free of charge and interest allowed on daily balances at $2\frac{1}{2}$ per cent. per annum.

FIXED DEPOSITS are received for periods of 1 or 2 years or more, at rates of interest which may be ascertained on application.

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EXTRACTS

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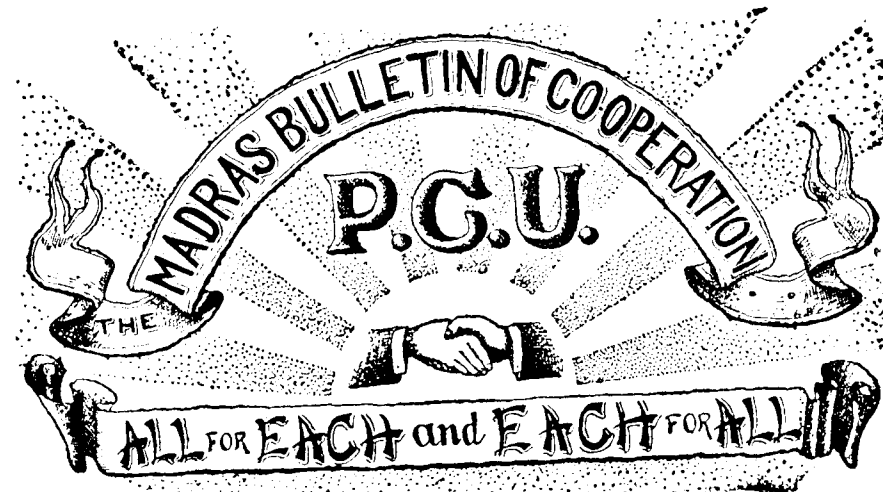
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PRESIDENTIAL ADDRESS.

BY M. R. RY. T. V. SESHAGIRI AYYAR, AVL., B.A., B.L.

Retired High Court Judge, Madras.

(At the II Madras City District Co-operative Conference)

To-day, I shall avoid the pleasant pastime of indulging in congratulations. That role would have suited me, if I did not pick up some knowledge of the work of the co-operators recently. All last year, I was engaged in connection with flood relief work, in studying the economic condition of the agricultural population. That work among the sufferers has made

The feverish pleasure seeking of to-day is not limited to any class, but unfortunately, it does not lead to contentment. Its source is evanescent; it craves for excitement. It is frequently merely the gratification of self. Now pleasure must spring from something higher. It can come from the ordinary occupations of life, and may arise from our daily work.—J. C. Wright.

me very sad, and prompts me to ask of co-operators a few questions. I hope they are not unreasonably inquisitive. Where and whither are you leading the people? What is the net result of your work on their moral and material well-being? Have you taught them a sense of responsibility and of thrift? Are they coming together or are they drifting apart? Has your work brought friendship and brotherliness or has there been a widening of the gulf? What have you done for education? Have you helped to increase the national wealth? These are some of the questions which have been troubling me of late.

Believe me, there is no one in this Hall who more fully appreciates one aspect of the work of co-operation than I do. I refer to the activities of the loan societies. Co-operative loan societies, by their promptness, business habits, absence of general corruption have commended themselves strongly to the poor borrower. The contrast between them and other loan agencies has been an asset on their side. Here again I am pessimistic about permanent results. Have your loans tended to diminish indebtedness in the land? I am afraid not. It is undeniable that the borrower comes to your societies willingly. He gets easy loans. He is offered generous terms for repayment. These unfortunately have not led him to borrow less, but more. His balance sheet with the sowcar shows no material change. The ruinous rate of interest that he had to pay the sowcar made him turn his eyes to you—but I am afraid he has become more of a spendthrift than before. I speak with knowledge when I say that if the true facts are ascertained, it would be found that the sum-total of borrowing is more to-day than it was some years ago.

You must do something which would not make co-operation a mere mechanical process, and the means of avoiding the sowcar and the middleman only; you must make it a lever to lift up and ennoble and to make the co-operator a better man ethically and financially. Not that I do not recognise the value of the comparative freedom which he may enjoy from being subjected to the annoyances of the sowcar and of the petty trader. I must say, in passing, there are not indications that even this immunity has been secured. While not minimising the importance of such of the benefits as he now enjoys, I want him to look up to something higher. He must be trained to have

There are hundreds of co-operative societies in Canada, the members of which never read a word on Co-operation. Managers and directors are often ignorant of its history, philosophy and experience. In many cases neither directors, managers nor members know there is anything to learn.

If co-operative societies expect to succeed they should buy and promote the reading of co-operative books.

a wider outlook on life, to have a saner understanding of class and communal amenities and to demonstrate to the world that co-operation has made him a better neighbour, a truer friend, and a sturdier patriot than those who do not enjoy the advantages of co-operation.

We should not estimate the value of co-operation in rupees, annas and pies. That aspect of it would circumscribe and not enlarge our vision. What co-operation should do is to bring into existence on a smaller scale a body of men like those who were expected by President Wilson to engage themselves in the duty of weaning nations and peoples from perpetual suspicion and unfriendliness towards each other and in striving to bring about peace and goodwill.

That duty on a smaller scale should devolve on the co-operator. There should be a league of co-operators which should engage itself in preaching and practising the underlying principles of co-operation.

It would be legitimate on your part to question the questioner—you might well ask "What do you mean by these vague generalities?" I am prepared to answer it. I shall immediately proceed to indicate briefly my meaning by reference to constructive work which I desire co-operators to engage themselves in:

(a) Every annual gathering has stressed the point that societies for the poorer classes have not been successful. I do not find any determined effort has been made to combat the evil. There is no doubt that the societies among the better classes have earned substantial profits. If a small portion of that profit is handed over to philanthropic agencies working among the poor, they could make the societies among the poor function properly. Many a public utility institution is languishing for want of financial help. The members are prepared to give their time and energy, provided some monetary assistance is given to them.

(b) Secondly, take the case of that excellent institution, the Triplicane Co-operative Stores. It is the premier institution of Madras in that branch of activity. It gathers large profits, and pays a handsome dividend. But its influence is confined to serving the middle class only. There seems to be an idea that each department of co-operation should remain a disjunctive unit. There is no co-ordination of aim or of help. My

"I tell you I won't have the room," protested the old lady to the hotel page, who was conducting her. "I ain't agoin' to pay all that money for a rocky hole with a measly little folding bed in it. If you thing that jest because I'm from the country—"

Profoundly disgusted, the boy cut her short: "Get in, mum; get in, mum," he ordered. "This ain't your bedroom: this is the lift!"

He says that "Co-operation turns toil into industry, which is labour animated-working willingly, knowing the reason why—because the profit of each, in proportion to his work, is secured to him; Co-operation leaves no body out who works;.....Co-operation touches no man's fortunes; seeks no plunder; causes no disturbance in society; gives no trouble to statesmen; it enters into no secret association; it needs no trade unions to protect its interests: it contemplates no violence; it subverts no order; it envys no dignity; it accepts no gifts; nor asks any favour; it keeps no terms with the idle, and it will break no faith with the industrious; it has its hand in no man's pocket and does not mean that any other hands shall remain long or comfortably in its own; it means self help, self dependence, and such share of common competence as labour shall earn or thought can win".

S. HANUMANTHACHARYA,
Bombay Co-operative Department.

THE RURAL CO-OPERATIVE CREDIT SOCIETIES ON THE NILGIRI PLATEAU AND THEIR FINANCING BANK.

The working of the Hill Societies has been engaging the serious attention of the Executive Committee of the Coimbatore District Urban Bank for the last one year and more and it was in a Directors' meeting resolved to refute the allegation that the District Bank was not prepared to finance the hill societies and that the Executive Committee was given the discretion to decide applications for loan on the merits of each case. I believe the Executive committee had not before it many applications for loans from hill societies and if my information be right had only two applications out of which one was sanctioned and one was refused. During the course of the year 1923-24, the Executive Committee had to consider applications for extension of time for repayment to the District Bank by the hill societies and as it was generally felt that the granting of any further extension would place the Bank in a false position with regard to its profits, the Executive Committee declined also to grant the request for extension. This result of the refusal on the part of the District Bank to grant extension for repayment of loans by the hill societies led to an agitation on the part of the hill societies and the leading members on the hills to organise a separate District Bank and representations seem to have been made to the Government that on account of failure of potato crops on account of bad seasons repeatedly for the last 2 or 3 years, the

Love is that expansive force in our nature which arises out of a surrender of egoistic thoughts and feelings.

societies on the hills were not able to repay the loans due by them to the District Bank and that on account of the attitude taken up by the District Bank before the co-operative year 1923-24, the hill societies had no chance of getting financial assistance from the Coimbatore District Urban Bank, that either a separate Bank for the hills should be started or the Government should grant long term loans through the Bank to be started to these hill societies mainly composed of Badagas, the period of such loans being fixed not below 20 years. As a result of these representations, the Collector of the District, Mr. Mac Farland, has suggested to the Government that a separate District Bank for Nilgiris should be started and that the Government should finance such a Bank with long term loans for a period of 20 years. The Registrar of Co-operative Societies, as a result of these representations and suggestion inspected the working of the hill societies and has pointed out that he does not think that for the present it is either necessary or advisable to the Government to give direct financial assistance to the co-operative societies in the Nilgiris on the lines proposed by Mr. MacFarland.

2. In the notes of his inspection he points out the defects in the Badaga societies and also the reasons for the default in repayment of loans by such societies; the main causes may be briefly stated :—

(1) The incorrigible laziness and extreme improvident habits of the Badaga,

(2) Ignorance of the principles of co-operation by almost all the members of hill societies,

(3) Too rapid organisation of the hill societies without adequately realising the difficulties inherent in the supervision of such societies.

3. The Registrar would not advise the Government to start a new Bank to finance the Hill societies but it seems he would still expect the Coimbatore District Bank to finance the hill societies, apparently basing his expectation on the resolution referred to above and with that view has sent a copy of his inspection notes to the District Urban Bank. In so doing he has suggested that he is making efforts to improve the working of the societies by (i) weeding out some of the bad societies by liquidating

A general survey shows that the larger co-operatives in fruit are handling nearly 200,000,000 dollars worth of business annually. The large scale milk co-operatives do a total business of about 150,000,000 dollars annually, while the tobacco group is doing a combined business of more than 1000,000,000 dollars annually. The cotton group has also passed the 100,000,000 mark. The above commodities are leading the list in the total co-operative business volume for the United States.

suggestion is that a portion of the earning of the Triplicane Store should be earmarked for expenditure among the poor. Branch societies among the lower classes should be started without expecting any immediate return. In course of time, profit would come. In the beginning, the idea must be to help irrespective of profit on the money spent.

(c) Thirdly, I heard from Mr. Vedachala Aiyar that when he examined the report regarding loans given to Government servants two years ago, he found that not less than 25 per cent. of the borrowing was to meet medical expenses. This figure opens up a vista of reflections not very complimentary to the employer. Leaving that aspect of the question aside for the present, I ask why should not the Government Servants' Society equip a dispensary and engage the services of a qualified medical practitioner to attend on the members. I am sure this would entail less cost to the members. A sense of comradeship and a feeling that the society as a whole is solicitous about the health of its members would serve to bring them closer together.

(d) Again, it is notorious that the wages earned by the lower classes and the lower middle classes are not sufficient to keep the wolf from the door. It is necessary to find them some supplementary occupation. This is not the place to discuss whether Charka has the magic and the potentiality of Swaraj in its wheels: opinions may legitimately differ on it. But there can be no doubt that the suggestion of the Great Sage that Charka is the best supplementary vocation that can be thought of is unexceptionable. Old and young, man and woman, poor and rich can help themselves and help the country by engaging themselves in that work. Co-operative Societies should encourage it by providing facilities for its members for doing this work.

(e) Further I have heard from members that they experience great difficulty in finding sureties when they have to borrow from societies. It must be remembered, especially in the case of Government employees, that they are often on the move. It is not easy for a newcomer to find a surety. There should therefore be a department of insurance in every loan society. It is notorious that crores of rupees go out of Madras in the shape of premia. If the member's life is insured, he can obtain the loan without finding a surety. It would bring to him personal relief and inducement towards thrift and economy in his expenses.

(f) On the subject of housing the poor, I can say a great deal. Three months after Lord Willingdon came to Madras, I read a paper

Shun idleness: it is the rust that attaches itself to the most brilliant metals. Queensland Producer.

under his Lordship's chairmanship in which I outlined a scheme of co-operative house-building for the poor and the lower middle classes. Government officials were asked to report on my scheme. Everything seemed to go well with my project. I then heard that a high official had promised to bring in a more comprehensive scheme and that action on mine was deferred. It is seven years now and I believe mine has been killed and the bigger one has been still born. I ask co-operators to take up this question in right earnest. In Bombay a great deal has been done and is being done in this direction. Madras co-operators must make it a prominent item in their programme of work. The question of ownership or co-partnership of the occupier is not a serious one. I pointed out a mode of obviating this difficulty. Work of this kind would bring up all that is best in the principles of co-operation and would result in giving to the locality in which the society works a healthier atmosphere.

(g) In the Factory Act, there is a provision for housing the workmen. Something is being done in pursuance of it. But Government, the largest employer of labour, has contented itself with precepts for others and has not set examples. The housing of their servants is a problem which no civilised Government can afford to neglect. You must press this matter on the attention of the Government. I must utter a warning here. I do not want government to build tenements. I want them to assist their servants by financing housebuilding through co-operative societies. A sense of responsibility and of business capacity would be engendered by this process.

(h) It is not enough to have the Factory Act; it is not enough to help government employees financially; it is necessary that government should insist on private firms finding accommodation for their workmen. Government should acquire and grant sites to enable capitalists to help their men to build houses. The work should be undertaken by the men organising themselves into Co-operative Unions.

I was told by persons in the know that respectable private firms discourage the formation of co-operative societies by their servants. Apparently, the bogey of Trade Unionism is at the bottom of this disinclination. If I may say so, the objectionable features of Trade Unionism, if any, would be obviated if there is the adjunct of co-operation to it. Trade Union stands for better wages, for better political rights, etc.: co-operation stands for cleaner life, simplicity and healthier surroundings.

Whenever the members or their managers have attempted through their co-operatives to take everything out and put nothing in, those co-operatives have failed.—The Associated Grower, May 1924.

Every capitalist would gain and not lose by actively encouraging the formation of co-operative societies among his men.

In reading through the report of last year I found no mention of a co-operative society for the builders, the carpenters, and the masons, etc. That is unfortunate. Elsewhere they are almost the first to start societies. If there are builders' co-operative societies, the question of housing would derive great support from them. I hope such societies would before long come into existence—you must assist in their formation.

I am afraid I have been some what discursive. The old theory that when there is no time to collate and condense, you are apt to be diffuse is applicable to my performance.

I shall say one word more on the theme with which I began and take my leave. The point I urge is, "Do not make co-operation a purely money earning concern. Do not neglect its moral side. Do not ignore its cardinal principles. The root idea that in co-operation each is for all and all for each should not be forgotten: co-operation would become exclusive, would belie its meaning and conception, if profit earning is its sole aim. I am not advocating you should neglect the business side of it. No. Combine business with philanthropy. Regard every co-operator, however humble, whatever be the particular line of his activity, whatever may be his caste, creed or social standing as a brother in whom the utmost confidence should be placed, to whom the heartiest sympathy should be extended and for whose moral and mutual well-being you are bound to contribute. There should be a sense of cohesion, such as is believed to exist among free masons. There must be a determination not only to live and let live, but to actively help in making the associates live happily, comfortably and well, even though it may necessitate the curtailment of some of your own comforts. In short, let co-operation be the means of drawing together classes and communities and be an instrument for welding together men of incompatible temperaments into good friends and kind neighbours. This would be no mean achievement: for it is from such small beginnings peace and harmony would come to sway men's minds. Your action would find followers and your example would bring to this unhappy land that blessing of unity and fellow-feeling which to-day it very much stands in need of."

Small Girl: "May I climb on your knee, Mr. James?" Mr. James (suitor for the hand of elder sister): "Certainly, my dear! Want to pull my nose?"

Small Girl: "No. I overheard Sis say that if ever a man had 'idiot' written all over his face it was you, and I want to find the word."

SUPERIORITY OF CO-OPERATION OVER OTHER SISTER ASSOCIATIONS.

The advancement of modern civilization has made individual efforts less profitable in all human undertakings, than what it was a century back. The greed for higher percentage of profits and a lower percentage of expenditure on that account, led the capitalists to combine in their undertakings into several associations to attain full advantage of their objects. Naturally, in the Western countries, where the spirit of enterprise was great, this attitude on the part of the capitalists created a sort of uneasiness in the minds of the labourers and it became stronger and keener as the use of machinery and the concentration of the industrialised production began to replace the manual labourer. Further, more the capitalists formed into Joint Stock companies, the root of competition, whose object is not the production of good, useful or beautiful things, but the production of such goods which would help them in inducing other people, either themselves or through agents, to buy them and thereby, they (these waste producers) make a profit for themselves, at the cost of the ignorant people. In this way the law of supply and demand was also seriously affected and continues so in many cases. It must be demand that should create the supply and not the supply that should create the demand as it does now.

The result of all this was that both the labourer and the consumer became much dissatisfied with their condition of life and the wasteful supply of their needs. Each in their turn associated themselves to fight against the competition and the wasteful production and supply of their needs, they had to put up with. They began in several directions advocating several principles of associations. A few of these are enumerated below.

Some advocated *State Socialism*, that is, the transfer of all capital to the state, to avoid the domination of the capitalism. Though the socialist state, by its control of capital and industry can produce good quality, yet the management by the state can never be efficient and economical, nor will the labourer be contented with this.

Others advocated *Guild Socialism*, whose object was the control of each industry by a separate guild comprising of all employees, manual, technical and intellectual. Such guilds are now seen working in Italy, where these guilds are represented in the Co operative form. 1. Glass-workers' guilds, 2. Railwaymen's guilds, 3. Seamen co-operative societies, 4. Agricultural farming societies 5. The national federation of

What do we live for is it is not to make life less difficult to each other. — George Elliot.

postal workers, 6. National federation of building trade operatives, and 7. Federation of Textile workers, are all run under a scheme of guild management.

A few more, chiefly the *Christian Socialists* advocated the principle of *copartnership*, whose aim was to bring about "the partnership of labour and capital as a solution of the conflict between them by establishing work hops in which the workers share in the profits and participate in the management and receive a share in reward, responsibility and Government" in production.

A few more *Socialists*, who have abandoned the idea of state control or the guild control or copartnership principle have attempted to work independently and though they have done something in the way of lifting the weak up, their aim has been diverted towards politics as in Belgium, though they are under the co-operative cover. The so called co-operative societies themselves, provide a portion of their profits every year for these political objects such as for elections etc. The movement is also visible in France and Italy to some extent.

The advocates of *Syndicalism*, a revolutionary doctrine, originated in France. They thought that political action was not effective to redress their grievances and so they took to general strike. Their effects are generally ended with the seizure of all fixed capital. Though the severity of these have now subsided, yet the French people seem to have some sort of attachment to the very word itself. They call even some of their co-operative societies as Syndicates.

Communism was also advocated, by some, which had its view in distributing equal money wages to all workers. But here the capital will remain as in capitalism in the shape of land, building, machinery and goods. Here the difficulty is in making the workers work equally to receive equal wages. After some time capital is sure to dominate labour to do justice among the workers themselves, by paying them proportionately for the work done. Though this form of association will have a socialist body yet it will have a capitalist soul.

Trade Unionism is an association of persons of the same trade or craft. There are formed by the workmen to earn for themselves better wages and better conditions of work from their capitalist employers. The association is only a means for something, but not an end in itself. It is not a commercial society. They have sought to secure for the workers, fair wages, short hours, sanitary workshops and freedom for united action. It may be said that it is a supplement of co operation.

There is money in soap. Lever Bros. Ltd. annual report disclose a profit for the past year of £ 5,016,000 as against £ 4,570,000 for previous year.

Finally the capitalists realising themselves in many cases, have come to some compromise with the workers in undertaking a scheme of *Profit Sharing* with their workers. A portion of profits is distributed among, the workers every year and facilities are given in sale of finished goods to them and also sliding scales of wages are offered in certain cases.

The peculiarity, to be observed in every one of these associations, lies in their desire to grow stronger, bolder and more unyielding, while in a co-operative society the weak associate together and try to lift themselves and others who are also like themselves and are of good character. "Industrial combination is a force, Co-operation is an idea".

The association of co-operators has always been very humble in the beginning like the few English weavers, out of employment and without food joined together "at the close of the year 1843 of one of those damp, dense, dismal, disagreeable days, such as occur towards November" to advertise to the modern world, the present British Wholesale as well as retail traders, cultivators of land, workers of mines, and insurers of persons and property, having their head-quarters at Manchester. Similarly in Germany, Italy and other countries, Co-operation has always been humble and successful.

A true co-operative society can work as in Denmark, even under Joint Stock company regulations. The criterion for co-operation is whether the members are prepared to admit on equal terms others of suitable character, to the benefit of their society. The common element in all this, is the commercial element. Co-operation has been defined by several authorities, the underlying principles of which are the equality of opportunity, voluntary association and the promotion of economic interests of themselves. The moral force, the basis of co-operation are lacking in other associations. Co-operation in the industrial sense of the word means equal division of profits among all the workers of an undertaking.

In agriculture it means the obtainment of a common economic benefit, either jointly through out or to some extent only, according to the circumstances of the members. The term co-operation cannot be explained better than has been done by the great historian Mr. G. J. Holyoake in the following words.

Smithson: "Do you know that Noah was the greatest financier who ever lived?"

Dibbs: "How do you make that out?"

Smithson: "Well, he was able to float a company when the whole world was in liquidation."

them (ii) by speeding up recoveries by the application of arbitration procedure and the execution of such decisions through Revenue authorities against the worst defaulters in some societies (iii) by making the non-official supervision more efficient

- (a) by creating 3 out of the two existing Unions
- (b) by appointing more competent supervisors than at present
- (iv) by increasing the earning capacity of Badagas by forming labour societies
- (v) by reviving the Nilgiri Co-operative Wholesale Purchase and Sales Society
- (vi) by supplying the domestic and agricultural requirements of the Badaga through the Wholesale Purchase and Sales Society.

4. In the course of the note, the Registrar remarks that the District Bank has been generous enough to grant extensions for repayment of loans due by the hill societies in the past and the true state of affairs in regard to repayments by the hill societies to the District Bank is marked by the extensions of time for repayment granted on a liberal scale by the Bank. This too generous extension granted by the District Bank repeatedly for about 3 years is another factor for the inefficient working of these societies. Considering that the District Bank has relaxed the ordinary rule by fixing the period of long term loans to these societies as 10 years instead of the ordinary 5 years and by agreeing to accept one-sixth of net assets of the society as the basis for its borrowing power instead of one-eighth, granting of more than one extension to these hill societies has encouraged the societies to proceed rapidly in their downward course. Further the Registrar's note tries to whitewash the departmental responsibility for the present state of affairs of the hill societies. Except the bare statement that there was a too rapid organisation without realising the inherent difficulties in the supervision of these societies, no mention is made of the lack of the efficient supervision of the hill societies till the time of a Special Chief Inspector in June 1922. Ever since Mr. Devasikamani Mudaliar left this District, the Coimbatore-Nilgiris District was except perhaps for a brief period of one or two months under the additional charge of the Assistant Registrar of Co-operative Societies, Trichinopoly, till 30th April 1923 (the present permanent Assis-

Two Scotsmen decided to become teetotallers, but McGregor thought it would be best if they had one bottle of whisky to put in the cupboard in case of illness.

After three days Sandy could bear it no longer, and he said, "McGregor, I am ill."

"Too late," said McGregor, "I was ill all day yesterday!"

tant Registrar for this District took charge of them) and he not being allowed to draw more than a fixed travelling allowance and overworked with two very heavy divisions could not devote as much personal attention to the working of the hill societies as was necessary. Failure of Potato crop alone was sufficient for the Departmental staff to account for the bad state of affairs of the hill societies. Such representation by the subordinates supported by the statements of Panchayatdars of societies anxious to minimise the bad effects of their administration of societies as shown in the audit orders of these societies led to recommendations to the District Bank by the departmental authorities competent for granting of extension of time for repayment of loans to the District Bank and the latter also, on the advice of the departmental authorities without itself satisfying whether the extensions were deserved or not, generously granted extensions so much so that on this day two lakhs and twenty thousand (nearly Rs. 2,20,000-0-0) by way of Principal and twenty two thousand, Rs. 22,000—as interest stand as balance due after deducting the collections so far made and taking merely the figures up to 30—6—24, the percentage of balance to demand in principal and interest, for Hubbathalai Union societies works at 68.94 per cent and 22.39 per cent respectively, while for Kotagiri Union societies works at 83.10 per cent and 15.48 per cent respectively and while balance to demand per centages of loans due to these societies by their members in the years 1921-22 and 1922-23 for Principal were 43.31 per cent and 67.14 per cent respectively and for overdue interest were 49.74 per cent and 74.90 per cent for 21-22 and 22-23 and for accrued interest 39.43 per cent and 50.31 per cent for 1921-22 and 22-23. I do not mean to suggest that the management of the District Bank granted these extensions for the purpose of including the interest which otherwise would not be taken into consideration, for the Profit and Loss account but it was bona fide led into the belief by the Departmental staff that such extensions were necessary in the interest of the societies themselves and it can be confidently asserted that if these facts as disclosed by the notes of Inspection of the Registrar had been brought to their notice earlier they would not have granted these extensions. The District Bank management is also to some extent responsible to the present sad state of the affairs of the Hill societies. It has power under bye-law 14 (c) to depute a member of the Board or any other person to inspect or ascertain by enquiry whether the financial conditions of a society financed by the Bank is sound and also power to call upon such society to furnish such statements and returns as are needed to ascertain the financial condition of the

Thank God for inferior people. They are the basis of your superior feelings.

societies. Only if this provision had been used properly to its full extent for the last three years with respect to the hill societies instead of looking up to the departmental dry audit orders, the management would not have been lulled into the false security in which it now finds itself placed. As pointed out by Mr. T. Srinivasa Rao in his recent address at a District Co-operative Conference, only if the existing powers in the hands of non-official bodies be utilised to the full, one need not look to the Government or departmental staff for anything but audit and it is because the management of the District Bank grudged to spend a few hundred rupees necessary for effective supervision of these hill societies it now wakes itself to find that it is too late. It may be said that the District Bank deputed its President or Secretary, to inspect these hill societies in 1922-23 but so far as I can ascertain there seems to be no record to show such inspection or the results of such inspection. What I wish to emphasise is that at least after the last application for extension of time for repayment by the hill societies was made to the Bank, the District Bank management must have felt that there was something radically wrong with the societies and ought to have deputed some of its members for a complete inspection of all societies on the hills on the lines now adopted by it. Only if such inspection had been carried out, the Bank would not have added to its overdues and the Government and the Registrar would have taken out steps earlier to rectify the matters.

5. Now let us consider the means by which the Registrar wishes to improve the working of these hill societies. Liquidation of the worst societies:—The question is how liquidation would help the societies to be liquidated and the financing bank in recovering its dues. Statute requires two months time before actual liquidation process can begin once the order is made by the Registrar and the financing bank can have any hope of recovering its dues if the members have enough assets and the question of realising the assets for the benefit of central Bank is really covered by the next means of making the societies realise their dues from members by speeding up arbitration procedure and recovery through revenue authorities.

6. The difficulty in the course in the hill societies seems to be that the Revenue authorities are powerless. The lands of Badagas form part

Of the late Aneurin Williams, one of the founders of the International Co-operative Alliance, and who for years was Chairman of the Executive during the presidency of Sir William Maxwell, The Nation says: "He ground many axes in his time, but never his own."

As good a co-operator as any of his colleagues, Mr. Williams was not of the working class, but the son of a noted ironmaster in the North of England. A graduate of the Cambridge University, and a qualified barrister, he was for many years also an active partner in an iron works.

of a family estate and in a family only one is a member of a society. Unless and until the society can point out a specific plot as the land owned by its defaulting member, the Revenue authorities refuse to sell the member's share. The indefinite share of such member even if sold, I believe no one would bid for. Such a state of affairs should really be a bolt from the blue to the Bank. The colossal blunder of accepting such properties as security on the unlimited liability basis should really stagger the department and the Bank. This should open the eyes of the co-operative department to see that they should organise societies in future in consultation with the financing banks invariably in all cases. Under such circumstances, it is not clear how arbitration procedure would help to resuscitate the societies.

7. Reviving the Potato Growers wholesale Society in my opinion would not improve the matter. Even taking for granted that a good harvest is the rule, the Badaga on the hill can never compete with foreign potato merchants who are flooding this country with potato grown on foreign soil, as potato is carried free for them as ballast for ships. During the time of war the Badagas might have made profits in their potato sale, as there was no import of potato into our country on account of war restrictions. Induced by the profits realised during the war time by potato cultivation, the Badaga on the hills has given up his usual cultivation of food grains such as Ragi and Sami but persists in cultivating potato year after year with the hope of Micaber "still something may turn up." without realising the odds against him. Unless and until a high customs duty is levied on potato imported into the country, the Badagas have no chance of selling their potato for profit which will benefit them and no potato growers co-operative wholesale society will work with profit. The proposal to make the non-official supervision effective is highly problematical. The Registrar concedes that it will be a long and tedious business to teach the Badagas the real meaning of co-operation and that it is in many villages impossible to find suitable men for the Panchayat. Only if there be human material to work the societies supervision either official or non-official can be of any use in putting the societies in good working order. It must also be realized that the supervising agency can not also be the agency to work these societies, the two functions are separate. When there is no suitable agency to work the societies, what is the use of building up of an artistic superstructure of supervision on the slender foundation of highly ignorant Panchayats of these societies composed mostly of the worst defaulters in

False colors.

"Is this color fast and really genuine?"

"As genuine as the roses on your cheeks, Madam."

"H'h! Er—show me something else."

the repayment of their dues to the society? Although it may be said that the ordinary ryot on the plains is also not educated in the modern sense of the word (as Coimbatore is comparatively backward in education) he has the ordinary common sense enough to understand the benefits of co-operation though at first led into the belief that it is the benign Govt. that lends him money through the departmental Inspector (such was the case in the societies of Avanashi Union) as the Badaga still persists in thinking. Unlike the Badaga on the hills, the Coimbatore ryot is noted for his hard work and systematic application.

8. The only other method is to increase the earning capacity and therefore the repaying capacity of the Badaga and with that object in view, the Registrar says that attempts are being made to form co-operative labour societies for taking District Board, Municipal and Public work department contracts and to supply co-operative labour to the local tea and coffee estates. Hitherto, no progress worth the name seems to have been achieved in this direction and it is also highly doubtful whether "the incorrigibly lazy and extremely improvident Badaga" will ever be induced to quit his hut and his small plot of land to which he is attached and undertake to do labour elsewhere.

Unless radical remedial measures are taken on hand with greater amount of vigilance and earnestness on the part of the Government, it may not be possible to uplift the Badaga societies; for that purpose unless a central bank either directly financed by the Government or with a guarantee for the repayment to the Bank by the hill societies is started on the hills, the Coimbatore District Bank situated as it is at a respectable distance from the scene of operation of these hill societies for effective supervision cannot any further undertake the financing of these hill societies without detriment to its own existence and progress.

Even if a separate District Bank be started for the Nilgiris, that Bank has to make a thorough investigation into the properties statements of the hill societies, should have the members of the hill societies get their shares of landed property fixed and divided by metes and bounds, should carry on a regular, systematic and intensive propaganda of education of co-operation into the Badaga camp, drive away the demon of drink from the Badaga home, should induce the Badaga to resume his ancient cultivation of food grains on his land instead of the potato crop and it is doubtful whether even the new Bank if started would be able to do all this, unless its efforts in these directions are supplemented by workers in Social welfare, by associations like the Servants of India Society, Y. M. C. A. and

An era of prosperity is one in which people go in debt for things they don't need.

social service leagues. Here is a great field for work by the above institutions; if the Government agrees to start a new central Bank for the hills, possibly there may be a chance to revive the co-operative movement among the Badagas; otherwise to depend upon the measures suggested in the note of the Registrar—a patchwork as it were—would be only to delay the checking of the downward march of co-operation on the hills and it would be too late to grapple the situation later on and every day's delay means a day lost.

A CO-OPERATOR.

GRANT OF EXTENSIONS AND FRESH LOANS TO SOCIETIES.

(The Registrar's Recent Circular as to the Responsibility of
Central Banks in the Matter—Some Observations.)

BY RAO SAHIB T. SRINIVASA RAU.

In his recent circular letter addressed to central banks, No. A 2265-25, dated 28th July 1925 on the subject of absorption of surplus money available in the movement, the Registrar has summarized the conditions which have been accepted by co-operators as suitable and proper for regulating grant of extensions and fresh loans to societies. The Registrar has further sought to impress upon the directors of Central banks their responsibility in these respects. Central banks have reason to be thankful to him for doing so.

Present Anomaly of Surplus Money in some Financing Banks and Want of Money in Rural Societies.

2. With an evident feeling of concern the Registrar refers to the anomalous position noticeable for some time past in the co-operative movement in which, while, on the one hand, certain financing banks and more particularly the Madras Central Urban bank have succeeded in attracting more money than they have been able to invest in the movement, there are, on the other hand, many primary rural societies which are unable to meet in full the legitimate needs of their members in the way of loans for agricultural and other productive purposes.

Causes and Remedies as Stated by the Registrar.

3. The Registrar considers that one of the main reasons for this anomalous position is the fact that the directors on certain central banks are unduly nervous in the matter of granting loans to their affiliated societies. Being of this opinion, he proceeds to explain how such a situation can

The Co-operative Movement was the first body to give equal rights to women in England and in other countries.

be remedied. He begins with observing that it is of course only right and proper that financing banks should exercise special caution in dealing with applications for loans to societies which have not been punctual in the repayment of previous loans. He next observes that central banks should bear in mind that a defaulting society is not necessarily a bad society and that default by itself is not necessarily an indication of bad management or of financial insecurity. He would accordingly urge upon the directors of all central banks the necessity of systematic endeavours to discriminate in dealing with applications for loans between good societies in which extension of time should be given for overdues and bad societies which have no legitimate claim for such extensions. He would further point out that if co-operators, particularly rural co-operators, are to reap the full benefits which they are entitled to expect from the co-operative movement and which the co-operative movement is capable of bringing within their reach, they must be able to rely upon their societies for all the loans which they legitimately require for productive purposes. Next, he gives it as his opinion that the extent to which the co-operators can so rely upon their societies depends in a great measure upon the attitude of the central bank. Finally, he concludes with a special appeal to the unduly nervous of the central banks to adopt a more courageous policy.

Some observations.

4. We agree with almost everything which the Registrar has said. Undue nervousness is as much to be deprecated as undue rashness. A courageous policy which is recommended is certainly called for, which will steer clear of the two extremes. The Registrar has not stopped with merely recommending a courageous policy but has described at considerable length, and with illustration, how central banks should proceed. If only the central banks set about transacting their business in the manner indicated by the Registrar they would as a matter of course be adopting a sufficiently courageous policy.

5. As already observed the Registrar would ask the central bank directors to discriminate, by systematic endeavours, good societies from bad ones. He would classify a society as good if it satisfied the following conditions.

The lady lecturer was upholding the rights of the gentler sex. "Now", she asked, "is there any man here who would stand by and let his wife be slandered? If so, stand up!" A meek little man rose to his feet. The lecturer glared at him. "Do you mean to say you would stand by and see your wife slandered?" she exclaimed. "Oh, I'm sorry," he apologised, "I thought you said 'slaughtered'."

The management of the society should be (1) honest and (2) efficient; (3) such defaults as may still occur in spite of honest and efficient management must be the result of circumstances over which neither the panchayat nor the general body can exercise any control, such as, adverse season, or special calamity due to flood etc. (4) The panchayatdars of the societies should have taken every step they possibly can for the recovery of the members' dues and for the repayment of the central bank loan. And (5) The society's affairs should not present any indication of financial insecurity.

5. After formulating these tests for distinguishing good societies from bad ones, the Registrar would ask the central bank directors to grant extensions and fresh loans to good societies. The Registrar's allusion to a kind of attitude, not in his opinion of the right type, on the part of certain central banks, and his exhortation to them to adopt a more courageous policy, emanating as these do side by side with a description of what a good society is, to which class of society alone he would recommend the application of the courageous policy advocated by him, would appear to suggest an impression in his mind that a number of central banks refuse extensions and loans on an extensive scale, or are not in a mood to grant them, to deserving societies, that is, societies which deserve to be classed as good as satisfying the tests mentioned. Co-operators are not aware whether this impression is the result of inspections of central banks by the Registrar and his assistants. The circular, however, does not say that it is so. It is difficult to imagine whether, even in the most nervous central bank, there exists a solitary director who would stand in the way of granting an extension or a fresh loan to a good society of the kind described. It is more difficult again to imagine whether, even if a solitary director or two of this undesirable type existed, the majority of the directors forming the executive committee or the board of management would belong to that class. And unless the executive committee or the board of management was so composed, it is almost impossible to suppose that there exists a number of central banks of which the executive committee or the board of management refuse extensions and fresh loans in a large number of deserving cases. For this supposition there is hardly any warrant known to co-operators at large. And except on the basis of such a supposition it is unfair to central banks to hold that the non-absorption of the surplus money available in the movement is the result of any kind of attitude on their part. It is also unfair to central banks to tell co-operators that the extent to which they can rely upon their socie-

The fellow who is pulling on the oars hasn't time to rock the boat.

ties for meeting all their legitimate requirements depends in a great measure on the attitude of central banks. The absorption of the surplus money will, on the other hand, depend, primarily and in a very great measure, upon how, in the first instance, primary societies transacted their business and next upon how, when they fell short of their mark the unions went to their rescue and supplied the defect. The Registrar's circular, however, is conspicuously silent in their respects. It throws the entire responsibility upon central banks as though the primary societies and unions are playing their part well and as though it is the central banks which clog the wheel of progress on its onward march. It is inconceivable that central banks will ever adopt an attitude of refusing extensions or loans in deserving cases. Such an attitude is simply inconsistent with the very object of their creation and can hardly be assumed except upon very strong grounds. A careful reading and proper understanding of the very tests mentioned in the Registrar's circular for distinguishing good societies deserving extension and loans from the rest will at once convince any one that unless societies and unions worked well the central banks could hardly do anything to let co-operators absorb the surplus money already available in the movement or to bring within their reach such further benefits as the movement is capable of conferring upon them.

6. We hold no brief on behalf of the central banks but in fairness to them feel bound to point out that if all the financial aids and other benefits of which the movement is capable should actually reach co-operators, the move towards the attainment of that object should start with primary societies and unions. If and when this happened it would be simply impossible for central banks to persist in any undesirable or wrong kind of attitude, even supposing that such an attitude was noticeable in them till then. The central banks too have their own duties to perform and we are at one with the Registrar in insisting upon their due performance by them, just as we do not hesitate to say that primary societies and unions should be instructed and insisted upon to play their part properly. The central banks have been told how to do their business. It only reminds for primary societies and unions to be told what they should do, and how these three kinds of institutions, each of them in the first instance fulfilling its part and next all of them acting in harmonious co-operation

After having finished his studies in one of these universities (Peasant Universities), where he gathers much useful knowledge, the peasant (of Denmark) does not go to work in a town, as his practice is in other countries. He stays in his own village. There he works and helps to develop a rural civilization.

with one another, will be capable of conferring an immense amount of good on co-operators. These matters are of great importance calling for pretty detailed treatment and will form the subject of another article.

MISAPPROPRIATIONS IN CO-OPERATIVE SOCIETIES.

BY RAO SAHIB T. SRINIVASA RAO.

The case against Mr. Krishnaswami Iyer, Secretary of the Mangudi Rural Society for offences under Sections 467-A (forgery), 477-A (falsification of accounts), and 409 I. P. C. (criminal breach of trust) has ended in the acquittal of the accused by the Assistant Sessions Judge, Tanjore, vide report in the *Hindu* of August 7th. So far as Mr. Krishnaswami Iyer is concerned there is an end of the matter. What concerns co-operators, however, is how the irregularities and frauds in the Mangudi society, which to the best of my recollection, went up to about Rs. 8000 as reported in the columns of the *Hindu* came to be perpetrated and, what is more, how it happened that they were not discovered till the amount involved grew up to such a big figure. The frauds must have gone on for a considerably long period. A few months back a case of misappropriation in a society in South Kanara district was reported in the columns of the *Hindu*. More recently, misappropriations in two or three societies somewhere near Tiruppur in Coimbatore district were also reported in the same paper. It is not known how these cases ended. Recently a case of misappropriation of over Rs. 1000 in a rural society near Chittoor came to light. It is apprehended that similar offences occur in other districts which are not reported in the newspapers and do not therefore attract the notice of co-operators. In regard to all these cases, it will be of great advantage, nay it is even a matter of necessity, to co-operators, to know, the various ways in which the frauds are perpetrated, how they are kept concealed from the knowledge of the members of the society concerned for a considerable length of time, in what manner they eventually come to be discovered and whether and how the amounts misappropriated are recovered. At present a knowledge of these matters, as well as of the steps taken for the recovery of the money embezzled is confined almost to the officer conducting the local inquiry, who is generally the Assistant Registrar and the panachayat and other members of the society and perhaps the Executive Committee or the Board of Directors of the Central Bank concerned. This knowledge should however be more widespread. It

At a primary school examination one of the questions was with regard to the five senses. A pupil wrote: "The five senses are sneezing, snobbing, crying, yawning, coughing. By the sixth sense is meant an extra one which some folks have. This is snoring."

should be published for the information not only of the other societies in the district but elsewhere as well, so that co-operators in general may be more vigilant and be better enabled to guard themselves against commission of similar frauds in their societies.

2. Generally, when a case of embezzlement of public funds occurs in any Government treasury or office, enquiries are set on foot with a view, among others, to find out how, amidst all the rules and regulations touching the security thereof, the offence came to be committed—whether it was rendered possible by reason of any defect in the rules and regulations or whether, the rules and regulations being perfect, it was brought about by carelessness and neglect in the carrying out thereof. In the former case steps are taken to supply the defects and in the latter case the person or persons at fault are dealt with. Information in these directions in respect of the embezzlement of the funds of societies will certainly be of use to members of all credit societies in general and the financing banks in particular.

3. Where the amount involved is small, the counts of embezzlement are few, the period over which the frauds are spread is short, and the duration of frauds happens to lie between the close of audit for one year and the close of audit for the subsequent year, the case may be simple. The occurrence may or may not then be inconsistent with the due discharge of their duties by the office bearers of the society other than the culprit or culprits, and by the auditor. Where, however, the reverse of these conditions obtains, the occurrence would seem to suggest something defective, as regards the rendering of the balance sheet by the panchayat or the board of management, and also as regards the quality of auditing. The rendering of a balance sheet by the panchayat or the board of directors—does it not mean, in the absence of any remarks to the contrary, that the assets are genuine and sound. Does not this again imply that the panchayat or the board of management should by inquiry or inspection or both satisfy itself that the assets are genuine, which circumstance would be inconsistent in the existence of frauds? And does not the passing of the balance sheet by the auditor, unless qualified by any remarks to the contrary, imply that the assets as returned by the society are in his opinion really worth their face value. The auditor has a duty cast upon him in this respect by the Co-operative Societies Act which lays down (vide section 17) that audit shall include an examination of the overdue debts and a valuation of the assets. These things—examination of

Let a man do any one thing better than anybody else, even to the making of a mouse trap, and though he lives in the centre of a trackless forest, the world will make a beaten path to his door.

overdue debts and valuation of assets, supplement each other in so far as the overdue debts are concerned. And it is in respect of these that frauds are generally found to take place. The valuation of assets being extended also to debts not overdue, the valuation would be complete in respect of all debts which generally form the whole or almost the whole of the assets. With a view to render it almost impossible for frauds to happen and at any rate to make it impossible for the frauds to be spread beyond one year and to facilitate detection before the close of the next following audit, instructions of a detailed character to societies and central banks and to auditors seem to be called for. With work regulated on these lines, the scope for misappropriation of considerable sums, spread over lengthened periods will, it is supposed, be considerably minimised.

4. Will the authorities be pleased to move in the matter?

EXTRACTS FROM THE DISTRICT ADMINISTRATION REPORT FOR 1923-24.

IV Ganjam District.

One new Honorary Assistant Registrar, Sriman Balakrishna Ratho Mahaseyo was appointed during the year in addition to M. R. Ry, K. Appa Rao Naidu Garu nominated by the Government in the year 1921-22. These two officers continued in their posts till 30th June 1924.

M. R. Ry, K. Appa Rao Naidu Garu toured for 36 days and inspected 32 societies. He was present with the Inspector at the time of organisation of 6 Societies. An amount of Rs. 84-5-0 was drawn by him under T. A. excluding the amount of Rs. 29-10-0 spent towards the pay of the peon employed under him.

Sriman Balakrishna Ratho Mahaseyo toured for 19 days. He inspected 5 societies and disposed of 31 disputes in 3 Societies and attended to the preliminary organisation in 2 villages. The amount drawn by him under T. A. comes to Rs. 38-10-0 while the pay of the peon employed under him came to Rs. 30-13-0.

Season. The floods and the cyclone of November 1923 caused immense danger not only to the standing crops but also to the lands in some parts of the District with the result that many ryots became homeless and penniless. Besides this the season too was bad during the year under question.

Having been asked to what party he belonged, one delegate to the International Co-operative Congress at Cremona replied: "I belong to no party. Co-operators are the friends of all men and the enemies of none."

Supervising Unions. At the beginning of the year there were six supervising Unions. Two more were registered at the fag-end of the year bringing the total to eight at the end of the year. None of the supervising unions has been able to discharge its functions properly for want of funds as it could not employ a supervisor to educate the members and to attend to the other branches of work. The total number of primary societies in this District was 247. Of these 128 were affiliated to the supervising Unions with a membership of 4,398 and with a working capital of Rs. 144,794 as against 119 societies with a membership of 4,272 and a working capital of Rs. 1,23,352 of the previous year. The societies in the Gumsur division and Paralakimidi Taluk are not covered by any of the Supervising Unions. The Financing Bank at Aska has been performing the supervision of Gumsur Societies by employing a supervisor on Rs. 35 from Supervision Fund available in its hands.

Trading Societies.—No progress is so far made towards the work of the joint purchases and sale by the primary societies as the unions as well as the inspectors have to engage themselves in the consolidation of dormant societies.

Continued efforts were made during the year under review to consolidate the existing societies but it cannot be said that this has retarded the progress of the movement in any way.

There were no surplus of funds in the primary societies. Of the three financing banks in the district the Ganjam District Co-operative Banking Union had a surplus of Rs. 29,000 and it had to keep the same as a fixed deposit in the Madras Central Urban Bank.

A programme of work for the current co operative year is now drawn up and the same was discussed in a conference held with my inspectors and it is hoped that more societies would come into existence before the close of 1924-25. The reason for the slow progress in increasing the number of societies is that in the early stages of the movement long-term loans were advocated in this district. But in subsequent years only short-term loans were being recommended to the new as well as to the old societies, with the result that the villagers became rather indifferent to the co-operative Loans as they are able to get long-term loans from the local sowcars. Now it is proposed to change the above policy and to grant long-term loans to the old societies, as without which, no real benefit can be done to the villagers.

Visitor : Has your volunteer company bought a fire engine yet ?

Villager : Yes, but we haven't had a chance to test it !

Visitor : No houses on fire, eh ?

Villager : Oh, yes, but they have always burned down before we got there.

There was a slight fall in the deposits from the individuals the reason being that the Ganjam Dt. Banking Union which had been suffering from plethora of funds had to return some deposits even before their maturity, that too reducing the rates of interest originally agreed upon as it could not find any outlet. Furthermore it was obliged to keep a sum of 29,000 as a fixed deposit in the Madras Central Urban Bank.

Local Industries. I see no hope for the present to from societies for the improvement of industries. The weavers of this district generally migrate to Sirampur and Calcutta where they find better wages.

Finance. Of the three financing banks in the Dt. the Ganjam Dt. Banking Union never felt any difficulty in meeting the demands of the primary societies from its owned capital but the other two Central Banks have not justified their existence as they could not tap the local deposits. The Paralakmedi Central Bank entirely depended upon the Madras Central Bank for financial help and it has proved to be an hindrance in the way of getting more money into the movement as the depositing public always desire to invest their monies in an institution near at hand. The Ganjam Dt. Co-operative Banking Union could not accept or canvass for more deposits as it could not find an outlet for its money. The Aska Banking Union is in no way better. Attempts will be made to get more money into the movement as a scheme has since been drawn to organise more societies in the undeveloped areas and in the untouched portion of the District.

Although the movement came to the Dt. so long ago as 1907 there are yet considerable areas untouched by the department. The principle that every village should have a co-operative society has not yet been realised and taken advantage of by the ryot population owing to their illiteracy and general backward conditions of the district.

Rate of Interest. The Madras Central Urban Bank, was charging Rs. 7½ per cent on loans issued by it to the Central Banks and in view of the reduction in the rate of interest from Rs. 7½ to 7 all the 3 central banks have effected corresponding reduction in their rate on loans issued to the primary societies.

It is only the Aska Co-operative Central Banking Union, that could declare Rs. 9½ percent dividend to the shareholders but the profit earned by the Paralakmedi Central Bank is very much discouraging as it worked only at 2½ per cent. The Ganjam Dt. Co-operative Banking Union, also would have been able to declare 9 per cent but the interest due from the 4 liquidated societies and 5 other societies amount-

Trust thyself; every heart vibrates to that iron string.—R. Emerson.

ing to Rs. 1,101-10-10 was overdue and hence it would not be included in the profits. The book profits of the three Central Banks was Rs. 5,689-4-10.

Demand collection and balance of Provincial and Central Banks :-

As explained above there was a fall in the percentage of balance to demand under principal, but there was a considerable increase in the percentage under arrear and current interest. The percentages in societies of the Berhampore and Paralekmadi Central Banks rose from 5.46 to 13.23 at the end of the year. Various are the reasons for this bad collections; some are enumerated. Reloaning of collections and retaining of heavy cash balances are matters of common knowledge in most of the societies of this district. The members in general do not think of the repayment of the loans obtained by them until the departmental Inspectors visit the societies. This difficulty may be got over as soon as the unions employ their own supervisors who are expected to educate the members in primary societies and bring home the responsibility of repayment in accordance with the conditions agreed upon at the time of borrowing.

The progress so far made cannot be in the least be said to be satisfactory and this is due mainly to the fact that greater caution had to be exercised in the recommendation of loans to the primary societies keeping in view the heavy overdues prevailing in the previous years. The value of the thrift aspect of the movement has obviously not yet been realised in our rural areas. There was also another reason that prevented an ordinary member in a primary society to invest his savings in his own society as the ruling rate of interest in villages is not lower than 18½ per cent and that too on the security of gold.

The heavy arrears under the three heads cannot entirely be attributed to it, but the members in the existing societies who are well conversant with the civil and criminal law have been in the habit of postponing the repayment towards the loan obtained by them from the co-operative societies of this taluq is that the panchayat which borrowed heavy sums did not repay the same. They have not been taking any interest either to execute the degrees already issued by my predecessors or sever their connection with the society. Recovery through the revenue court has not been hitherto freely resorted to in this district.

It cannot be said for a moment that the members in the co-operative societies have not been resorting to the local sowcars for loans in as much as they are not able to secure long term loans in the co-operative societies.

According to Lord Lotherhulme, there are over a million retail shops in the United Kingdom; 800,000 of these are said to be grocery shops.

Unless the societies survey the existing indebtedness of their members and advance loans for all purposes it is impossible to prevent them from going to the mahajanas. No doubt the repaying capacity of the members has to be kept in view by the panchayat on granting loans to the members. The members require constant education regarding the facilities of banking and creation of the short term. If this system is advertised the work in all the village societies will be minimised and the central banks that finance the primary societies need not be put to the necessity of keeping idle balances hoping to get demand from its constituent societies. Trial will however be made in one or two unions in the course of the current co-operative year and the results will be reported in the next administration report. At present the members in the primary societies have not properly understood the advantages of the societies and they have been labouring under a mistaken notion that when one loan is outstanding against any member, he should not apply for a second loan. I have been trying to remove this deep rooted impression from the minds of the members and in 47 societies I visited so far the members were given to understand that they can meet all their demands from the societies provided there is sufficient security for the loans.

The Kallikota College Students Co-operative Society.—There were 31 members at the end of the year as against 32 at the close of the previous year. The President of the Society M. R. Ry, T. Jagannadha Rao Pantalu Garu B. A., L. T., was kind enough to spare a portion of his time to attend to the collections, of indents from the students and also obtaining advances from them. The total transactions under purchase amounted to Rs. 1577 while the sales rose to Rs. 1645 as against Rs. 49 in the previous year. The Society earned a net profit of Rs. 89-7-1 as against Rs. 4-5-4 in the year 22-23. The existence of this society reduced the profits of the local booksellers who were supplying books to the students at very high prices. The students also have realised the benefits the institution and I see a bright future for the societies of this nature.

The Society has built up a decent reserve fund recently; ¾ of the members sent up an application for the cancellation of the society but Ichapore being a weaving centre the application in question was kept in abeyance pending the revival of the society. I personally visited the society twice and attended the general body meeting held on 18-8-24,

Nurse: "Tommy, you selfish little boy! Why didn't you give your sister a piece of your apple?"

Tommy: "I gave her the seeds. She can plant them, and have a whole orchard."

The general body resolved to wind up the affairs and was willing to admit fresh members even though some of the important residents of the place volunteered themselves to become members and undertake the work. I found that the attitude of members was to capture the reserve fund and spend the same towards some object of their own. Therefore the subject was placed before the Personal Assistant to the Registrar during his stay at Ichchapuram and through his kind help I was able to get a fresh application from some of the members who attended the general body meeting of 18-8-24 and voted for the cancellation of the society to the effect that they want the revival of the society. I intend to visit the place very soon to put the matter in motion.

At the end of the year there were 96 agricultural societies and 23 primary societies of other classes not affiliated to any supervising unions. Of the 119 societies remaining unaffiliated 52 are directly supervised by the financing bank at Aska 17 were not started on their work and 4 have not applied for any loan after starting from the financing bank.

EXTRACT FROM THE DISTRICT ADMINISTRATION REPORT FOR 1923-24.

IV Guntur District.

The particulars of work turned out by Honorary Assistant Registrars and the amount of charges on their account are noted below :—

Name.	No. of Society organised.	No. of Societies inspected.		No. of disputes tried.	No. of T. A. days spent in camp.	Other Re- charges drawn — rks.
		Very near Ry. Station.	In the interior.			
1. Munshi Mahmud Abdur Rahiman Shaeb Badadur.	...	15	...	17	36	152--0--0
2. M. R. Ry. Kota Laksh- mina Naidu Garu	...	...	...	...	...	...
3. M. R. Ry Kesavareddy Garu	...	...	5	1	8	(45--8--0) (claimed & under corres- pondence).
4. Rev. C. R. Hasf.	2	3	14	...	23	(236--9--0)

All punishments are born of ignorance and cruelty. Society progresses as we replace the punisher by the physician.

Subordinate Staff. During the year an additional Inspector was sanctioned for work under the District Labour Officer.

The Guntur District Co-operative Banking Union Limited, Tenali, continued to finance all the societies in the district except those served by the Madras Christian Co-operative Central Bank. There was an increase of Rs. 6,95,503 on the total working capital of all the societies in the District the actual figures being Rs. 23,26,311 as against Rs. 16,30,808 of last year.

Agricultural Societies : Credit Societies. Number and membership. The number of agricultural credit societies (unlimited) increased by 74 during the year, the number at the end of the year being 322. There were no limited liability societies under this head. The total number of members of agricultural societies of all classes increased during the year from 12,366 to 21,610 of whom 15,738 are agriculturists, 2,639 are non-agriculturists and 3,233 are dependents only partly on agriculture. Of the members entirely dependant on agriculture 1269 are non-cultivating landholders, 3133 are tenants and 431 are field labourers.

Joint purchases. Appendix 7 section I gives particulars of the joint purchase made by a few credit societies. The chief articles purchased were 1. Fish guano 2. Super phosphates; 3. Sun hemp seeds, 4. Khaddar shirting cloth and sarees and 5. salt. The value of purchases made during the year amounted to Rs. 1,779, the estimated saving of such purchases amounted to Rs. 1,779, the estimated saving of such purchases amounted to Rs. 220. There was no joint sale during the year.

Guntur District Board Secondary Schools Co-operative Stores. The society purchased books valued Rs. 2316 and sold stock to the extent of 2563. The value of stock remaining on hand at the end of the year was Rs. 765. The working capital of the society was Rs. 876. The society worked at a net profit of Rs. 69 during the year.

The amount realised in the district during the year as supervision fund was Rs. 6196 which added to the opening balance of Rs. 7899 makes a total of Rs. 14,095. The amount spent during the year was Rs. 4477. The balance at the end of the year was Rs. 9618 and this amount is in deposit in the District Bank.

Co-operative Marketing in U. S. A.

According to the 1920 census figures, 721,983,639 dollars (or roughly Rs. 200 crores) worth of farm products were sold through co-operative marketing associations.

Delegation of powers to non-official agency. The co-operative supervising unions of Tenali, Ponnur, Rapelle and Narasarowpet were empowered during the year to recommend loans in favour of societies to the Financing Banks independent of the Assistant Registrar. The Ponnur Union was permitted also to organise societies and it organised four societies during the year.

General. Most of the societies are unable to correctly prepare and send the annual statements prescribed under Rule V of the Rules framed by the Government under section 43 of the Act. It is under proposal that training classes should be held at the Headquarters of the Unions to train the panchayatdars of societies in the matter.

SPECIAL TYPES OF SOCIETIES.

No. IV. Muthunaickenpatti Production and Sales Co-operative Society Ltd., No. 647.

The accounts of the Society as audited by Inspector M. R. Ry. K. G. Ramaswamy Iyer are passed. Statements of (1) Receipts and Charges (2) Profit and Loss and (3) Assets and Liabilities are appended.

The Society was registered on 24th October 1921 and started on its work on 27th November 1921. There were 21 members at the beginning of the year with a paid up share capital of Rs. 342-8-0. 7 members were admitted during the year and the share capital collected amounted to Rs. 171. There were no withdrawals in the year. The total number of members on the last day of the year was 28 with a paid up share capital of Rs. 513-8-0 on 40 shares.

The Society borrowed Rs. 2200-0-0 from the Salem District Bank in the year for purchase of plates and the entire amount stood outstanding at the end of the year. Besides the District Bank borrowings the Society in contravention of the by-law has arranged for a credit system of purchasing metal plates from one Madras metal merchant, Periyaswamy Chettiar. It purchased metal plates to the value of Rs. 3577-1-0 from the above merchant and has repaid Rs. 2465-15-3 and has left an outstanding loan of Rs. 1111-7-9.

Hubby (off to business): "Well, good-bye, my dear. I shall try to be home for dinner, but if I can't I'll send a messenger with a note."

Wife: "Oh, don't trouble, George; it fell out of your pocket this morning."

Sixty-nine loans to the aggregate value of Rs. 6998-13-6 were disbursed to the members during the year for the purchase of metal plates and private requirements. Rs. 5693-15-0 were repaid by members clearing 13 loans in full. On the last day of the year 56 loans to the value of Rs. 3304-14-6 were outstanding against members. There were no overdue loans at the end of the year.

The Society had a deposit of Rs. 330 in Muthunaickenpatti cusba Society and it was withdrawn in the year and utilised as working capital in the Society.

The Society purchased copper plates to the value of Rs. 6099-6-4 from Madras Metal merchants for the use of members' requirements and sold Rs. 5323-5-11 worth of copper plates to the members leaving a balance of Rs. 807-12-0 worth of stock at the end of the year and thereby earning a gross profit of Rs. 31-11-7 in the year.

During the current year recurring deposit of Rs. 38-8-0 were received from members. It is hoped that the Society will try to secure more local deposits.

The Society has earned a net divisible profit of Rs. 279-3-7 which under the by-laws should be distributed as under:—

25 per cent should be carried to the Reserve Fund.	69	12	11
20 per cent as honorarium to the Secretary.	55	13	6
Amount available for distribution as dividend among the shareholders not exceeding 9% on their paid-up share capital.	45-14	4	
Balance to be divided among metal workers as Bonus.	107	10	10
Total	279	3	7

Deducting from Rs. 69-12-11 a sum of 0-1-8 being interest allowed by the Salem District Bank on the reserve fund already invested the Society is requested to remit Rs. 69-11-3 to the Salem District Bank. With this addition the Society's reserve fund will amount to Rs. 77-7-5.

The Society is requested to pay Rs. 7-1-2 supervision fund to the Salem District Council of Supervision Ltd., Salem.

The Society is congratulated on the profit earned in the year. But it is warned against the dangers of purchase or sale on credit.

Failures have one advantage: They are not expected to address dinner clubs!

**No V. The Sydapuram Soap Stone
Quarry Workers Co-operative Society, Ltd., No. 2853
For 1923-24.**

The accounts of the Sydapuram Soap Stone Quarry Workers Co-operative Society Ltd., No. 2853 in the Nellore District for the Co-operative year ending 30th June 1924, as audited by the Chief Inspector, M.R.Ry. R. Narayanayar, are passed. Statements of (1) Receipts and Disbursements (2) Profit and Loss and (3) Assets and Liabilities, as furnished by him are appended.

2. The Society was started on its work on 4-12-1918. The number of members rose from 35 to 42 and the paid up share capital rose from Rs. 42 to Rs.49.

3. Deposits from members rose from Rs. 350 to Rs 450. The outstanding loans from the Nellore District Bank amounted to Rs 1330 at the end of the year just the same as it was at the end of the previous year, nothing having been borrowed and nothing having been repaid during the year. Rs. 1330 was overdue by the Society at the end of the year under principal and Rs. 220-6-4 under interest to the District Bank. These may be cleared off soon.

4. No loans were disbursed to members during the year. 25 loans amounting to Rs. 613-4-2 were outstanding against the members at the end of the year against 25 loans amounting to Rs. 623-4-2 at the end of the previous year. All the outstanding loans were overdue from members under principal and Rs. 263-8-2 under interest. These arrears may be recovered soon.

5. The Society is requested to remit a sum of Rs. 6-2-9 towards supervision fund to the Nellore District Cooperative Banking Union Ltd. including the arrears of previous years.

6. The Society worked at a loss of Rs. 39 8-6 during the year owing to heavy working expenses at the quarry besides having had to make up as 184-13-7 being loss of last year. The Society had to remit Rs. 93-2-1 towards Reserve Fund accumulated in previous year. Adjusting in the accounts of the Society Rs. 0.7.9 and Rs. 0.8.3 being the interest earned for the years 1922-23 and 1923-24 respectively on the Reserve Fund already invested in the District Bank, the Society is requested to remit

Danger that the sacrifice of American farmer to commercial profit will go too far is seen in the announcement of the Department of Agriculture that the net loss of farm production to the cities since 1920 has amounted to between 1,700,000 and 2,000,000. Experts fear that the agricultural system will be unduly run down and that land will go out of cultivation which will later have to be reclaimed at heavy expense.

Rs. 92-2-1 to the Nellore District Cooperative Banking Union Ltd. towards reserve fund.

7. Two General body meetings and 24 Director's meetings were held during the year.

8. The value of the stock at the beginning of the year was Rs. 2577-7-9 were purchased and goods to the value of Rs. 4353-8-2 were sold during the year. The gross profit amounted to Rs. 1995 8-11. the value of stock at the end of the year was Rs. 921-15-4.

9. The Society is requested to take immediate steps to recover the arrears due under credit sales, and advance to members and also the amounts due from the late president. Steps may be taken to dispose of the existing stock of utensils, care being taken not to encourage credit sales so as to lock up the working capital for a pretty long time. Minor repairs to Engine and its working expenses together with cost of earth-work done in the quarry seem to have consumed a good portion of the income of the Society. It is hoped that the directors will carefully regulate the expenses proportionately to the income and recover all the arrears which are long standing with a view to a better working and to be able to earn a decent profit every year.

(Sd.) N. RANGANADHACHARIAR,

Asst. Registrar.

**VI. THE MASULIPATAM
CO-OPERATIVE MEDICAL STORES LTD. No. 5013.
For the year 1923-1924.**

1. The accounts of the Masulipatam Co-operative Medical Stores Ltd. No. 5013 in the Kistna District for the co-operative year ending 30-6-1924 as audited by the Inspector M. R. Ry. K. Y. N. Somayazulu of. Avanigadda Circle are passed. Statements of (1) Receipts and Disbursements (2) Profit and Loss and (3) Assets and Liabilities as furnished by him are appended to this order.

2. The Stores was registered and started on 23-4-20. This is the 5th year of its working. There were 79 members at the beginning of the year. There were no admissions or removals in the year. The number at the end of the year was 7. The number of shares and the amount of paid up share capital at the end of the year were respectively 198 and

Jones : " Hello, Brown, I saw your wife last week."

Brown : " Did you notice her gold tooth ?"

Jones : " No, she had her mouth shut."

Brown : " Then it was not my wife."

Rs. 929 at the end of the year. A sum of Rs. 61 was overdue at the end of the year.

3. The deposits of members received during the year amounted to Rs. 50 and the whole amount was repaid during the year. A sum of Rs. 400 was outstanding to the Krishna Co-operative Bank at the beginning of the year. During the year Rs. 700 were borrowed from the Krishna Co-operative Bank and Rs. 600 repaid leaving a balance of Rs. 100 outstanding at the end of the year.

4. During the year the Stores purchased stock worth Rs. 1579-1-0 in addition to the stock worth Rs. 1082-13-6 remaining at the end of last year. Stock worth Rs. 2265-1-9 was sold leaving a balance of stock worth 1092-10-6 as estimated by the office bearers at the end of the year. It realised a gross profit of Rs. 695-13-9 as against Rs. 835-4-11 of last year.

5. The Stores worked at a net profit of Rs. 144-5-9 which should be utilised as follows:—

One-fourth or Rs. 36-1-5 to reserve fund ; 83-9-0 to dividend for distribution among the shareholders on the paid up share capital subject to a maximum of 9 per cent ; $7\frac{1}{2}$ per cent or 10-13-5 to Common Good Fund. The balance of Rs. 13-13-2 to reserve fund.

With this year's addition the reserve fund of the Society stands at 105-10-7. Deducting 70-4-5 being interest earned for 1923-24 on the amount already invested the Society is requested to remit Rs. 49-10-2 to the Krishna Co-operative Bank for investment therein under reserve fund.

6. The Stores has been converted into a general stores in the current year.

EXTRACTS.

I. CO-OPERATIVE PUBLICITY.

Lives of some great men remind us
That we must, if we are wise,
Leave our modesty behind us
And get out and ADVERTISE.

Co-operative publicity is no new thing. It was publicity that made the movement possible, it was publicity that built it up, it will be publicity that will keep it in existence.

A hundred years ago Robert Owen was giving publicity to an idea.

Character is built by overcoming difficulties.

As he travelled about the country he propagated this idea ; He told his fellowmen about it.

Many soon forgot what they had been told ; some few took heed.

A band of disciples grew up who carried on the work of giving the idea publicity.

Timidly in back streets small stores began to appear, the germs of the present co-operative movement.

If people wanted them they had to search until they discovered their existence.

Many of these early stores died for want of air and light.

Some still linger on in their early haunts : some more vigorous and more progressive have ventured out into the front streets and marked squares and live, thrive and flourish.

These have given publicity to themselves and have made the people of their respective districts aware of their existence.

But to-day other influences are at work in the trading world—forces with which our ancestors had not to contend.

Greek must be met with Greek.

In other words the old customs of giving publicity to things co-operative should be revived.

This is the advertising age. What in the past was done by word of mouth can now best be accomplished with the aid of the Press and the printer.

Someone once said something to this effect : "If a man writes a better book, makes a more efficient mouse trap than his neighbour though he live in the middle of a wood all the world will make a pathway to his door".....They won't!

Mankind is too busy to-day to go hunting into woods for books mouse-traps or other commodities.

Shopkeeping and salesmanship form an art.

People must be attracted, commodities must be forced upon their notice, service must be efficient.

Everybody advertises and the most "artful" advertisement is the most effective.

Suppose for instance your society has just opened a new fruit department.

Make war illegal—Abolish the Army and Navy, said signs carried by Women's Peace Union representatives who marched to the New York State Republican Convention.

The people should be told about it.

An advertisement on lines such as the following would catch the eye.

Every reader of the paper in which such an advertisement appeared would realise at once that the co-operative society had opened a fruit department.

An advertisement on more orthodox lines would in all probability be passed by unread.

In similar manner windows should be made into efficient salesmen.

They should hold the attention of the passer-by long enough to enable her to take notice of their contents.

Here a few attractive showcards might be used with advantage. A little touch of humor has its uses.

We have heard a lot about the woman with the basket but what about the man with the Wallet.

After doing justice to his wife and family he may have a few shillings left to spend upon boots, collars and wireless fittings. Attract his attention and lighten his purse.

In this noisy age it is necessary to shout if one would attract attention as there is nothing for the dumb and very little for those who do speak.

II. RESTRICTED CREDIT TRADING.

By D. Russel, Vice-President, Cowlairs Co-operative Society.

(The following article by a Scottish Co-operator will be of interest on both sides of the Border. We publish it for the sake of eliciting discussion, and correspondence is invited for "Our Letter Basket" on the subject. We invite readers to let us have their views. Letters should be brief and should keep well to the points raised by Mr. Russel. Our space is so limited that short letters are better than long ones.)

It would appear to be an agreed axiom that co-operative societies which give credit have departed from the ideals of the Rochdale Pioneers. Whether or no is a moot point, but experience has proved that the trade of many of the working class can never be secured unless some form of credit is allowed. Much trade has been missed through our ideals being too far ahead of our practical circumstances. Consequently, in many cash-trading societies, we meet with a series of subterfuges, such as accommodation lines, debts taken as stock, or a multiplicity of clubs.

Good Substitutes:—

George: "Of course, being back in London, I miss the cows and sheep and pigs and things."

Ethel: "Ah, yes, but we still have each other, darling."

Such evasions are unnecessary in a restricted credit system which has proved a boon to thousands of co-operators in Scotland, especially in districts where unemployment has been rampant. The success of the St. Cuthbert's Society in the east, and Cowlairs in the west, proves beyond doubt that is a very successful method of trading. Briefly the system is simple and definite:—

A definition.—"Members are allowed credit in purchasing to the extent of three-quarters, or 15 S. per £, on their paid-up share capital." Apart altogether from a thrift notion, the new member finds the credit advantage an impetus to get the £ 5 share capital quickly made up. It has many attractions, and not the least is the privilege of sending a child to the store without money, which is liable to be lost or stolen. In cash trading payment would be insisted upon, and odd messages in all such cases go to the nearest shop, and the turnover is lost to the society. It is well known that many of these small concerns could not flourish were it not for such leakages in co-operative trade.

But an equally important aspect of the system is its adaptability when the member or his family requires a new outfit or some expensive article for the home. The purchase is made at the beginning of the quarter and the debt reduced week by week, for the average member can often spare a little weekly when cash down would be out of the question. It specially appeals to the thrifty co-operator, for it avoids the necessity of encroaching on savings, which, once disbursed, are seldom replaced. Only a small minority patronize club systems, as the restricted credit arrangement provides all the advantages of these without the member having to advertise his financial stringency to all and sundry. It is a wonderfully elastic system, and the minds that conceived it builded "bigger than they knew." If your circumstances are straitened you get the convenience, and if you are comfortably off you can pay cash at all times.

Credit v. Cash.—Objections are made that it is an expensive system, but, relatively speaking, that is not the case. More trade is captured by a restricted credit society than by one on a strictly cash basis, and the increased volume reduces the expenses. The capital of the prosperous member helps his poorer neighbour, and a co-operative atmosphere is created which impresses everybody that "each for all, and all for each" is no mere play upon words. *Vice versa* the convenience is compensated for by the greater security that results from all round loyalty. Folks who know, say that an ounce is worth a ton of precept.

In an experience covering 45 years no losses were made by Cowlairs Society operating entirely on the restricted credit system. The member's credit book has the share capital on the front page in code letters known to all the employees. This avoids prying by neighbours or the idle curious. Any private trader will give credit if you deposit £ 5 capital, and be delighted to oblige on these lines—nay, more; he seeks your trade without security at all, and much that would

Colleges are places where pebbles are polished and diamonds are dimmed.
Robert Ingersoll.

have gone into co-operative channels has been lost because there has been no "come and go" in many of our co-operative rules.

The greatest need of all co-operative societies is more trade, and a system that lends itself to this end is surely worthy of emulation. Despite the general interpretation of the Rochdale the practice is absolutely co-operative in spirit. Where followed it has met the needs of hundreds of unemployed members, and that surely is an acid test of any system of co-operative trading, for their loyalty has been retained: It has engaged co-operators by their affections, and convinced their reason, and they are loyal from the only principle that can make a loyalty sincere: a conviction that it is their truest interest.

(From the Producer, July 1925.)

OUR CORRESPONDENCE COLUMN.

I. CO-OPERATION IN SOUTH AFRICA.

The following extracts from a letter of one Biggs to the Editor of the *Koerant* (or the Farmer's Gazette of S. Africa) excited our curiosity and we wrote to the Editor to know what the matter was. We are publishing below the editor's reply.—

E. M. B of C.

Unfortunately I have also been fool enough to be led astray by the specious arguments of the wily so-called Co-operators and joined no less than six in the past nineteen years, and every one of them have let me down. Henceforth any one of these gentry presenting themselves here will find a revolver on the sideboard with a label attached, inscribed: for the wolves in Co-operative clothing.

Six times on the Red Riding Hood stunt is enough for me, that poor kid was gobbled up first time. I have managed to escape solvent, but many a poor devil has been bust. Make no mistake I am a most ardent disciple of Co-operative and Farmers Associations, but not of the brand that has arisen in South Africa.

THE EDITOR,

THE MADRAS BULLETIN OF CO-OPERATION,
ROYAPETTAH, MADRAS,

India.

Regarding the charge against co-operation. There are many reasons for this the chief of which are:—

(1) When the movement first started here Mr. Stilling Anderssen, who was brought specially from Europe for the purpose, advocated that the

It is reported that Mr. Theodore has arranged with an American firm for the establishment of a factory in Queensland for the manufacture of sugarcane waste (megass) into celotex boards for building purposes. The cost of factory is put down at £300,000 and it is claimed that the Boards are white ants and borer proofs.

unlimited liability basis was the right foundation, much against the wishes of a great number of farmers including members of our Union.

The Government accepted the advice and our members on the Co-operation Committee resigned as a protest. The law was passed providing for unlimited liability only and as a result men of straw joined wholesale, bought their requirements wholesale credit, failed to deliver their produce, (their being no penalty clause for failing to do so).

Disaster followed and in the course of a few years a good many co-operative societies went bankrupt. When members were called on to meet the liabilities the men of straw had no assets and their liability was passed on to others (according to law) until in the end a few men were called on to pay several hundred pounds each. The writer of the article you refer to was one of these.

(2) The existing unlimited liability societies, owing to bad management, have such heavy overhead charges that, for selling maize for example, they must charge their members 9½ per cent whilst a grain broker will do it for 1 per cent.

(3) Some four years ago the societies paid as much as 18-per bag as an advance against their maize. The price dropped to 11—and the consequence was that the members were called on to refund 7-per bag.

These are the chief reasons for the antagonism but the law has now been altered to provide for limited liability as well and I think it will not be long before the majority of our farmers are co-operators.

You will see that our issues of July 3rd, 10th, and 17th deal with the formation of a Maize Growers Co-operative Limited.

Please note that our correct address is P. O. Box 937, Pretoria, South Africa.

Yours faithfully,

D. ULLAW

Secretary.

II. INDIVIDUALS AND SOCIETY REPRESENTATIVES OFFICIAL AND NON-OFFICIAL CO-OPERATORS.

BY RAO SAHIB T. SRINIVASA RAO

The latest issue (July 25) of the Bulletin, in its Editorial notes, has not been a day too soon in pointedly drawing attention to the question whether there can possibly be any reason for dividing and distinguishing Co-operators under the above labels. So far as the first set of labels is concerned, as rightly observed by the Editor, the rub is felt keenest in Central Banks and radiates therefrom to

What They Said

"He is a radical and ought to be shot."

"He is crazy. Why don't they lock him up?"

"Badly Cracked, but harmless."

"A little eccentric, but has some good ideas."

"Perfectly right, but ahead of the times."

"A truly great man."—

other quarters. The question is asked: Should their "interests", "view points", and "general attitude", be, and are they, ever opposed to each other? The answer to the first part of the question is that they need never be opposed to each other, while the answer to the latter part is regrettably in the affirmative. So far as **Interests** are concerned it is one thing, but as regards "view points" and "general attitude" it is quite another. As to the former, putting the case at the worst, the individual representative cannot possibly seek greater personal benefit than the maximum dividend which by a rule under the Act has been limited to 9 per cent. Most or a majority of the Central Banks declare dividend at the maximum rate and in their case at any rate there need be no clash of "interests" between individuals and Society Representatives. The fact, however, is otherwise. In Central Banks which declare dividend at less than the maximum rate individuals may, justifiably on behalf of themselves, and without prejudice to the society representatives, well seek to get dividend at the maximum rate. In doing so they will be acting as much on behalf and in the interest of the society representatives as on behalf of themselves. The opposition between the two arises in this way, though as a matter of fact, both stand to lose, the societies, which the society representatives are *supposed to represent* running the risk of losing more, as their shares generally are not allowed preferential treatment as the individuals' shares are. The individual member feels the loss—the loss to him is personal. The society representative does not feel it—in his case it is impersonal. It will not be too much to say that he hardly thinks of it. He rarely identifies himself with the society which he professes to represent. Or, equally with the individual, the society representative should be desirous of earning dividend at the maximum rate in order that the society may get adequate profit, without which its work, and the work of the union, is hampered. Apart from the aspect of either class of member securing to himself, or the society he represents, the utmost benefit permissible, which by itself is no unworthy object, there is a higher purpose involved in the working of the Bank so as to be in a position to declare dividend at the maximum rate, which has been fixed on a due consideration of all the interests involved. Such working will by itself be an index, to an extent, to the proper working of the Bank, by which (of course along with other conditions) the efficiency of the management will be judged by the creditors, depositors present and prospective, and shareholders. Continuous years of low dividend is bound to affect the credit of the Bank and of this circumstance the society representative hardly takes any note or, at any rate, sufficient note. Coming next to

View Points and General Attitude

the opposition between the individual and the society representative is traceable in almost every instance to the ignoring of a fundamental principle on which credit Co-operation is based, namely, the combination, with

How much lies in Laughter; the cipher key wherewith we decipher the whole man.—Carlyle.

a view to eliminate the conflict of interest usually obtaining between them, of the parties to a credit transaction (the lender and the borrower) in one and the same institution (be it the Central Bank or a primary credit society), the institution in its corporate capacity representing the lender and the members thereof in their individual capacity representing the borrowers. To one who dives beneath the surface into the management of a Central Bank it will be evident how the representatives of societies often forget the conditions, without a due observance of which the Bank cannot get on without loss of reputation for any length of time. Society representative only think of their rights and privileges, rights and privileges to which they think they are entitled, irrespective of how the bank is getting on. They hardly bear in mind that they have duties to perform towards the bank and that unless they discharged their duties as zealously as they would insist upon the bank serving their needs, the Bank cannot function efficiently. They are in the majority and the course of events is not unoften shaped in accordance with their decision. Their decision, and more often, the absence of any decision, and the consequent inaction, leads to no action or practical suspension of action in directions in which action, and action of an energetic and vigorous kind, is called for, in order that the Bank may maintain its reputation, or make amends for reputation lost or in the process of being lost.

It is to the existence of a state of affairs more or less of this description that among others the present state of overdues in Central Banks is due. Individual members, who are rarely borrowers (if at all they borrow they borrow on the security of their own deposit), generally happen to be alive to the gravity of the situation and want the bank to move. And this means the taking of a forward step. In acting in this manner individual members are only influenced by the interests of the large circle of investors of money in the co-operative movement, about which the society representatives hardly trouble themselves. If the individual members succeed, the step or steps taken leads to unions undertaking active work. The society representatives returned by the unions to the Central Bank happen in most cases to be either the President or the Secretary or an influential office bearer on the governing body of the union. A series of moves on the part of individual members of the bank, without which action of a sustained and useful character will not be possible, is either positively resented, or not acted upon, by the unions and this leads to friction which in due course ripens into opposition.

Such a situation, as already observed arises out of the society representative considering that the Central Bank exists simply to advance loans to societies; and to their not being alive to, or recognising, in an adequate measure, or even

Do you question that there are profits in oil? During the past decade the Standard Oil Company has paid out in dividends 1,032,596,521. In 1923 alone Standard Oil produced 138,423,295 in dividends, while Sinclair Consolidated reaped in profits of 131,016,745, and Mr. Doherty's Pan American Oil Co. reported net earnings of 32,684,559. For just one year.

ignoring, the responsibilities of the bank to its shareholders and creditors. This kind of their outlook is regrettable. It is, and cannot but be, sooner or later, prejudicial directly to their own interests. An outlook of the right kind means, and leads to, active work on their part, elsewhere, that is, in the management of unions and Societies. And this in its turn means the setting aright of so many defects, omissions and irregularities in the working of those institutions.

Societies are not without, among them, men of the right type, that is, men, who not only know things but have also the nerve to act in accordance with their conviction; but such men are in a small minority. The individual members, I do not presume to say are perfect, though it may be generally said that they are more than the society representatives for an all round proper working of the bank. In common with the society representative, the individual member has this weakness—the weakness of love of office, a seat on the directorate or the executive committee, the position of Secretary or President, more especially the former where it carries with it an honorarium, and an honorarium of a substantial sum. Love of office as affording an opportunity for service is an amiable thing. When, however, as at times it happens to be, the office is sought as an end in itself or as a means to self-advancement, the duties attached to the office do not receive due attention and troubles arise. This weakness accounts for some individual representatives on the directorate hesitating from acting in accordance with their convictions, lest they should be ousted at the next elections.

(A similar weakness on the part of the society representatives in unions accounts for the union governing body being composed of either the wrong type of men or at best of the right type of men without however the nerve to act in accordance with one's conviction. The same thing obtains in the primary society as well, where more especially than elsewhere the right type of man on the panchayat will mean insistence on members' punctual fulfilment of their obligations, a thing so very impalatable to the majority of them. These observations in regard to unions and primary societies, however, are by way of parenthesis: they are not directly relevant to the subject under discussion.)

The evils certainly require to be removed. Towards the attainment of this end, constant educative propaganda is necessary. The agencies available within the district for this work is the local union and, wherever it exists, the district council of supervision or the district federation. In the nature of things, at any rate, as they obtain at present, a majority of unions are not qualified for undertaking the necessary propaganda in this direction. The same remark, perhaps, applies to the district council which is composed solely of union representatives. The right kind of propagandist should be forthcoming in the latter institution in the shape of individual members representing the central bank or honorary members.

Nothing of permanent value to mankind has ever been gained from dishonesty.
Bernard Mc Fadden.

The prospect, however, of honorary members forthcoming is gloomy in view of the grudging manner in which his admission is about to be tolerated in that institution and in view of a strange and at the same time unwarranted provision introduced in the model by-laws to the effect that it shall be competent to the general body to remove him at any time *without assigning any reason*: Please note the words underlined, a provision the like of which is to be found nowhere else. The only institution which at present is qualified to undertake this work is the P. C. U. and I would earnestly appeal to the governing body of that institution to undertake this work.

We now come to the second set of labels, namely

The Official and The Non-Official.

The question is asked whether these are so mutually exclusive and antagonistic down to their very mentality. By the conditions of service under which whatever his personal views, he has to carry out the policy and orders of his superiors, the official, to some extent, has to be and is exclusive. This accounts for the periodical conferences of the Registrar with his assistants not being thrown open to the non-official even during discussion of business solely touching the latter. On retirement, an official feels free to urge his personal convictions for what they are worth, though they be not favoured by or even opposed to the views of the department. Similarly, a non-official when he happens to be appointed by Government to a quasi-official position, to wit, the Honorary Assistant Registrar, feels some restraint to giving expression to dishonest conviction, when it happens to be opposed to, or not quite in accord with, the official view. These shortcomings it may not be possible to eradicate: they may, however, be reduced to minimum by bringing all questions on which a conflict or difference of opinion exists for the consideration and decision of a joint conference of the Registrar as representing the official view and the P. C. U. as representing the non-official view and by allowing the decision of such a conference to prevail. This procedure, it may confidently be expected, will also lead to the eventual removal of differences between individuals and society representatives.

A further point is raised by the Editor—namely—

Why not the Individual Efface Himself.

by merging himself in some co-operative organization and re-emerge therefrom as its accredited agent. This question need not have been raised, though it be for one reason which has been explained by the questioner himself. He says "We are not however forgetful of the shady methods often resorted to in the time of elections by men whose ideal is self-glorification and not service, methods from which honest men of self-respect instinctively shrink". The individual member has no axe to grind, nothing to seek for himself and when forces are at

What is known as the wonder cow of Darbulara (N. S. W.) has completed her eleventh testing period of 30 days, during which she yielded 2070 lb. of milk and 12144 lb of butter fat. For 11 months her total is 30,825 lb. milk and 152079 lb. butter fat. This is a world's record.

work, which give him no chance of success and consequent opportunity for service or are even directed positively against him, there is no alternative for him but to stand aloof and try to do such service as from that position it may be possible for him to render. There is however another reason also. High authorities have pronounced that time is not yet, when, unaided, society representatives can manage central banks and that better intellect and better capacity and higher business qualifications are wanted than can be supplied by them. It is to supply this void that the individual is wanted in the central bank. Yet as explained above his participation in business is resented. What a pity.

The Editor adds that "there must be some way whereby the services of such honest folk could be secured for the movement. Co-operators have been moving in this direction for some time and it is only recently that they were able to secure provision for admission of individuals in the district federation. The concession, as already observed, has been grudgingly given and at the same time, to a large extent, nullified by conferment of power on the general body to remove the individual members without assigning any reason. He is wanted and at the same time will be denied fair treatment, a state of things which cannot endure for long. If as is authoritatively admitted he is wanted, let him be retained and properly treated: Otherwise let him be dispensed with altogether.

T. SRINIVASA RAU,
7-8-'25.

Wanted.

Photos of eminent Co-operators of our Presidency and brief sketches of their lives and Co-operative activities. Photos would be returned if they are single available copies and articles would be paid for if necessary.

**The Provincial Co-operative Union,
Royapettah, MADRAS.**

For the New Zealand 4½ per cent loan at 95 £ in London £ 19,000,000 was offered. The amount asked for was 1,000,000.

BOOK REVIEWS.

I. THE PUNJAB PEASANT IN PROSPERITY AND DEBT.

BY M. L. DARLING, I. C. S.

Oxford University Press 1925.

Mr. Darling is already well known as the author of 'Some aspects of Co-operation in Germany, Italy and Ireland.' The book under review is not a work on the technique of co-operation but is more comprehensive in its scope and deals with the entire economic condition of the Punjab peasants, with whom our author has had ample opportunities of coming into contact, both as a civilian administrator and as the Registrar of Co-operative Societies of the Province.

The work is unique in two respects; first, in the attempt it makes of estimating the approximate volume of agricultural debt of a whole province. Previous enquiries like Nicholson's and Srinivasa Raghava Ayyangar's were of more qualitative than quantitative value; while the more recent elaborate village studies conducted by Mr. Jack in Bengal, Dr. Slater in Madras and Dr. Mann in Bombay cover too narrow and isolated centres to be of value for purposes of estimating the total debt of the respective province. The method adopted by Mr. Darling for estimating total debt is not infallible. He gets his primary data from the members' assets and liabilities registers of all co-operative credit societies, though he makes use also of the Land Revenue Administration and Settlement Reports. Now, we know how perfunctory are the returns kept by societies, how many a member throws the veil over his previous debts, and how little supervision or caution is exercised by members in general. Besides, of the agriculturists in a province only a small fraction come under the influence of co-operation, and these members cannot be considered quite representative of their class. Generally, they belong to a higher category than the normal and are more solvent and prudent. The error, however, is not likely to be very great, if, as it is reported, the co-operative societies in the Punjab are better managed than elsewhere. Again, this method does not err on the side of exaggeration, and this estimate of total debt can be confidently accepted as the minimum burden that agriculture bears.

The other singular feature of the book is the elaborate study made of causes of indebtedness in relation to the particular environment in which the peasant lives. For this purpose, the author has divided the Punjab into six different geographical tracts and discusses in each case the effect of local environment not merely on the indebtedness but on the general economic and social condition of the peasant. This interesting analysis carried on in six chapters, affords a model study for the serious student of rural economics. By way of analogy, we can investigate conditions in our Presidency adopting the following natural divisions: E. coast-north (Deltaic S. W. monsoon) E. coast-south (Deltaic-N. E. monsoon), W. coast and Nilgiris (Hilly, heavy S. W. monsoon), Central Inland Districts (generally dry) and ceded Districts (very dry).

People set little value upon things which may be had for the asking.

Indebtedness, being the central topic, covers half the number of pages of the book and the most interesting and original chapter is 'The money lender and his system' wherein our author vividly sketches the wily methods of professional money lenders referring in particular, to their insinuating leniency and their exploitation of the debtors' desire for secrecy. He shows the irony of the help rendered by British Courts of Justice to the money lender in extorting his pound of flesh without any consideration for equity and exposes the failure of State legislation—Land Alienation Act—to prevent the increase of debt.

An apparent paradox which he examines in one whole chapter is that with increasing prosperity in the Punjab, debt has also increased. The poor man continues to borrow, because his holding is too small, he has recurrent losses in drought or death of cattle. And social tyranny forces him to spend beyond his means on ceremonial occasions. But the well-to-do agriculturist borrows more than before, not because he needs more, but because he *can* borrow more and his credit-worthiness has increased with the rise in prices of produce, and the rise in land values due to additional facilities of irrigation and communication "A Zamindar limits his borrowing not by his wants but by his opportunities." Mr. Darling lays repeated emphasis on the idea that debt is not by itself deplorable—all the world over the agriculturist borrows—but that it ought to be incurred for productive purposes, while most often in the Punjab, and in the rest of India as well, it is incurred by the comparatively well-to-do for purposes of display.

The danger of facile credit is however, not peculiar to India, but existed in all European countries, though for slightly different reasons. But the co-operative movement in recent times with its inculcation of thrift and prudence, of mutual help and circumspection is said to have radically improved the lot of the peasants. But we know that even in Germany, which gave birth to Raiffeisin and whose people have been noted for their discipline, love of hard work and zeal for education, only 25 per cent of the peasants were (1914) Members of co-operative credit societies while the non-credit societies had much less. Clapham, the economic historian of Germany, remarks, "The peasant is an individualist the world over; he is seldom a co-operator for co-operation's sake". It is the language, of enthusiasm to talk of co-operation as the panacea of all our ills. Mr. Darling, has unbounded faith in co-operation and speaks of hundreds of villages where the moneylender's ascendancy has been broken." But he also complains of the lack of sustained enthusiasm of the organisers and of the apathy of the educated classes. He cites instances of heavy arrears of interest, careless loans, selfish committees etc. But he dwells at length on the benefits of co-operation in controlling and restricting credit, and in turning it into productive channels such as the purchase of improved implements. He refers with justifiable pride to the work of the Punjab Societies organised for the consolidation of scattered holdings—an urgent and fundamental problem in all provinces—mainly by the efforts of that zealous Registrar of the Punjab, Mr.

Justice is the insurance we have on our lives and property, and obedience is the premium we pay for it.

William P...

Calvert. But whatever be the rate of progress achieved by Co-operation in the Punjab, it has not done as much in India on the whole as it would have if the foundations for it had been well laid in education of the right kind, and social reform—especially of the system of early and compulsory marriage which panders to the instinct to breed freely needless of the economic prospect, and tends to neutralise all prosperity—as it has done even in the Punjab Canal Colonies in the course of a generation.

There is a chapter on Agricultural Progress wherein, after describing all that the State has been doing in India and admitting that 'it has only touched the fringe of the problem' he attributes the slowness of the progress to the undermanned condition of the Agricultural Department, the executive subdivision and fragmentation of holdings, the conservative and fatalistic temperament of the people, engendered by climate and tradition and their economic slavery to the money lender. But he believes that in course of time, vast improvements will be effected, if the reforms suggested and initiated are carried out, as in Japan and W. Europe. The sum and substance of his advice in connection with all forms of development is "*Organise agriculture*, for in India, the forces of nature, religion and custom are too strong for the individual to combat alone".

On one important point we cannot at all agree with the author. Not only is he not enthusiastic about industrial development, but after referring to the evil effects of the Factory System in Japan concludes "The Punjab need not, therefore, regret that at present its only industry of importance is agriculture." Perversely enough he charges the British Government in India in the past with "almost a *feverish* desire to mitigate the poverty of the people and to introduce all the material blessings of the highly *industrialised* West." (Italics are ours) — while the publicists and patriots of India have been complaining of over ruralisation of India and its very inadequate industrial development and advocating measures of State-aid to industries, simultaneously with, and in the very interest of, the improvement of agriculture. Mr. Darling appears to be a champion of the extreme view that decries industrial development as unsuited to India and like Mr. Calvert, to whom he has expressed his indebtedness, almost sets up a rural party against the urbanised politicians at whom he has occasional flings. He cannot resist the temptation of covering up the failure of the State by an over emphasis of the people's weaknesses and jeers at the intelligentsia of the country.

But his criticisms are generally good-humoured, and one can ignore the few lapses in view of the great virtues of the work. The whole book is written in a very attractive style, there is freshness and originality in many a page, and sympathy with the lot of the peasant is evident throughout. In spite of the plethora of literature on the subject of Co-operation in India, this book is surely worth a close study by the Co-operator as well as by the earnest student of Rural Economics.

K. C. R.

The United States has more private business ventures masquerading under the name "co-operative" than all the other countries in the world combined.

II. LABOUR'S ALTERNATIVE.

A Pamphlet by Eclo Fimmen pp. 128. Price, 1/6.

The Labour Publishing Co., 38, Ormond St., London.

The aim of this book, the author tells us, is to describe in broad outline the latest development of capitalist organization, and to sketch the problems which these developments force upon the national and international trade union movement. He discusses the causes for the concentration of capital and describes the present day tendency for internationalization of capitalist interest, the increasing tendency towards monopolization of markets by mammoth industries and the dangers that beset the working class from the above tendencies and the need for the international organization of labour to safeguard its interests from capitalist oppression. In the writer's opinion, the relation between capital and labour is one of "struggle" and the means for the emancipation of labour from the clutches of capitalist oppression is to organize itself and fight capital and dethrone it from its present controlling position in industry. The writer is in favour of what is known as 'class war' to upset the capitalist system and labour taking full control of industry.

While we fully recognize the greed and selfishness involved in present day capitalism, we do not think that the remedy is to incite Labour to "fight" and overturn it by violent methods. Industrial life is complex and the violent snapping of a life-chord may mean the ruin of the whole organism in which Labour itself will be the first to suffer. Let Labour organize itself by all means, but the improvement of its conditions by means of co-operation with Capital interests should not be ruled out of its programme.

Nevertheless this book which is written in vigorous style is interesting, and the facts disclosed here of the means, often questionable, employed by owners of capital in exploiting the resources, material and human, in Europe as well as abroad, reveal the mentality of a section of industrial leaders which, the sooner they get rid of, the better for social progress and peace.

S. SUBBARAMA AIYER.

A Queer Combination of figures.

A curious combination of figures is 142,857. Multiply them by any number you wish up to 6 and the result contains each of them in different order.

142,857	multiplied by	2	equals	285,714
"	"	3	"	428,571
"	"	4	"	571,428
"	"	5	"	714,285
"	"	6	"	857,142

IS UNEMPLOYMENT INEVITABLE? AN ANALYSIS AND A FORECAST.

(Macmillan Co., Crown 810 pp 388. Price 8/6.)

This volume, which is in the form of a Report prepared by nine economists and business-men of repute (among whom we notice the names of W.T. Layton who is the Chairman, Subasla Rowntree, and A.L. Bowley), deals with some of the underlying causes of unemployment in Great Britain in recent years. It is divided into three parts: (1) The Report proper, being a Survey and Forecast of the problem and causes of unemployment; (2) Economic Memoranda consisting of a series of papers written from the point of economic theory discussing on the one hand the future prospects of Great Britain in general and on the other the problem of the trade cycle. The Essays include (1) corrections of the Trade cycle by Prof. A.C. Pigon; (2) the problem of finding employment by Prof. F. Cassel; (3) the Effects of Currency Inflation by Prof. A.C. M. Bown; (4) Economic effects of the Export of Capital by C.K. Hobson; and (5) the Future of British Industry by Prof. J.H. Jumes. This section is of special interest to students of Economics.

Part III consists of a series of papers on individual British industries by specialists. They include agriculture, the coal industry, the iron and steel trades, the engineering industry, ship building, the cotton trade, the wool industry, and the condition of the Ports. Part IV consists of a few statistical tables which are concerned with the future adult population of Great Britain, the relation between cost of living and wages, and similar points.

Thus the volume is fairly comprehensive, and dealing, as it does, with an important aspect of present day economic life in Great Britain and some of the more important individual industries, it ought to commend itself to students of Economics and business-men alike.

S. SUBBARAMA AIYER,

Wanted.

More and more subscribers to the Bulletin.

P. C. U.

GUILDS AND CO-OPERATIVES IN ITALY.

**Oden Por Translated by E. Townshend—Introduction
by A. E. and an appendix by G. D. H. Cole—**

The Labour Publishing Company Ltd., 38, Great Ormond Street London 1923-5sh.

Oden Por has contributed or restated vividly and forcibly valuable thoughts on the building up of a new social order based on the service instead of profit motive. The growth of labour organisation for production and distribution in Italy widening their activities on sure foundations has largely influenced the writer in formulating a new policy in social economics for curing the western countries from the ills they are suffering. Capitalism has failed to check speculative prices, better the condition of workers, and provide for the largest happiness of the largest number. It has failed to conserve labour as well as natural production based on environment, but on the other hand created artificial markets whose exploitation has led to want. Destruction of the old system did not make matters better in Russia as the people were not organised for national co-operative production and consequently it has given additional proof that the older method was the best under the existing circumstances for the supply of the national and economic services. Direct management by the state of all public services will be wanting in that flexibility of structure for introducing new improvements and in that human touch to vivify labour while it will perpetuate a hierarchy of officials with vested interests, and fail to achieve the necessary economy in the conduct of industrial undertakings. Trade unions cannot solve the problem of organising public undertakings and thus serving the nation, as they are engaged in a class struggle for the achievement of larger rights for workmen and are not concerned with the development of permanent concerns which arouse the corporate spirit, and train the working classes in attaining a larger capacity. The only method then, according to the author, of building up a new social order, lies in the State helping the co-operatives to absorb all national functions. This method has attracted the author quite naturally owing to the recent achievements of co-operation in Italy. Land reclamation and cultivation, road and rail making, house building, shipbuilding, have all been successfully operated by co-operative concerns in Italy. They have developed a corporate spirit, created a larger capacity, and gained for labour all accessories, equipments, finance and exports for undertaking large scale production. A closer federation of these bodies and regulation of their work will achieve the desired result of supplying public services at economic cost. The grasp of co-operating is no doubt marvellous, and a pregnant indication of their possibilities in revolutionising the whole economic system. But they depend on two conditions, a sense of voluntary service in the workmen, and an outlook on the part of the State to encourage and strengthen the co-operatives by all facilities. The latter is conditioned more by the personality of the Minister and depends generally on his policy. And as A. E. himself says in the introduction, "The tendency of State departments is to obliterate character by insistence on regulation and formula to bring all into an unvital harmony. I am a little frightened when Oden Por

speaks about an alliance with the State. The writer himself is not specific about the relationship with the State except to mention at one place that it should satisfy itself as to the efficiency of the work turned out by co-operatives. How far a State department with its basis on personal ambitions and prospects will be able to prevent the blighting effect on an economic system doing its work on service motive is not a matter for positive affirmation. The author is confident that the best man will come forth to serve the State as during the time of the war.

But the writer has every reason to be confident that the co-operatives entrenched as they are in a corporate spirit of service will be able to exert a large and spiritual influence on the state itself. This is no doubt due to the fact that he clearly realises that the future society is to grow not motivated by nationalism, nor internationalism but by the spirit of neighbourhood service. Geography and human life combine to give a definite shape to the activities of an area, and wisdom lies in so organising them as to get the largest return from nature and man. Centralised administration may spoon feed a people by its huge army of a paid staff but it will hardly evoke the enthusiasm of the people to work cheerfully and earnestly for the community. The direction of policy and administration over a larger area will hardly get the imprint of localised public opinion and command its co-operation, as the ordinary citizen will rather feel at home with his own institutions which he can control. As A. E. says in the introduction to the work, 'to make something spring upon the each around us, to unite those who know each other, to give full play to local initiative seems to be the right way to kindle the heart and bring about the intensive cultivation of human life. It is in the vivid realisation of reconstructing neighbourhood that this book of Oden Por is to be appreciated. A chapter is devoted to this subject under the title of 'Regionalism' which one can read and reread with pleasure.

The later chapters of the book deal with the achievements of co-operation in Italy and Guilds in Great Britain. It closes with an appendix on the Guild movement in Great Britain by G.D.H. Cole. The book is a valuable contribution on the subject of the marvellous capacities of working class men in reconstructing a peaceful and happy social system, by the co-operative method.

K. G. SIVASWAMY.

District News.

No information on the point. Attempts would be made to secure information under this head in future.

P. C. U.

A REVIEW.**What Social Workers should know about their own communities.**

AN OUTLINE BY MARGARET F. BYINGTON.

Charity Organization Department, New York.

It is with great pleasure that we commend this thin little volume to the attention of the public.

The idea of social service has been with us all through the centuries. From the time of Asoka onwards down to the present time, in large cities and in distant villages, the people of India have been known to be keen on social service.

This enthusiasm for social service has however been marked by two characteristics. In the first place, it has been spasmodic rather than persistent. There are instances where the king or the state had organised social service as part of the responsibility of the state to the people. But a non-official agency has not been organised on this basis. Whenever there was an emergency, people did rise to the occasion and render the service needed for the hour. In the second place social service in India has not been preceded by scientific study. The result has been that when one enthusiast disappeared from the scene there was nothing left for his followers to proceed upon. The whole scheme had to be started all over again.

To meet both these defects a book of this nature is very valuable. The outline under review is not very heavy. Each subject is explained in two or three paragraphs. This explanation is followed by a few select questions. The comprehensive nature of this outline can be judged by the fact that Industry, Health, Housing, Schools, Recreation, the Family, the Homeless man, the Aged, all these are taken into consideration. Under the heading Schools, a very interesting survey is suggested. For instance, administration, school buildings, teaching, the children, the parents, social contacts, child labour are thought of.

We commend this little volume with very great pleasure.

H. C. BALASUNDARAM

Wanted.

Constructive Suggestions from Co-operators as to how to make the coming Co-operative Conference a grand success. All communications to be addressed to

**The Provincial Co-operative Union,
Royapettah, MADRAS.**

**PROCEEDINGS OF THE GOVERNING BODY MEETING
OF THE P. C. U.****held on Wednesday, the 26th August, 1925 at 5.15 p. m.****Present:—**

- M. R. Ry, T. Adinarayana Chettiar, Avl., (*In the Chair till 6 P. M.*)
 „ Rao Bahadur A. Vedachala Iyer, Avl., (*In the Chair from 6 P. M.*)
 „ Rao Saheb T. Srinivasa Rao, Avl.,
 „ Rao Saheb M. S. Sesachala Iyer, Avl.,
 „ S. K. Yeganarayana Iyer Avl.,
 „ K. G. Sivaswamy Iyer, Avl.,
 „ G. Sri Ram Babu Naidu Garu,

I. Read the draft letter of Mr. K. G. Sivaswamy Iyer on the Formation of suitable schemes for State Aid:—

Resolved that a circular be drafted and sent to the Local Unions, Dt. Federations and Dt. Banks to elicit their views regarding the amount of Grant they would require for taking up all non-statutory work and the extent of their preparedness to undertake the work of Inspection and Education unaided by the Government staff and that Messrs. K. G. Sivaswamy and T. Srinivasa Rao be requested to prepare the questionnaire and take the necessary actions.

II. Read the draft letter of Mr. K. G. Sivaswamy Iyer regarding the formation of a Sub-Committee for the publication of pamphlets.

Resolved that a Committee consisting of Messrs. A. Vedachala Iyer, K. G. Sivaswamy Iyer, T. Srinivasa Rao, and the Editors of English and Tamil Bulletins be appointed with Mr. K. G. Sivaswamy Iyer as the convener to attend to this matter.

III. Read the draft letter of Mr. K. G. Sivaswamy Iyer on the Subject of starting a language Federation for the Tamil Dts.,

Resolved that the note of Mr. K. G. Sivaswamy Iyer on the subject be circulated among the Central Banks, Dt. Federations, and Co-operative Unions and their views invited thereon.

IV. Read letter dated 16/5/25 from the Secretary, Melattur Co-operative Union, requesting replies on certain questions raised by him and the individual opinion thereon of Mr. A. Vedachala Iyer:—

Resolved that the reply sent by Rao Bahadur A. Vedachala Iyer be approved.

V. Read letter dated 10/7/25 from M. R. Ry Rao Bahadur M. K. Venkatachari Avl., Deputy Registrar of Co-operative Societies, V Circle, Madras, suggesting the publication as a leaflet for sale the judgment of the Dt. Munisiff of Puthur, South Kanara, (published in English Bulletin for May 25).

Resolved that no further action need be taken in this case the judgment having been already published in the Bulletin.

VI. Read the letter dated 12/7/25 from Mr. K. G. Sivaswamy Iyer recommending the sanction of Rs. 10 or 15 more for a medal to be presented to Mr. Ramaih for his essay on "The Real Test of Rural Co-operative Society".

Resolved that a further sum of Rs. 10 be sanctioned for a silver medal with suitable inscriptions.

VIII. Read the proposals of amendment to the Bye-laws of Dt. Federations by Messrs. K. G. Sivaswamy Iyer and T. Srinivasa Rao and the note thereon of Mr. A. Vedachala Iyer:—

Resolved that Rao Saheb T. Srinivasa Rao be requested to draft a memorandum on the subject of Dt. Federation Bye-laws for consideration by the Governing Body at its next meeting.

VIII. Read letter dated 26/4/25 of Mr. K. Pattabi Ram, Governing Body member of the Tiruchengode Union, regarding the holding of a meeting of the Union without his knowledge:—

Resolved that as the matter is purely a local affair involving no general principle no action will be taken by the P. C. U.

IX. Read letters dated 6/7/25 from the Manager, The India Printing Works and the Proprietor of the Arrow Press quoting their rates for printing their bulletin:—

Resolved that the Central Co-operative Printing Press be addressed whether in view of the lower tenders received from the above two persons they would find it possible to reduce their present rates.

(2) That the Central Co-operative Printing Works be requested to arrange for the prompt printing of the bulletins since the delay in issuing the same is likely to affect the paper financially and otherwise.

X. Read the P. C. U. Accounts for May and June 1926:—

Resolved that the accounts of the P. C. U. for May and June '25 be passed.

XI. Read the Syllabus prepared by the several lecturers for the proposed advanced training class and the draft letter of to the Registrar of Mr. A. Vedachala Iyer:—

Resolved:— (1) That the drafts of Mr. A. Vedachala Iyer be approved.

(2) That the following gentlemen be requested to form the Educational Committee of the Provincial Co-operative Union and to finally draft the syllabus and generally be in charge of the work of the class:—

Messrs. A. Vedachala Iyer
 „ K. G. Sivaswamy Iyer
 „ T. Srinivasa Rao
 „ V. Venkatasubbiah
 „ G. Sri Ram Babu Naidu Garu (convener)

XII. Read letter dated 14/8/25 from the Secretary, Guntur, Dt. Bank regarding the raising the borrowings of Central Banks from 8 to 12 times the paid up share capital and reserve fund.

Resolved that the question be referred to the other Central Banks for their opinion.

XIII. Read the budget statements for the year 25-26 and the annual statements of receipts and charges assets and liabilities etc and the office note thereon for 24-25:—

Resolved:— (1) That the annual statements for the year 24-25 be passed and the transfers of amounts mentioned in the note be sanctioned

(2) That the budget for 25-26 be passed.

(SD.) A. VEDACHALAM.

Chairman.

G. O. ON EXEMPTION OF C. S. FROM COMPANIES' TAX.

GOVERNMENT OF MADRAS.

Local Self-Government Department.

Copy of G. O. No. Mis. 2949 L. & M. Dated 17th August, 1925.

ORDER.

The Government are advised that a Co-operative society registered under the Co-operative Societies Act is not within the definition of Companies in Acts V and XIV of 1920.

2. Local Boards and Municipal Councils are therefore requested not to assess Co-operative Societies to the Companies' tax.

(By Order of the Government, Ministry of Local Self Government.)

C. B. COTTERELL,

Secretary to Government.

STUDIES OF THE REPORTS

on the working of Co-operative Societies in various Provinces

for the year 1923-24.

* II. MADRAS.

The report of the Registrar is, as usual, interesting and exhaustive. He pleads for an Hon. Asst. Registrar for each Union area and adds that "the demands for an increase in the number of Honorary Assistant Registrars come from practically all districts" The Government, however, in their order reviewing the report add that they recognise "that public opinion is not unanimous as to the advisability of continuing the experiment".

* See August Bulletin for the Study of Burma report.

There were 8443 societies at the beginning of the year. During the year 1416 societies were registered and the registration of 75 societies cancelled leaving the number at the end of the year to be 9785 (excluding one society whose registration was cancelled last year but restored on the recommendation of the Registrar). Of the new societies 1160 are agricultural, 225 are non-agricultural, 28 Supervising Unions, 3 District Federations. The reductions in the rate of interest charged on loans given by primary societies is given as the chief reasons for the large increase in the number of societies registered this year.

But if one society for every village and all needy men to borrow only from R. C. S be the ideal we are still far from it. The total membership of societies old and new represents less than 1.46 per cent of the total population of the Presidency and even in Chingleput the members form only 2.54 per cent of the population.

The concession of allowing loans to non-members on the security of their deposits which was given to the Madras Central Urban Bank was extended to 8 District Banks, on the ground that this concession attracts more money. What prevents these depositors from becoming members is not clear. The present arrangement gives those depositors all the facilities of a Bank without saddling them with any corresponding responsibility. It is true that the last Provincial Conference in its resolution No. XXVII* asked for the concession being granted to Urban Banks; but it was meant for the benefit of those who might have originally been members of particular Urban Banks but who on account of transfer and other causes could not continue to be members.

The necessity and importance of District Federations is recognised and the ideal of each District having a Federation of its own is kept in view. After this report was submitted a conference was convened by the Registrar and model by-laws of District Federations have been published* and new ones formed in various Districts. We await with interest what the Registrar has to say about them in the report for this year (1925—26).

We quote below the Registrar's remarks upon the P. C. U. and its activities.

Propagandist Unions.

18. The Madras Provincial Co-operative Union which is the propagandist union for the Tamil districts did useful work during the year. Its chief activity is the publication of the Madras Bulletin of Co-operation. During the last year or two there has been a very marked improvement both in the English and in the Tamil editions of the Bulletin. The Provincial Union is now in touch with co-operators in all parts of the world. At its instance International Co-operators' Day was celebrated all over the Presidency. It published a few pamphlets and leaflets on important co-operative subjects. One of its secretaries toured in certain districts and attended the general meetings of unions and societies. Under the auspices of the Provincial Union, the Provincial Co-operative Conference was held in Madras in December last when a large

* See p. 391 of Bulletin for January 1925.

number of questions of interest and importance to co-operators were discussed. It also organized a conference of representatives of financing banks.

The Co-operators who attended the last Provincial Co-operative Conference wanted to make the P. C. U. into something more than "the propagandist Union for the Tamil Districts" and hence passed Resolution No. XLIII* about the reconstitution of the P. C. U. which, it is hoped, would become an accomplished fact very soon.

The joint sale by farmers of their produce is the form that Co-operation has taken in America, Denmark, Ireland etc. This line of development in this country is still in a very primitive condition. Co-operative Commission shops may be tried as they seem to have made a successful experiment in that direction in the Punjab.†

Labour societies have made some progress and we are not surprised to learn that "they have naturally roused opposition in certain quarters." It is the duty of all the well wishers of the poor, be they members of whatever political party, to see that these societies thrive and the scandal of our able bodied labourers migrating to other countries for bare livelihood is put a stop to.

The remarks of the Registrar regarding the educative value of Conferences are worth quoting. "Nothing can be more encouraging as an indication of the way in which the movement is progressing than the business-like fashion in which these conferences are as a rule conducted, the knowledge displayed of the subjects which come up for discussion, the tolerance of opposition and criticism and the spirit of reasonableness which generally prevails. The educative value of such conferences is very great.

In suggesting possible lines of development the Registrar remarks that "in some of the more developed areas this borrowing limit (of Rs. 500) can now safely be raised without prejudice to the interest of poor members. It is unfortunate that the last Conference threw out a resolution to that effect.‡ Some land mortgage Banks also have been started and the movement has attracted more money than it can absorb necessitating the issue of Registrar's circular § and the Department has been reorganised and these make us hope there would be an all round healthy development in the near future.

The Registrar makes out a case that the reduction in the rate of interest charged by the Central Banks demanded by societies is justified by the increase in the book profits for the year and shows by statistics that the Reserve Fund has not been adversely affected by the narrowing of the margin of profit.

The Registrar's defence of the movement against the attacks of certain critics that these societies have merely increased the indebtedness of the ryot is worth quoting. "This criticism is based on a fundamental misconception of the

* See pp. 26—33 of the supplement to the Bulletin for June 1925.

† See p. 394 of the Bulletin for January 1925.

‡ See p. 394 Bulletin for an article on the subject by Nawab Jali.

§ P. 38, January Bulletin for Resolutions No. XIII was lost by 80 against 38

¶ P. 99 of Bulletin for August 1925.

objects of agricultural co-operative credit. Such credit is perfectly legitimate so long as it is regulated by the society and utilized by the borrower in such a way as to increase his productive capacity. Rural credit societies have not reached this ideal state but it is a mistake to suppose that an increase in agricultural indebtedness is necessarily an evil. It is only credit which cannot yield a profit that is to be condemned."

We are glad to be told that the percentage of loans for non-productive purposes is small (2.45%) and is decreasing; but it is certainly disquieting to be told that "the percentage of balance to demand under principal has risen steadily from 23'98 for the year 1919—20 to 41.69 for the year under review," and that "in spite of the strenuous and unremitting efforts made by the departmental staff, unpunctuality in repayment...has steadily increased during the last 5 years." The cause and cure for this disease are given in the Expert's own words. "It may safely be said that apart from special causes at work in particular cases, unsatisfactory recoveries are in the main due to inefficient supervision. A study of the statistics regarding recoveries in agricultural credit societies shows that within the same district societies vary enormously from one local union area to another in regard to punctuality of repayment. Large variations occur as between union areas where economic and climatic conditions are practically uniform. The explanation lies of course in the comparative efficiency of certain unions and the comparative inefficiency of others. Wherever local unions have made special efforts, collections have improved. The real remedy for unsatisfactory recoveries lies with the local unions. Their claims to efficiency will depend in great measure on their capacity to improve collection and to maintain it at a high level."

"Local unions should see that primary societies fix the date for repayment at the time most convenient to the borrowing member, that is, at or soon after the harvest season. In spite of constant propaganda regarding this matter the practice is not yet universal. Efforts should also be made to extend the grant of loans on pledge of produce and the sale of members' produce by the societies (at the members' risk). This will facilitate collection and thereby improve recoveries."

There is reference to the Mutual Retirement Benefit Fund of the M.S.M. Railway Employees' Society. This we hope is but the beginning. We ought to have Co-operative Insurance on a large scale and we hope that the Committee appointed to investigate the questions by the last Conference will do some thing. Now the time is opportune and other Provinces also are thinking of Insurance on Co-operative lines.

Societies intended solely for the depressed classes are a problem and the Registrar remarks as follows about them.

"The future supervision of the societies now in charge of the Labour Department is a problem which must soon be tackled. Some of these societies are affiliated to local supervising unions, but most of them depend for supervision entirely on the District Labour Officer and his staff of co-operative inspectors.

Co-operative inspectors are appointed for work under the District Labour Officer at the rate of one inspector for every 25 societies organized and intensive supervision is thus assured. But supervision by the Government staff cannot continue indefinitely and some other method of organizing the supervision of depressed classes must eventually be devised. The difficulty lies in the fact that these societies require special intensive supervision and that they cannot yet provide suitable men in sufficient numbers for conducting the work of a non-official supervising agency."

In the matter of supervision the Registrar merely adds that "there are certain Urban Banks and Stores which are unwilling to come into the Local Unions." Considering there is a good deal of difference of opinion regarding this point, some holding that these should not be admitted even if they are willing to come into unions, the Registrar would have done well to have indicated his own views on the matter.

The act is attempted to be amended in other provinces; though no mention about it is made in this report we understand the matter would be taken up in our Presidency also.

Altogether it is a record of steady and strenuous work done by both officials and non-officials and all concerned deserve to be congratulated.

S. K. Y.

III. BOMBAY.

One of the best ways of studying institutions and movements is by comparing and contrasting our own with similar ones obtaining elsewhere and hence the importance to us in Madras of knowing how the movement gets on in other provinces.

The first thing that strikes us in the Bombay report is the existence of propaganda officers of whom four were appointed during the year under review who are to work under the control of the Bombay Co-operative Institute and the expenditure on whom is to be borne half and half by the Government and by the Institute.

The Registrar's remarks about the general attitude of the people deserve quoting in full.

"There is also little doubt, thanks to the greater amount of propaganda that is now being done, the principles of co-operation are being understood much more than in the past and that in several parts of the presidency the movement has become a really live movement. There are no doubt exceptions, unfortunately too many, where the people still look upon a co-operative society merely as an additional agency for getting loans which need not be repaid punctually, but even in these parts that sort of feeling is dying out. In several districts too, the success already attained by the credit movement has led people spontaneously to think about new schemes of development on co-operative lines and to ask for the formation of new kinds of co-operative societies.

There has been a general increase in the number of societies, of members, working capital, reserve fund etc. The total number of societies however come only to 3050 i. e. about 40 per cent of our number.

The Registrar makes special mentions of Dharwar as being the most advanced among the districts not only as regards the number of societies but also as regards the variety of co-operative activities carried on there. "Amongst these activities might be mentioned a co-operative drama composed and acted by the members of the Aminbhavi Union. The play which very clearly depicts the advantages of co-operative movement as well as the shortcomings of existing societies is extremely popular. These amateur players from the Union have performed it in various parts of the Karnatak, and were invited also to Mysore." Here is a line of co-operative activity which some of the most forward Districts in our Presidency will do well to imitate.

The percentage of arrears stood at 17 at the close of the year, a figure which though small compared with ours, was still disquieting to the Registrar who offers some explanation for them, the chief reason being the not granting of exemptions "even when these are really deserved."

The starting of Supervising Unions is considered necessary and some of the old guaranteeing Unions (as in Sind) are getting themselves converted into Supervising Unions.

The Registrar was convinced by the findings of a committee appointed and from his own inquiries that "the present limits for individual loans were in many cases somewhat low and could be safely increased" and he therefore agreed *to increase them in the case of good societies and subject to certain conditions, "to fix special limits in the case of a few individual members for whom even the enhanced general limits were not sufficiently high"*. We in this Presidency would do well to learn a lesson in this matter from our sister Province. The Registrar adds, "This step has not only been well received but has appreciably helped the development of the credit movement. If a credit society is to do real good the members must not go outside the society for any loan they require but this becomes impossible if the limit to the amount which a member can borrow is comparatively low. There is no reason why in the case of good societies the members should not get all the funds that they reasonably require for productive purposes from their own societies provided of course that no member is allowed to absorb much more than what the other members could obtain"

Some leading co-operators of our Province (notably Rao Sahib T. Sreenivasa Rao) have been advocating the policy of definitely assigning bad societies to official and non-official agencies of supervision and thus fixing the responsibility on some one. Curiously enough that was the line adopted in Bombay and with very good results too. "C and D class societies in many districts this year were distributed amongst the official and non-official workers so that responsibility for their improvement could be fixed upon some definite persons. Some of the branches of the Institute, especially the Gujarat Branch, did good work in taking over some of the districts and improving them. The result of the

procedure has been satisfactory, leading to the improvement of several of these societies."

Co-operative Sale societies did business to the extent of 53½ lacs during the year and one society, the Gadag Cotton Sale Society sold cotton worth 18 lacs and Hubli comes next with 14½ lacs. Why these societies succeeded so well and others did not can be gathered from the following remarks of the Registrar. These societies sell only members' cotton. The cotton is ginned before sale. "No persons are generally admitted who do not sow seed of a uniform quality, which is distributed by the societies amongst their members. The members are perfectly loyal and there is hardly any case where the member sells his cotton outside the society. The management is in the hands of men who belong to the agricultural class. It is not only efficient but it has also been successful in arranging for the practical business training for a number of young men who work in the societies. These are the features which, it will be seen, deserve to be imitated elsewhere, but it is not easy to copy them in other tracts as for instance in Khandesh and Karnatak where the cultivator is not prepared to have his cotton ginned before sale nor to have his cotton pooled with that of other members before it is sold. This last step of course would not be possible unless cotton seed of the same quality and kind were distributed amongst the members and unless the seed so distributed is sown separately and not mixed up with any other variety of cotton seed."

There are societies for joint sale of grain in Sind, for the sale of potatoes and jaggery in Poona, for chillies at Bijadgi, for arecanut at Kumla etc. This surely is the highroad to co-operative advancement and though the path may be set with difficulties, it ought to be followed steadily and faithfully.

There are fencing societies, cattle breeding societies and joint cultivation Societies, which last having started work in a year of bad seasons did not thrive well.

The Registrar's account of the working of urban banks some of which not only receive deposits and arrange for financing their members but also do all other kinds of banking business" is instructive. The best of the type is the Hubli Co-operative Bank. The Registrar mentions the existence of only a few Employees' societies in the City of Bombay. He hopes to see many more started.

We who are accustomed to hear so much against the individual members in our Presidency may read with advantage what the Registrar has to say about them in Bombay. "The organisation of district banks in this Presidency is of a mixed type. Although with one or two exceptions these banks finance only co-operative societies every bank has got both individuals and societies as shareholders and as Directors, and in the present state of things it is essential that this should be so. Without the influence of these individual members and the credit which they bring with them it would have been impossible in the commencement of the movement to command that confidence of the public which, was necessary to tap the large funds that have in consequence been forthcoming."

The Provincial Bank in Bombay has its own staff of supervisors and they did useful work.

It is notorious that 'consumers' co-operation has not been much of a success in India and even Bombay is no exception. The Registrar's explanation for this is as follows. "I am afraid people here have not yet properly understood the general principles underlying this Movement. The main reasons why several societies have done badly are want of loyalty on the part of members, lack of

good business management and of proper supervision. Sometimes a society has been organised with the best of motives by people who themselves had no intention of buying from the store, forgetting that the co-operative store is meant mainly for the benefit of its own members and must depend for its success on their loyalty. Being often started on a small scale, a store cannot afford to pay its management well, and without well-paid and efficient management it has little chance of competing with already established capitalistic concerns. Sometimes though the management is good in the beginning, slackness on the part of the Committee in supervising it leads to inefficiency and even to fraud."

It is gratifying however to note that two successful consumers' societies are the Madrasee Hostel and the Hostel attached to Nayar Samaj which with share capitals of Rs. 890 and Rs. 875 respectively did business to the extent of Rs. 16,547 and Rs. 5,874 respectively the former earning a profit of Rs. 782. The remarks of the Registrar on such societies are worth quoting. "This class of society has a promising future in a city like Bombay, where many outsiders come for work. Being founded on a communal basis there is a kind of unity amongst the members while as the need is being keenly felt both as regards good lodging and boarding, there is a reasonable chance of the members being loyal. With good management there is no reason why such societies should not be a success. If similar hostels could be started for the labouring population, the material and moral benefits to the city of Bombay would be very marked, but there are great difficulties of securing proper men to run such societies and of getting the members to be loyal and to spend something more for living under conditions much better than at present." "There were some stores attached to colleges like the Sydenham College store and St. Xavier College Co-operative Store. It is a pity that the Fergusson College store did not work and is about to be cancelled.

The House-building societies did useful work and the Government reduced the rate of interest granted on loans from 6 per cent. to 5 per cent. This is a point which the Madras Co-operators will do well to urge on our own Government.

The Bombay Registrar's observations on Weavers' societies are applicable to other parts of India also and hence they are quoted below. "There is thus scope for considerable development but no rapid progress can be made as the weavers are very backward and generally given to drink, while their own leaders are often themselves wholesale purchasers of yarn and finished articles, and come in the way of the successful working of a co-operative society. It is difficult to find men to run central co-operative agencies for supplying raw material, for arranging sale of articles, advancing money on the hypothecation of goods during the slack season, and doing similar kind of work. Unless such central agencies are started, no substantial development can be expected."

The Registrar is generous in his appreciation of the work of the Co-operative Institute which deserves a separate study by itself.

They have started the work of amending the Act. His general remarks about the general attitude of the public applies to other Provinces than Bombay. "There is probably not as much disposition to do honorary active work as there was at the commencement of the movement, as there are other interests which are found to be more absorbing. One satisfactory feature—and a very healthy sign too—is that representatives of the agricultural classes themselves are coming forward not only to take part in discussions but also to take a lead in guiding the movement."

It is a very useful document and seeing that the Madras Government charges Rs 2-4 for a copy of our report the price fixed, i.e. 11. as is cheap.

S. K. V.



L. D. Swamikannu

THE HON'BLE DIWAN BAHADUR
L. D. SWAMIKANNU PILLAI, M. A., B. L., (Madras)
LL. B., (London) I. S. O., C. I. E.

1865—1925,

Registrar of Co-operative Societies 1911—1917.

(Photo by "Who is Who in the Legislative Council")

IN MEMORIAM.

In the death of Dewan Bahadur L. D. Swamikannu Pillai who was for some years Registrar of Co-operative Societies of this rovince, the movement loses one of its earliest and staunchest supporters. Even after he ceased to be officially connected with the Co-operative movement, his interest in it never waned. He presided over the 1st Madras District Co-operative Conference November 1923 and over the Travancore Co-operative Conference last year. Many of the Co-operative societies of the city of Madras availed themselves of his ripe experience by requesting him to preside over their annual meetings. He died full of honours and of years (the latter judged from the average Indian point of view). Appreciation of his versatile genius, his wonderful perseverance, his linguistic accomplishments and business capacity, have been published in the dailies of this City from eminent persons who knew him intimately. We place this humble wreath of ours over his grave. May his soul rest in peace.

NOTES AND NEWS.

The go-a-head Bombay. The go-a-head Bombay has stolen a march over us in one or two respects. While we are still quarrelling over the territorial jurisdiction of P. C. U. and the Andhra Sahakara Sammelana, the Bombay Co-operative Institute which is the recognised non-official apex institution of the province has been able to erect a building of its own and move itself into it. Mr. Devadhar, the moving spirit of the Co-operative movement in Bombay, while requesting His Excellency the Governor to open the building, aptly termed it "A temple of Co-operation" and the building has been appropriately termed Vittal Das Thackersey Building in honour of the late Sir Vittal Das Thackersey, one of the great pioneers of the Co-operative movement in Bombay.

Ever since Co-operation was made a transferred subject various provinces have been attempting to bring the Act up-to-date in the light of their respective experiences. Here again, Bombay has been first in the field. She has amended the Act in the light of her peculiar experiences so as to suit her own needs and we reserve for another occasion a study of the amended Act; but we should like to avail ourselves of this occasion to draw the attention of our readers to the fact that the Bombay Co-operative Institute has been given a statutory recognition in the Act itself. We congratulate our brother co-operators of Bombay on this excellent piece of legislation they have been able to achieve.

We have been agitating in the pages of this Bulletin for a change of venue in the sessions of the Co-operative Provincial Conferences. Ever since its inception the Conferences have been held only in Madras and that during Christmas season and the attendance has not been as satisfactory as one would wish. We have recommended the plan of taking it out into the moffussil so that we may give each district a chance of holding the congress within its own jurisdiction. This would give the people of the district an opportunity to unite, to conduct successfully a public function like the annual conference and further would enable them to come into contact with representatives of various districts. Our suggestion is yet to be acted upon by the Co-operators in our presidency, whereas in Bombay they have resolved to hold their annual conference of this year at Dharwar, the most forward district of the presidency in matters co-operative. We hope this excellent example will be followed in our presidency also.

What we have to learn from elsewhere.

In a recent number of the *Irish Statesman* conducted by that famous practical dreamer A. E. there was an article called "*Agricultural Fundamentals*," where the learned writer draws the attention of his readers to some of the conclusions arrived at by a joint commission of the Senate and the House of Representatives in the United States of America which conducted an enquiry into the condition of agriculture in that country and made certain recommendations for its improvement. The views of the Irish patriot are extracted below. They apply with redoubled force to our own country.

"The first recommendation was that the Federal Government should legalise and facilitate the co-operative organisation of farmers for production, grading, and marketing of their products. It has been found absolutely necessary that the farmers should be masters in their own industry, that while

they were unorganised they were continually being relegated into the economic underworld. How severely that pressure from the organised economic interests bore on the unorganised farmers may be imagined from the statement made by the Secretary for Agriculture that, in 1922 about one million two hundred thousand farmers had left the land permanently. The organised are always able to throw off their burden on the unorganised. The dealers are better organised than the farmers', the wholesalers than the dealers, the banks are better organised than the wholesalers. It was California which gave to America the best illustration of what a complete organisation of marketing could do for the farmers, and during the past two years the farmers in one State after another are organising the marketing of their products on the lines of single commodity organisations. Their belief is that a manager can be an expert in only one commodity, and that to give him a chance to do the best he must be able to control a very large percentage of the output in one or two states over sixty per cent. The farmers bind themselves to sell only through their association. They pay large salaries to the expert manager, and find it pays them well to do so. In Ireland, even where farmers are organised, we practically are still in the parochial state of marketing. Our creameries compete with each other. There are a good deal more than half of our farmers who are not organised at all, and who oppose their individual wits to those of the organised buyers, and the still larger organised interests behind the buyers, and it is a pathetic and losing game. They buy at retail prices and sell at wholesale prices, and in no way have they control over the marketing of what they produce. Is it any wonder that Irish boys and girls escape as swiftly as they can from life in an oppressed and organised industry? In our opinion the whole force of the Ministry for Lands and Agriculture and the prestige of the State ought to be behind and impelling the farmers to as complete an organisation of their industry for purchase, manufacture, and sale as the organisation of Californians, Danes, Swedes, Dutch, Germans, or other farmers. This should be a settled State policy, for it is fundamental, and without this organisation there can be very little real improvement in the economic position of our agriculture."

Could the Ministers of Agriculture and Education in this country co-operate to bring about a similar state of affairs in our own province and will the New Deputy Registrars concentrate their attention on starting societies for the sale of agricultural produce?

The Beam in our own eye.

We feel picqued when the Government virtually question the representative character of our Annual Conferences and act on the representations of unions and individuals which are at variance with the resolutions passed at the Conference. But are we such a united body? Is there a well-knit non-official organisation beginning with the rural societies and

going through successive stages of Unions, Federation of Unions and Linguistic Federations to the P. C. U? Yes, there is-on paper. In point of facts each District has its own problems, has its own parochial disputes, likes and dislikes, and they seldom think in terms of the Province as a whole. Districts organise their own conferences, but do they consult any higher organisations, try to know what other Districts have done under similar circumstances and thus avoid duplication of work? No. We are tempted to take the pessimistic view of things because recently there were 2 important Dt. Co-operative Conferences, one at Sattur in Ramnad Dt. and the other at Bellary. Both of them were attended by the Minister who made a very important speech in opening the latter conference which we hope to publish next month. How did we of the the P. C. U. know of these? Not by getting any intimation about them from the organisers of such conferences though we presume those gentlemen are not ignorant of the existence of the P. C. U. and its organ the Bulletin; nor even through our Honorary correspondents but from the daily paper of the city! Organisation indeed! Like the feudal barons of old, the District Co-operators want to be undisputed masters in their own field blissfully ignorant or culpably neglectful of the need, of combinations and organisation. No wonder the Registrar calls the P. C. U. the propaganda institution for the Tamil District and no wonder the Hon'ble Minister offers to Unions that ask for Honorary Assistant Registrars if not the whole number applied for, at least 50 per cent whatever the Conference Resolutions be on the point! Co operators! Do you realise what a hopelessly disorganised lot you are! The remedy lies in your own hands! Will you bestir yourselves and unite or be the mob that you are!

* * *

Let us Bestir Ourselves. Perhaps the P. C. U. is as much responsible as the District Co-operators for this sorry state of affairs. It is time we have an organising secretary who will tour round in the Province and organise District Federations where there is none and put such as are in existence into vital touch with the P. C. U. and make the latter the *de facto* as it is the *de jure* apex institution of non-officials in the Province. Look at the Bombay Institute. But we are told that in Bombay they began from the top, with the Institute first which is slowly attempting to establish its branches in the mofussil; whereas here we started with Supervising Unions and are building up. Let us realise that metaphors are not explanations and if another metaphor be wanted to express our ideal of working plan, let us like railway engineers bore the tunnel from both sides and while strengthening the basis and building up let us also increase the prestige and influence of the Central organisation.

A CO-OPERATIVE TRAINING CLASS IN MADRAS.

The Government of Madras having given a subsidy of Rs, 1200 to the Madras Provincial Co-operative Union for Propaganda and Co-operative Education, the Union has decided to open a training class of an advanced character in Madras and one or more classes of an elementary character in one or two mofussal centres. The advanced class, in which the instruction will be in English, is intended for employees or would-be employees of co-operative banks and unions and for non-official workers taking part in the management of important co-operative institutions. Besides a good grounding in co-operative principles and practice the syllabus provides for lectures on general economics, with special reference to rural conditions in this presidency and on Book-keeping, Accountancy, Co-operative law and Methods of propaganda. The Provincial Union hopes that Central and Urban banks, District Federations and Local unions will appreciate the value of systematic training of their clerical and supervising staffs and will depute their men for training, without minding the comparatively small expenditure entailed thereby. District Federations in particular will be well advised to send a number of students to the training class as they may themselves have to conduct later on training classes of an elementary character in their local unions. For young men seeking employment either in the Co-operative Department or in co-operative institutions it will be a distinct advantage to undergo the training provided by this class; while to those connected with co-operative institutions in an honorary capacity, the wider outlook that the classes is expected to give, will be an invaluable asset.

The class will be held for a period of three months. No fees will be charged. The students will have to make their own arrangements for boarding etc., during their stay in Madras. Banking and credit co-operation will be dealt with in the first month, so that those who want to attend lectures on only those subjects such as employees of District and Urban banks may attend the class in the first month and then attend the examination at the end of the whole course. Practical instruction in the work of central and Urban banks, stores, producers societies will be given in the third month.

Between the 20th and 31st December an examination will be held which will be both written and oral. Those who secure the requisite number of marks will be given a certificate of proficiency by the Provincial Co-operative Union.

Except on Sundays and notified holidays, there will be two lectures every day during the period between 7-30 A. M. and 9-30 A. M. and another lecture between 5-30 P. M. and 6-30 P. M. From 2 P. M. to 4 P. M. the lecturers will take tutorial classes in their respective subjects. The library of the Provincial Co-operative Union will be available for the use of the students in its premises throughout the day during the whole period.

A detailed syllabus of the course can be had on application from the Secretary of the Union. The lecturers are all well known co-operators or students of economics, (Professors of colleges.) The Registrar of Co-operative Societies has kindly consented to depute three of his experienced officers and a well equipped accountant to take the class.

Those who wish to join the training class are requested to inform the Secretary of the Provincial Co-operative Union before the 15th September. Should there be a sufficiently large number of students arrangements will be made at their expense for their boarding and lodging in close proximity to the place where the class will be conducted.

Students other than those deputed by co-operative institutions should have at least completed the School final course. Attendance at the tutorial classes is not made compulsory so as to suit the convenience of those who may be employed in various institutions in the City.

The Provincial Co-operative Union appeals to all co-operative institutions in the Presidency to take advantage of the scheme and make it a complete success.

SYLLABUS

FOR THE ADVANCE COURSE ON CO-OPERATION.

I. SYLLABUS FOR A COURSE OF LECTURES ON CO-OPERATION IN GENERAL.

MESSERS :—RAO BAHADUR A. VEDACHALA AIYAR, AVL, B.A.

" " M. K. VENKATACHARIAR, AVL, B.A.,

RAO SAHIB K. DEVASIKAMANI MUDALIYAR AVL.,

T. SREENIVASA RAO, AVL.,

A. RAMANUJACHARIAR, AVL., B.A.

1. Definition of co-operation—different aspects of co-operation—distinction between a co-operative society and an organisation floated under the Companies' Act as regards constitution, finance, management, and division of profits. How are co-operative organisations democratic. Necessity for special legislation. Act X of 1904—Revision made by Act II of 1912—Characteristics of the Act—Rules framed under the Act. Concessions granted to co-operative societies by the Act—special features of co-operative as compared with company act—Procedure to be adopted in starting a co-operative organisation—special privileges of a co-operative society—what are the advantages to the members when they join co-operative organisations.

2. By-Laws:—On what matters should they be made—How to amend or repeal such by-law—difference between limited and unlimited liability—what classes of people should undertake limited liability and who should undertake unlimited liability—what is multiple share liability—what are the responsibilities of members under these liability systems.

3. Capital of a Society:—How can capital be secured in a co-operative society—Paid up and subscribed share capital—deposits—loans—debentures—unlimited, limited, multiple share liability—effect on securing capital—what is the working capital of a society—what is the owned capital of a Society—how to strengthen the owned capital—what proportion should owned capital bear to outside capital.

4. Shares.—Definition of shares—difference between share certificates and debentures—deposits—Profits to be derived from each—liability attached to each—difference between shares in a co-operative concern and a company concern as regards :—(1) profit distribution and (2) transfer of

shares—limited or unlimited floatation of shares—shares in an unlimited liability concern—withdrawable and non-withdrawable shares.

5. **Finance.**—(i) Loans—when and how they can be raised—up to what limit can such loans be raised—are deposits loans?—(ii) Deposits:—different kinds of Deposits—(1) Long term deposit; Short term deposit; savings deposits; current deposits; chit fund deposit; mutual benefit fund deposit and debentures. How to distinguish between a long term deposit and a debenture—

(iii) Deposit banking. Rate of interest and period of deposits. Rules to be observed by societies limited or unlimited in accepting deposits. What are liquid assets of societies—how are they to be regulated to repay deposits.

(iv) principles to be followed in floating debentures and the securities to be offered.

6. **Membership:**—What are the principles of selection of members in co-operative societies—what are the disqualifications of persons to become members—duties, rights and responsibilities of a member—when can a member withdraw from a society—when can a member be removed from society—rights and liabilities of a person on ceasing to be a member—Liabilities of a past member and also a deceased member to the debts of the society—can one person be a member of two or more societies and under what conditions.

7. **Management.**—Duties of a secretary—Duties of a treasurer—duties of a chairman—duties of a managing committee—duties of a supervising committee.

(ii) Meetings; different kinds of meetings in a society—managing, sub-committee—general body, ordinary—general body, special—quorum—what is it—why is it prescribed—what procedure should be adopted when quorum is not available for a committee meeting and a general meeting, ordinary or special—how to call a general meeting ordinary or special—who can call a general meeting—how to record resolution in general body and committee meetings—definition of vote and how to regulate votes in a co-operative society—what is voting by proxy—Under what conditions can voting by proxy be allowed—duties of members in general body meetings.

8. **Profits and Reserve Fund.**—How are net profits worked—what are the uses to which reserve fund are to be put—distinction between division of profits in limited and unlimited liability societies—Purposes of reserve fund in different types of societies—maximum rate of dividend allowed by the Act and rules—why is a limit fixed and how does it compare with the company law—what is a reasonable rate of

dividend—how does distribution of dividend in a co-operative concern differ from that in a company Act concern—what is the kind of dividend in distributive and other trade concerns—what are the advantages of increasing the reserve fund—how much of profit can be set apart for charitable purposes as common good fund—how and where reserve fund should be invested—can reserve fund be used for raising further credit and under what conditions—

II. SYALLABUS FOR A COURSE OF LECTURES ON Credit Co-operation.

MESSERS :—RAO BAHADUR M. K. VENKATACHARIAR, AVL., B.A.
A. VEDACHALA AIYAR, AVL., B.A.
RAO SAHIB K. DEVASIKAMANI MUDALIAR AVL., B.A.
T. SREENIVASA RAO, AVL.
A. RAMANUJACHARIAR, AVL., B.A.

1. What is meant by credit; What are the basis of credit what are the different factors which go to form credit; what are the objects of a credit society.

2. **Different kinds of credit societies:**

- (a) Primary rural credit
- (b) Urban Banks;
- (c) Central Banks;
- (d) Provincial Bank;

(e) Credit societies for different classes of people: Fishermen, Employees; Wage-earners, Etc.

What is a bank; who is a money-lender and how to distinguish between a co-operative bank and a money lender; how are co-operative societies different from loan offices and savings banks; state different kinds of credit facilities; can persons without property obtain credit in co-operative societies and if so under what circumstances; how to prevent abuse of credit; how to prevent over-financing; what are the dangers of under-financing; how to gauge the credit-worthiness of an individual and a society; how to propose to eliminate the money-lender and the trader who dispenses credit; how will these be accommodated in the co-operative structure; how far can credit societies secure loans and deposits; what are the ten main points of credit co-operation.

3. **Loans to Members.**—(i) What are the facts to be considered while sanctioning loans to members.

(ii) Who can sanction loans, and what procedure should a member follow to get a loan.

(iii) What are the objects for which loans may be sanctioned and what are the objects for which they should not be.

- (iv) What is the maximum amount that can be loaned to members
- (v) What points should an application for loan contain.
- (vi) What points should be remembered in the preparation of loan bonds.
- (vii) On what principle will you fix the instalment and the period of repayment of loans by members.
- (viii) What will be the best security from the point of Co-operation to be taken from a member when a loan is advanced to him.
- (ix) State the different types of securities for loans that are in vogue, and state their relative merit. Under what circumstances can the mortgage (a) of movable and (b) of immovable property be accepted as security for loan.
- (x) Why are shares in a society no security to that society.
- (xi) What precautions should be taken while granting extensions.
- (xii) What is the principle to be borne in mind in fixing rates of interest; should there be distinction in rates charged according to security, period of loan, seasonable demands. Is a uniform rate preferable.
- (xiii) What should be the safe margin of interest between loan borrowings and lendings. Is the same margin sufficient between deposits and lendings.
- (xiv) What is meant by rebate of interest and when can it be granted.
- (xv) What is penal interest; what is its object, under what circumstances should it be levied.
- (xvi) What measures should be adopted to ensure punctuality in repayment of loans; is levy of penal interest necessary to ensure punctuality.
- (xvii) Why should not loans be granted to persons who are not members.
- (xviii) Is it desirable for a member to borrow from outside. If so under what restrictions and limitations.
- (xix) What is the distinction between credit given by a Sowkar, by a commercial bank, by government, and by a credit society. Which form is preferable, why.
- (xx) What procedure would you follow if a debtor or a surety dies.
- (xxi) How will you recover any amounts defaulted by members.
- (xxii) What is meant by joint and several liability, how can it be enforced.
- (xxiii) What are forced recoveries; when are they allowable; when do they become a danger.

4. **Cash Credit.**—(i) What is meant by cash credit how do you distinguish it from an ordinary loan; how is interest calculated on it.

- (ii) What are the advantages of a cash credit as distinguished from an ordinary loan. To whom is it most useful.
- (iii) How is the limit of cash credit fixed.
- (iv) To whom should cash credits be allowed.
- (v) Distinguish between maximum credits and cash credits.
- (vi) What is meant by over-draft; when can it be allowed; How does it differ from cash credit.

5. **Accounts.**—(i) Common registers to be maintained in all co-operative societies.

- (ii) Common accounts to be maintained in all co-operative societies.
- (iii) Particulars to be entered in a register of members in a primary society.
- (iv) What is a ledger. What entries are made in it.
- (v) What additional registers and account books are to be maintained? :—

- (a) in a credit society;
- (b) in a central bank;
- (c) in a local union;
- (d) in a district federation;
- (e) Provincial Bank.

(vi) What is :—

- (a) a statement of receipts and charges;
- (b) a balance sheet;
- (c) a statement of profits and loss

(vii) What are assets and liabilities. What are the principal items in them.

(viii) What is meant by quarterly financial statements. What is their use; In what societies are they enforced.

(ix) What is gross profit. What items should be included in arriving at net profits.

(x) On what accounts and for what purposes and in what proportions should net profits be set aside after paying dividend.

(xi) What is meant by "Property statement"; How should it be prepared; What is its use; When should it be revised

6. **Rural Unlimited Liability.**—Definition; the value of unlimited liability to rural organisations; the dangers and the necessity of such liability in villages; what are the safeguards against its dangers.

Area of a Village Society.—What conditions should be observed; how can a single organisation operate for a village by branches or by federation of smaller units.

Selection of members.—Principles to be observed—Minors and persons unable to contract not to be admitted.

General Body:—Its powers,

Panchayat:—and its duties.

Office-bearers of the society :—their duties.

Funds of the society:—(i) entrance fees; (ii) share capital; (iii) deposits; (iv) loans from central banks;

Terms of loans from central banks.

Maximum borrowing power.

Loans to members.—Rate of interest; panchayat to exercise discretion; principles to be observed in giving loans; purpose of loans; period of loans (long and short term); date of repayment; forecast of members' and societies requirements; repayment how to be regulated; reloading; suretyship loans; on security of immovable property; movable property; net profits; reserve fund; procedure to be followed in the management of a society.

7. Urban Banks.—Credit societies to be operated in town areas; for the benefit of wage earners, employees in public and private offices.

Financing; share capital; main factors in raising credit; period of withdrawal and conditions under which withdrawals to be permitted. Loans to be regulated with reference to repaying power; facile credit to be discouraged; what should be the size of such banks; deposit banking to be the main source of finance; how to arrange for fluid assets; relation of such banks to co-operative central banks or commercial banks; profits to be declared up to what limit; how to build up reserve fund first; ways and means to practise thrift in such institutions; special features of urban banks as contrasted with rural societies.

8. Co-operative Central Banks.—(i). Necessity for central banks.
(ii) why called central banks;
(iii) members composed of individuals and representatives of co-operative organisations;

(iv) scope of the activities of central banks.

(v) financing of central banks;

(vi) History of the growth of central banks in the Madras Presidency;

(vii) Extra duties to be undertaken by central banks in addition to dispensing credit: such as supervision over primary societies; controlling

various kinds of activities of a wholesale type either directly or by financial help to separate organisations.

(viii) Relationship of central banks with (a) rural societies, (b) urban banks, (c) other credit organisations, (d) non-credit co-operative associations, such as producers' societies, consumers' societies, weavers' societies, etc.

(ix) Duties of the society to the central banks.

(x) How to regulate loans to primary societies.

(xi) How do affiliation of societies with a central bank provide for its financing.

(xii) Can a central bank lend to individuals and if not why.

9. Local Unions.—(i) Mutual supervision by societies as contrasted with supervision by the department.

(ii) A local supervising union, its size, and its constitution.

(iii) The duties of a supervising union.

(iv) The duties of an affiliated society, towards the union.

(v) How to constitute the supervision fund.

(vi) The general body and the governing body of a local union—their duties.

(vii) Meeting of the governing body.

(viii) sanctioning loans to affiliated societies.

(ix) Loans from central banks to be regulated.

(x) Supervision by governing body.

(xi) Supervision by supervisors.

(xii) How to deal with inspection reports.

(xiii) Scale of union establishment.

(xiv) Miscellaneous duties.

(xv) Federation with district organisations and with the provincial organisations.

(xvi) Propaganda and education work.

(xvii) Organisation of co-operative activities within the area of each union.

(xviii) The relation of the union to the government staff.

10. Provincial Bank.—(i) History of the formation of a Provincial bank in the Madras Presidency.

(ii) The function and constitution of a Provincial Bank

(iii) The resources of a Provincial Bank and the connection of the Central Bank with the Provincial Bank.

(iv) The Provincial Bank, the head of the department of finance in the co-operative movement and the medium of connection of the movement with the commercial money market.

11. The Co-operative Department.—(i) How far should state aid be acceptable to the co-operative movement.

(i) Interrelation between the departmental officers and local unions, district federations, and the Provincial co-operative union.

12 Miscellaneous.—

(i) The model by-laws of the co-operative institutions.

(ii) The Provincial Co-operative Union ; its functions ; its position as the head of the non-official agency in the co-operative movement in the Presidency ; its relation with the state department ; the financing banks ; the non-official supervising bodies ; its duties in regard to co-operative education, co-operative propaganda and issue of leaflets, pamphlets, bulletin etc.

(iii) Subsidy of government to non-official agencies in respect of education and propaganda.

III. SYLLABUS FOR A COURSE OF TEN LECTURES ON CO-OPERATIVE AND COMMERCIAL LAWS

BY MR. G. SRIRAMBABU NAIDU, B.A., B.L., :—8 LECTURES.

AND MR. T. ADINARAYANA CHETTYAR, BAR-AT-LAW, M.L.C. —2 LECTURES.

1. Co-operative law :—Primitive forms of co-operative banking in India ; Nicholson's Report ; Necessity of Act X of 1904 ; How Act II of 1912 is an improvement : Difference between Companies' Act and Co-operative Societies Act. How Co-operative Society differs from a Joint Stock Company and a Friendly Society. Main Provisions of Act II of 1912 ; Registration of Society—Rights and liabilities of members. Duties and privileges of a society ; Inspection under the Act ; Enquiry ; Procedure adopted under Dissolution ; Power and functions of a Liquidator ; Dissolution and its results ; Rules of the Local Government.

2. Contract Act :—Contract of Guarantee ; Principal debtor and creditor ; Surety's liability ; Discharge of Surety ; Rights of surety on payment or performance ; liabilities of co-sureties ;

Agency :—creation of agency ; express, implied, ratification ; agent's duty to principal, principal's duty to agent ; effect of agency on contract with third persons.

Sale of goods :—delivery ; seller's lien ; stoppage in transit ; resale ; title ; warranty.

3. Transfer of Property Act :—Transfer of immovable property ; restrictions ; fraudulent transfers ; kinds of mortgages ; rights and liabilities of mortgagor ; rights and liabilities of mortgagee ; priority ; deposit in court ; suits for fore-closure ; sale or redemption ; sale of property subject to prior mortgage ; attachment of mortgaged property ; charges ; notice and tender ; transfers of actionable claims.

4. Procedure :—(1) Through Arbitration :—mode of referring ; rules ; Procedure to be adopted by an arbitrator ; his powers ; awards and their execution through revenue officials.

(2) Through Civil Court :—Place of suing ; institution of suits ; exemption from stamp duty ; summoning and attendance of witnesses ; adjournments ; attachment before decree ; costs ; courts by which decrees may be executed ; procedure in execution ; attachment ; sale.

5 Limitation Act :—By Mr. T. Adinarayana Chettyar :—2 lectures.

IV. SYLLABUS FOR A COURSE OF LECTURES ON BOOK-KEEPING, AND ACCOUNTS.

BY MESSRS PROF. M. K. DANDEKAR B.A., F.S.A.A.

V. C. RANGASWAMI IYENGAR B.A., B.L.,

and S. KRISHNASWAMI IYENGAR

Account :—What an account is. Personal and Impersonal Accounts ; Real and Nominal Accounts. (Vide p. 3 Accountant's Dictionary).

Account Current :—Definition (vide p. 3 and 4 ; Form

Accounts—Criticism of. Has the business sufficient capital. Is the gross profit sufficient? Are expenses on the whole justified by the size of the business? Is the gross profit sufficiently high compared to the sales? The importance of Trading Account. The Balance Sheet. Assets and Liabilities. Profit and Loss Accounts.

Auditing :—Definition—(Vide p. 53) ; Audits, continuous and periodical.

Appointment of Auditors and their Remuneration :—Necessity for being appointed. Every Company shall appoint an Auditor at its annual general meeting.

Rights and Duties of an Auditor :—Shall have access to all the books and vouchers and shall be entitled to require such information etc., from the Directors, Secretaries, etc.

Audit of :—Joint Stock Companies. Public Utility Companies. Insurance Companies ; Building Societies ; Friendly Societies.

Examination of Books :—To find out Errors of Omission, Errors of Commission, Errors of Principle. Special Duties. Safe-guard interest of a class. How to conduct audits. Depends on the concern whose accounts have to be audited. First acquaintance with the rules. Act of Incorporation. Working By-laws, etc. Relationship between Auditors and Directors, Auditors and Shareholders. Detail work of an Auditor. Knowledge of Book-keeping essential. Books of Registry or Statistical books. Books of Account. Auditor's, Certificates. Private Audits ; Public Audits ;

Duties of Auditor under the Co-operative Societies Act. Need for more care in the Co-operative Societies. Greater Knowledge needed. Illiteracy of a large number of members of the Primary Society. Verification of Investments and assets; Banker's certificates; Liabilities of auditors.

Book-keeping:—Definition of book-keeping; Need for systematic records. Organisation of a good system of accounts. English system of Book-keeping. Great reliance placed on documents from which accounts are compiled. Continental system. Great reliance on the minute of individual transactions. Two systems of Book-keeping. Double entry system. Single entry system; Great factor in controlling business. The system of Book-keeping should be thorough. Book-keeping is an art. A very ancient art. As early as 2,600 B.C. records of accounts found. In certain countries book-keeping regulated by Law.

Certain classes of business undertakings have to draw their accounts in prescribed form. (Vide Eng. Com. Law and Indian Co. Act.) Books of original entry. Day book. Journal, Subsidiary Day Book. Ledgers. Reconciliation statements. Balancing of ledger. Division of ledgers. Trial Balance. Balancing the books periodically. Final balancing. The balance sheet. How to study a balance sheet. What they should contain.

Qualifications and duties of a book-keeper, cleanliness, Legibility, Care, Precision, Quickness, Neatness of execution. Knowledge of general principles of book-keeping.

Banking:—Definition; Banker's function. Constitution of banks. Private banks; Joint Stock banks; Banks under special character. Office and staff of a bank, Directors, Manager, Auditor, Cashier; Clerks; Powers and duties of respective officers; Branches and the interrelation with the head office.

Account:—Various kinds of accounts. How an account is opened. The pass book, inspection and proof in legal proceedings. Privilege of a banker. Closing of accounts, Notice, Banker's Investment:—In bills, securities, loans, against credit, against goods etc.

Cheques:—What is a cheque, the form; Incidentals; Stamp: Crossed cheques; Marked cheques; Payment by cheques. Cheques as evidence. Lost cheques; Stolen cheques; Stale-dated cheques; Post ment, Forged Indorsement, Dishonour, Notice necessitating dishonour. Countermand of payment, Death, Payment of cheques. The customers' Balance, Transfer payment, Form of Payment, Payment at the counter. The clearing system, wrongful dishonour. Rights of holders in due course.

Service by Banker:—Duty to customers. Relation between banker and customer. Interpretation of instructions, Confidential information. Custody of customer's property, Banker's responsibility. Collecting banker; Banker as agent, as trustee, as a bailee. Banker and Minor; banker and trustee.

Advances:—Common form of loans; Discounting; The Borrower—Private individual, firms, and limited companies. Representation as to credit; Banker's lien; Mortgages; Legal legislation; Pledges and charges; Other securities; Shares, dividends, etc.

Co-operative Banks; Difference between them and Joint Stock Banks; Basic Principle similar. Requires some care and prudence. Governed by same principles. The existing banks; Future of Co-operative Banking.

Money market. General survey. Rate of interest; Seasonal demands. Stringency and crisis and Government borrowings.

V. SYLLABUS FOR A COURSE OF TWENTY-FOUR LECTURES ON GENERAL AND RURAL ECONOMICS.

A. BY PROF. P. S. LOKANATHAM M.A., (6 LECTURES.)

1. The standard of Life; (2) Land; (3) Labour; (4) Capital; (5) Business Organisation; (6) evolution and forms.

B. BY PROF. S. SUBBARAMA IYER M.A., (5 LECTURES)

BY PROF. T. K. DORASWAMI IYER M.A.L.T. (3 LECTURES)

2. Theory of value; (i) Money; (ii) Banks; (iii) International trade; (iv) Foreign exchange.

C. BY PROF. S. SUBBARAMA IYER M.A. (6 LECTURES)

3. (i). Theory of rent; (ii) Interest; (iii) Wages; (iv) Profits; (v) Taxation.

D. BY MR. K. G. SIVASWAMY IYER, B.A. 4 LECTURES

4. Rural Economics:—

(i) **Efficiency of the Agriculturist**—The demands of the present age on the farmer—Agricultural education—History of Rural life organisations in other countries and India—Economic condition of rural labour and ameliorative measures.

(ii) **Capital**.—Survey of rural indebtedness in Madras, Mysore and Punjab—Extent—Causes—How met with in various countries.

(iii) **Land**—Increase of agricultural production and obstacles to the same in different areas.

(iv) **Rural Reconstruction**—Emigration, Revival of old institutions—Back to the village.

VI. SYLLABUS FOR A COURSE OF TWELVE LECTURES ON AGRICULTURAL CO-OPERATION (Other than Credit)

BY PROF. K. C. RAMAKRISHNAN M.A.
RAO BAHADUR A. VEDACHALA IYER AVL., B.A.

1. Number and importance of non-credit societies compared with credit societies. Causes of the slow progress on non-credit societies. The need for agricultural organisation for other than credit purposes.

2. **History of agricultural co-operation** in other countries; characteristic features of the movement in Germany (sale), France (supply), and Italy (store).

3. Characteristic features of the movement in Ireland (creamery and the I. A. O. S.), Denmark (butter, egg, education and supervision) and U. S. A. (fruits and grain, warehouses).

4. **Agricultural Producers' Societies**—Conversion of produce: (Dairies or creameries-model, Ireland and Denmark) Milk societies in India. Manufacture of manure, decortication, oil presses, manufacture of jaggery, seed unions, scope in India; essential principles in the organisation of such societies, finance.

5. **Societies for purchase of**
(a) agricultural requisites: seed, manure, fodder for cattle, agricultural implements.

(b) household requisites: indent system; store system; essential principles in the organisation of such societies.

6. **Societies for sale of members' goods**—Agricultural produce. (a) grain, most difficult to work, (b) cotton (staple products and (c) perishables—fruits and vegetable; essential principles in the organisation of such societies.

7. **Miscellaneous Societies**—Agricultural Improvement societies: (hiring of machine, cattle insurance, consolidation of holdings, irrigation, reclamation, collective farming.)

8. **Rural Betterment societies**—Education, sanitation, (Denmark)

4 LECTURES BY M.R.V. RAO BAHADUR A. VEDACHALA IYER, AVL., B.A.

9. Describe the work of a supply society as regards working capital finance, management, membership, and their relative position towards the financing bank and a local union.

10. Describe the work of a sale society as regards share capital management of finance, and its connection with the financing and supervising agencies.

(Also see pp. 8, 9, 10 of Mr. Hemingways' Manual, Chapter VII.)

VII. SYLLABUS FOR A COURSE OF TWENTY LECTURES ON CONSUMERS' CO-OPERATION.

1. BY PROF. RAO SAHEB T. K. HANUMANTHA RAO B.A., L.T. (10 LECTURES)
2. .. RAO BAHADUR K. B. RAMANATHAN M.A., B.L., L.T., F.M.U. ..

1. Co-operation in its narrow economic sense as a form of Association distinct from other forms of association. Distinction illustrated by examples. *Motive, Service, not Profit.*

2. The Place of Consumers in society. Their importance in the domain of distribution and production.

3. How the Consumers are served in the Capitalistic, Profit-seeking, Competitive system of distribution. The evils of the present system. The cause of the evils.

4. The Remedy. Co-operation of Consumers. *The Rochdale Pioneers. Their History.*

5. The Rochdale Pioneers. *Their aims and methods*

6. Co-operative Stores abroad, Statistics.

7. Co-operative Stores in India. Statistics. *The Triplicane store. Its history and progress. Cause of ill success. Its present condition. Suggestions for its reform.*

8. The starting and running of a co-operative store. Members. share capital, Interest, dividends on purchase.

Reserve Fund, Common Good Fund.

9. Management of a co-operative store:—(i) Administration. (ii) Education and propaganda.

10. Federation of Stores for Production, for Education and Propaganda.

BY PROF. K. B. RAMANATHAN. M.A., B.L., F.M.U.

1. The Economics of a Co-operative Store. Relation to the theory of Economics.

2. The Ethics of a Co-operative Store. Moral influence of a store,

3. Co-operation and its relation to Politics. Connection with and Training ground for Politics.

4. Co-operation and Education.

5. Co-operation and the outside Public.

6. The Higher gains: a summary.

7. The chief difficulty in foreseeing and managing co-operative societies.

8. The Co-operative store and other movements like socialism, Syndicalism, Guild Socialism.

9. Co-operative Store and rate help.

10. Wealth and Welfare-Man-making.

VIII. ACCOUNTS OF A STORE (3 LECTURES.)

BY RAO BAHADUR A. VEDACHALA AIYAR, AVL., B.A.
OR BY DEPARTMENTAL CHIEF INSPECTOR.

1. What is a goods ledger, or a stock register; what is its importance in the working of a co-operative store.
2. What is the balance sheet of a co-operative store society; how is it drawn;
3. What additional statements of accounts are to be prepared in a store.
4. How to value the articles on stock.

IX. SYLLABUS FOR A COURSE OF EIGHT LECTURES ON PRODUCERS' CO-OPERATION

BY PROF. P. S. LOKANATHAM M.A.
MR. A. VEDACHALA IYER, B.A.

1. Co-operation as alternative to Capitalistic industry; Producers Co-operation takes two forms; workers' societies proper; Societies for independent producers and artisans; workers' societies essentially a product of modern large scale capitalistic industry; history of the movement in England, France and Italy.
 2. Self-Governing workshops; comparative failure; essential principles for success; limitations; future;
 3. Co-partnership and Profit sharing; Possibilities and limitations; History in England and other countries; examples in India.
 4. Productivity branches of the Distributive Stores (England) How are they co-operative from the workers' point of view.
 5. Producers' Co-operation in India. No great scope for producers' societies of the self-governing type; Possibilities to a considerable degree of profit sharing and co-partnership societies; best scope for artisans' societies, essential principles for success.
 6. Societies for artisans may be organised at any one of the various stages of production; Purchase of raw materials; processes of production; owning of tools and implements; marketing of products; weavers' societies; Cobblers' societies; Metal worker's societies; other artisan societies.
- (2 Lectures:—By M.R.Ry. RAO BAHADUR A. VEDACHALA IYER, AVL. B.A.)
7. Weavers' Societies; what is their working system and what are the difficulties in working them. Difference between these type of societies and an ordinary producer society and a credit society. In what form should loans be given to members of these societies and how credit facilities should be made available to them in yarn or on the security of finished products.

8. What is meant by a labourers society. Is it the elimination of the employer, the middlemen, or the contractor. How can the employers of labour help labour societies. Can labourers themselves work a Producer society.

X. SYLLABUS FOR A COURSE OF FIVE LECTURES ON HOUSING SOCIETIES.

BY MR. R. SURYANARAYANA RAO B.A.

1. Importance of Housing: Problems arising out of it—Influence on the physical and moral life of the people. Conditions in cities and in rural parts. Call for immediate action. Provision of more sanitary houses
2. How it is being solved in other Countries: Efforts made in India also. A short history of the question.
3. Who should build houses?
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 - (b) Municipal efforts.
 - (c) National Efforts.
4. Co-operative Housing: Different kinds of societies:—What is best suited for our country? Building societies' By-laws.
5. A survey of the whole problem and conclusion.

XI. A COURSE OF FOUR LECTURES ON PROPAGANDA METHODS

BY PROF. RAO SAHEB T. K. HANUMANTHA RAO B.A.L.T.
.. S. K. YEGNANARAYANA AIYER M.A.

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OCTOBER 1925.

[No. 4

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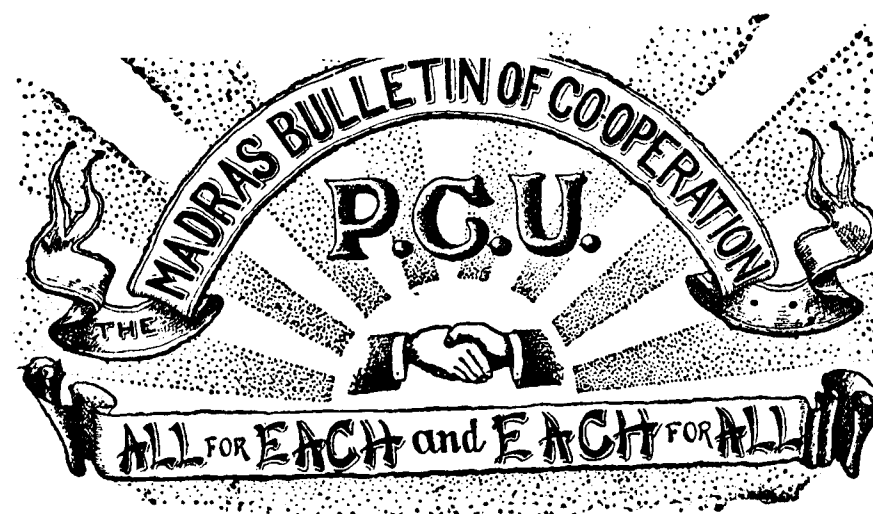
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THE HON'BLE THE MINISTER'S SPEECH AT BELLARY DISTRICT CONFERENCE.

GENTLEMEN,

I thank you most heartily for the honour you have done me by extending to me the privilege of opening this Third Bellary District Co-operative Conference to-day. I am tempted to think that my position on this occasion is somewhat significant of the phase through which the Co-operative Movement is passing at present. As a practical co-operator myself and as the Minister in charge of Co-operation I represent while addressing you, both the quasi-official and the quasi non-official aspects of the Co-operative Movement in our country.

You might have come to know by this time that a certain section of enlightened co-operators in the urban societies have begun to regret what

they consider the "prenatal defect" of the Co-operative Movement. This prenatal defect, they explain as the defect which the movement inherently possesses by virtue of its having had its birth in the mind of the Government in this country, as contrasted with its origin and growth in the popular mind in Germany, the country which was the first home of the movement. They sometimes even go the length of saying that the growth of the movement so far and its further development have been much hampered by this prenatal defect.

True it is, that the Government actually planted the idea of co-operation in the mind of our people. They had before them the ripe experience of western countries like Germany, France, Denmark and Ireland which share with our own country, the common interests in agriculture, and this experience acted as an incentive to start, as an experiment, a well-meant movement for the good of the people. Their experiment has met with ready success from the very start, their well-directed endeavour has borne rich fruit, and their labour has won in the course of a little over 20 years the expressed and unexpressed gratitude of the millions, who have come within the influence of the movement. The Government have had to fight against odds all these years before they could secure a firm footing and stable basis for the movement. The economic system prevalent in our country proved too formidable a foe for the movement to gain even standing ground for the co-operative idea at the beginning. But thanks to the pioneers of the movement, the first propagandists of the gospel of co-operation in our Presidency, Sir Frederick Nicholson, Sir P. Rajagopalachariar and the late lamented Diwan Bahadur L. D. Swamikannu Pillai, the banner of Co-operation was carried aloft gaining inch by inch and storming the very citadel in which the sowcar, the capitalist, and the village money-lender, by virtue of their unassailable position as indispensable units in society, thought themselves secure. Only those pioneers and the executive officers who worked immediately under them know what amount of opposition they had to face, what amount of patient persuasion and resourcefulness they had to use before they could start one urban or rural society. The people, timid and short-sighted as they were, were as suspicious as ever of the motives of the Government, and even looked upon a co-operative credit officers who could lay hands on the defaulter with the utmost ease. It was reserved only for the cultured and enlightened few in those years to perceive in perspective the vista that opened before the co-operator, to grasp the naked simplicity of the co-operative idea and the vast potentialities that lay imbedded in it, and to embrace the co-operative

principles as the only possible creed for the creation of a new order of society. They formed the first co-operators, and as a result of their joint endeavour with the co-operative officers we see Co-operative Credit societies, Co-operative Purchase and Sale societies, Co-operative Distribution societies, Co-operative Banks and Land Mortgage Banks scattered all over the Presidency. Nothing succeeds like success is a verity of common experience. And true to the same, the initial success that crowned their early undertakings has come to mean an earnest of success for the application in various ways of the co-operative idea and for the many-sided development of the movement in various directions. And the successful co-operator who has had a taste of the good that is in store in the movement feels healthily to-day that he will not rest till every village has been induced to participate in the co-operative activities.

But just here, I should like to mention that in the face of inherent difficulties engendered by the long established custom of looking upon the money-lender as an indispensable factor in village life, by the natural timidity of a people to swerve out of the well-trodden path of conservatism, and by the natural instinct of a rigidly conservative people to look with suspicion on any new order of things created by the Government, commonly understood to be ruthless and inexorable, the Co-operative movement has had such marvellous success in quite a short period in this country, only because there was a common faith that the Government were a stable security and an all-powerful and all-wise guide in financial matters. But for the fact, that back of all, the Government stood as the Directors of the movement, it is well nigh impossible that the movement could have survived its initial birth throes. This very 'prenatal defect' of the movement has endowed it with the requisite vitality to stand the test of time and to gradually develop into full life. The Government have not failed on their own part to fully recognise the additional strength the movement will gain in the local influence of non-official agencies, and they have availed themselves of all possible opportunities of giving the movement a further impetus by securing the services of the band of co-operative workers whom we call the Honorary Assistant Registrars. It is no doubt the intention of the Government to surrender in the fulness of time the responsibility of carrying on the co-operative work into the hands of the people themselves, but the surrender will take some time. Only the Government know what administrative discipline, executive caution, and paternal solicitude this child, born under favourable auspices though, yet marked from its birth with this 'prenatal defect' has cost them to nurture it into its present form. And it is naught unnatural that they should feel solicitous also in handing

it over to guardians, who may not have quite realised its worth. We may however expect that with the progress of time the Government will loosen their grip on the movement to the measure to which we prove ourselves strong to support it steadily, till at last it becomes a truly popular concern under popular control. It is against the law of nature that a pupa just come into winged life should evolve *per saltum* into a many coloured butterfly and float into the realm of golden light. It is likewise unnatural that in the first enthusiasm of our initial success in our co-operative undertakings we should think of throwing up the support of the Government which has raised us to our feet and keeps us steady.

Let us pause here awhile and earnestly inquire how far we have proved ourselves worthy of the responsibility to which we lay claim. No doubt the country has awakened to a consciousness of the possibilities of the co-operative movement, and has successfully applied its principles in various practical ways. No doubt there has been a remarkable progress in all urban and rural centres which have started the co-operative experiment. No doubt more or less noteworthy success has attended all our undertakings. No doubt the total membership and turnover of many societies have increased manifold in years. No doubt the directorates and executive committees have proved themselves worthy of wielding larger responsibilities. No doubt the members themselves have evinced interest to a remarkable degree in appreciating and disseminating the co-operative idea in their daily life within and without the society precincts.

But let us now go into a consideration of facts and figures. They will explain themselves. We are in this presidency a population of well over 42 millions. And the Co-operators represent a little more than 6 lakhs. This works to 1 co-operator for every 70 people, which would show that the movement has touched but the fringe of the society. We must however concede that taking into consideration our joint family system and the monetary obligations that such a system naturally imposes on the members of a society, this 6 lakhs represent but vaguely the bulk of the people who are actually benefited by the movement. All the same it cannot be gainsaid that the proportion of those who are in the movement to those who are not, is not at all convincing to show that the movement has become sufficiently popular to demand popular stewardship.

Again it is the very essence of the co-operative idea that it has a dual objective before it to materially help the needy brother out of the slough of despondency, and to morally uplift him to a sense of self-reliance and shape him into an invaluable unit in a new order of society. Of these the material progress can be easily seen in statistic figures. But the moral

or spiritual progress is too elusive a factor to be accurately determined. We may however vaguely read the moral progress or stagnation in the co-operators in the way in which they recognize the co-operator's pass-word of "all for each and each for all." In the new light that has been shed on the co-operators the delineations of an older experience are still discernible. With all goodness of heart and a good will to overlook, we cannot blind ourselves to the fact that there are within the fold to-day a few members with an easy conscience who misuse the privileges that attach to their position to their own advantage at the sacrifice of the common welfare of the society. With all the franchise extended equally to all the members, there are societies still where we often hear of bickerings within the management and the consequent failures of the societies to work smoothly.

If we now turn to the members themselves we are disappointed to see that they are often in arrears. The idea of considering individual honesty as sufficient security to command credit is indeed noble. The idea of joint responsibility thrown upon a society by its unlimited liability is equally so. But if a body politic should function properly every limb and part thereof should fall in position and act harmoniously to a common end. Our doctrine is thrift, our insurance is thrift, our object is to enforce thrift, and to cultivate thrift. To that end we regulate the loans and lay out a list of remunerative purposes to which alone such loans can be used. We discourage extravagance and we encourage enterprise. With all this have we the satisfaction that we have cultivated the spirit of thrift in the average man who is a member of a co-operative society? There are more loopholes than we know of through which the hard-earned coins of a well-meaning member find their way out of his hands. There are more evils in society than we have reckoned with, which lay a heavy hand on his earnings. There are unseen tape-worms that gnaw his very vitals and emasculate him. These must be taken into account and eradicated first.

The average labourer is a person who concerns himself with the struggle of the day and allows the morrow to take care of itself. The presence of hard cash in his hands on the close of the day or the week or the month proves an oppressive temptation. Well-directed intervention at the proper time will reinforce his virtuous leanings. There is no heart completely callous to human appeal. He must be weaned away from inconsiderate extravagances and taught to realise his responsibility to lay by something against a rainy day, not only for himself but also for those helpless creatures dependant on him. It will not be labour lost if co-operators inclined to Social Service cultivate in their less thrifty brethren

the habit of dropping their periodical savings into a home-savings-box, which when they accumulate could be deposited in a village bank at stated intervals. There is ample work in this direction for all well-meaning co-operators.

Now, coming nearer home, co-operation in Ceded districts generally may be said to be comparatively backward and Bellary is no exception. I understand that in the past year a number of new agricultural and non-agricultural societies have been formed but Bellary still lags behind the adjoining district Anantapur. Your Central Bank was registered only as recently as the end of 1920 and has not yet attracted as much local capital as could be wished. In fact more than half the working capital come from the Provincial Bank, Madras. I understand that the arrears due from primary societies is large. This is no doubt mainly due to the unfavorable character of the season in the last three years. But I would like to impress on office-bearers of primary societies the importance of promptitude in payment of loans to the central institution. In hard times when crops have proved a comparative failure it is not easy to find money for the payment of share capital or the repayment of loans. But I hope that all co-operators will combine and use their best endeavours to keep down the arrears as low as possible.

I am glad to hear that the municipal menial employees have been able to form societies for the purchase of cloths and foodstuffs. The three building societies in the district seem to be doing useful work. I understand that 16 houses have been built and 14 more are in process of construction and shall watch with interest the progress of the Cumbly weavers society at Kudithuni which seems to have made a good start and of the cotton wholesale society which has recently been registered. There is wide scope for the development of joint sale societies in cotton growing areas to enable cultivators to obtain good prices for their produce.

I am glad to hear that a district federation of unions is in course of organisation. In this connection I note that four unions in this district have applied for the appointment of Honorary Assistant Registrars. I take this opportunity of announcing that I hope to appoint at least two Honorary Assistant Registrars during the current year.

So far as education is concerned, it is a matter that rests with my Hon'ble Colleague, Mr. Patro, but I shall lay before him your appeal in this direction and so far as I am concerned I shall look into the matter and do whatever is possible with the greatest pleasure.

I once again thank you for the honour you have done me to-day and I have much pleasure in declaring the Conference open.

AN ADDRESS TO J. GRAY ESQ., M.A., O.B.E., I.C.S.,

Registrar of Co-operative Societies, Madras, on the occasion of the laying of the foundation stone of the Crop Loan Union Godown at Orathanad.

HONOURED AND RESPECTED SIR,

This is a unique and memorable occasion on which we are assembled here to-day. Orathanad is an important centre in this part of the district which has been the abode of the Kallar community from time immemorial. For the most part we are owners of small bits of dry land and we have to struggle hard to eke out a livelihood by cultivating them mainly with dry crops. Though the soil is fertile, we have no means of irrigation, and the rainfall being very uncertain, we have to dig wells, bale out water and carry on our agricultural operations as best as we could. The scanty out-turn we thus get is not adequate to the trouble we take. And particularly during the last ten years, owing to the absence of sufficient and seasonable rains we have had to borrow heavily from outsiders at crushing rates of interest and being unable to discharge them regularly as they fall due have been getting deeper and deeper into debt.

It was in the year 1918 that co-operative credit societies were started in some of the more important villages of the Kallar community and they have enabled us to borrow money at favourable rates of interest and to repay the loan in small instalments out of our savings. They were certainly of much advantage to us and we began to borrow from these societies such amounts as were required by us from time to time. But unfortunately for us, a succession of unfavourable seasons has increased our difficulties and crippled our means. In order to meet some of the very pressing demands we were forced to sell off our produce even at the threshing floor, at very low prices. By doing so, we were not only not able to meet our demands in full and had also to incur fresh obligations and to lose the profits we would otherwise have made by stocking the produce and selling them when the market price was favourable. As a consequence, our arrears to the societies began to increase and in many cases, the societies have made use of the coercive processes provided for under the Act to recover the dues from us. The Central Bank authorities refused to grant loans to some of our societies and the members lost heart and grew despondent. To help us out of our difficulties, the Assistant Registrar took part in our annual gathering at the temple festival at Kovilur in 1923, and discussed with us our position and the methods by which we could get free from our troubles. He then suggested to us the idea of pledging our produce to co-operative societies and borrowing on

the security of it, thereby enabling us to sell the produce at favourable markets and also avoid borrowing even for our maintenance. We agreed to the proposal, in case facilities were provided for us. The crop loan arrangements were then initiated in January 1924. This being the first year of novel experiment, the ryots have not availed themselves of the advantages of the system to any very large extent. Some thought that their produce if entrusted to the societies would be appropriated for arrears of debt and some thought their produce could not be so safe in the godowns of the societies as in their own homes. Owing to many such misconceptions much of the produce of the neighbourhood was withheld from the crop loan godowns. They are venturing only part of their produce to see how the scheme works. But owing to the energetic propaganda of the directors of the crop loan unions and the steps taken by them for the safe keeping of the crop entrusted to them, confidence is being infused in the minds of the agriculturists in an increasing measure. They feel encouraged and strengthened. In the crop-loan-banking arrangement they see before them a plan for paying off all previous debts and for doing their business with ease. We have therefore become convinced that in order to place the system on a firm footing, a safe and convenient godown wherein to stock the produce entrusted to the crop loan union is quite necessary. It is in order to lay the foundation stone for such a building that we have invited you, honoured and respected sir, here to-day, and in doing so, we hope you would be sowing the seed of our future prosperity which we hope under your valuable guidance, would grow and spread light and affluence where there was darkness and poverty before. The inauguration of the Mettur Project the execution of which we understand will be started soon, fills us with hope and our prayer is that our longings for water supply will be satisfied within a measurable distance of time. The present scheme when fully developed will fortify our position and enable us to face the changes that may come over the country by the advent of irrigation and withstand the possible exploitation of capitalists and speculators.

We are grateful to you for having taken the trouble to be here to-day amidst your many pressing duties. We consider ourselves fortunate to have in our midst Mr. P.L. Moore, Member of the Board of Revenue, and Mr. Hood, formerly our Registrar and now our Collector, who has been all through evincing a very keen interest in our economic uplift in general and this scheme in particular.

We are deeply indebted to the Central Banking Union authorities and the officers of the Co-operative Department for the very valuable help

and guidance they have been giving us at every step: to them all, and to the other friends and brother-co-operators who are assembled here to-day to strengthen the movement with their presence, we beg to convey our heartfelt thanks.

With these few words, honoured and respected sir, we, the directors of the Crop Loan Unions, request you to lay the foundation of the Crop Loan Union Godown Building.

We beg to remain

Your most obedient servants,

*The Directors of the Crop Loan
Unions of Orathanad.*

21-8-1925. }
Orathanad. }

MR. GRAY'S REPLY

On the occasion of the laying of the Foundation Stone of the Crop Loan Union at Orathanad on 21-8-25.

The interest and importance of the function which has brought us together to-day are not to be gauged by the size or cost of the modest little building of which the foundation stone has just been laid. Its significance lies in the fact that we are celebrating the foundation of a new type of co-operative organisation and that it indicates the achievement of a definite stage in the development of a line of co-operative activity which is full of hope and promise for the economic betterment of the smaller agriculturist.

2. The ryot in this Province like his brother agriculturist elsewhere in India and in other countries has necessarily to depend to a very large extent on credit for carrying through his agricultural operations and it does not follow that as his economic position improves his need for credit will diminish. On the contrary the growth of rural indebtedness may go hand in hand with increasing prosperity amongst the agriculturists.

3. Rural co-operative credit societies have been established not merely for the purpose of supplying capital to the ryot for productive purposes at reasonable rates of interest and on easy terms as regards repayment but also for the purpose of educating him in the proper use of credit. Only a very small proportion of the money lent to those societies

Pictures wirelessly from London in 20 minutes appeared on Monday in New York newspapers through a new process called photo-radiogram developed by the Radio Corporation of America.

The pictures were transmitted from the Marconi House in London after being translated into radio impulse.

by their members is devoted to purposes which are non-productive but in spite of the vast and rapidly increasing network of such societies throughout this Province the small agriculturist still does not reap the return which he might reasonably expect from his labour and investment. The remedy is to be sought not only in the further development of rural co-operative credit on the present lines, but also in the development of some system under which the credit at the command of the ryot for productive purposes may be increased without in any way affecting the stability of the arrangements under which the co-operative movement is at present financed. One of the objects with which crop loan unions have recently been started in this District at Orathanad and at Vallam is to afford the ryot such increased credit facilities. Hitherto he has had to rely upon his village credit society which lends to him either on sureties or in the case of long term accommodation on the mortgage of immovable property. Owing to the restrictions and the limitations which have necessarily to be imposed to secure financial safety in such transactions, the village credit society is very often unable to give its member the full credit facilities necessary for their legitimate requirements. By pledging his produce as collateral security and depositing it in the godowns of the crop loan union the ryot can obtain credit more readily and freely than under the system which prevails in the ordinary rural credit society. Such crop loans enable him to hold up his produce for a favourable market. In order to eliminate risks the business is confined to those on food grains and other similar products which are not subject to violent fluctuations in price, but which usually rise steadily in price for some time after the harvest season. It is well known that in the case of such products the ryot is placed at a great disadvantage if he has to sell at or soon after the harvest. The system of granting loans on the pledge of produce is bound to become popular with the ryot because of the obvious advantages derived and with the District Bank because of the safety of the investment. But in addition to the profit which the ryot will derive by holding up his crops for sale at a higher price the crop loan unions will eventually enable him to obtain all the advantages of dealing direct with the large buyer and thereby eliminating

Fleeing the Consumer.

How the consumer is fleeced by private enterprise was revealed in the House of Commons recently.

The Prime Minister was asked whether he was aware that from 1913 to 20 a well known retail store paid dividends amounting to 1,633% on its capital, addition to share bonus equal to 900% of the capital, and whether an enquiry would be called to consider the alleged profiteering of middlemen and retailing.

Mr. A. V. Alexander: All the relevant information will be taken into account in considering the matter mentioned in the second part of the question.

the profits of the middlemen. The next step in the development of these crop loan unions will undoubtedly be co-operative marketing as members who deposit their produce in the crop loan union godowns will readily realise the advantages of selling in large quantities through their co-operative organisation.

4. The advantages of the system have only to be sufficiently understood to be appreciated by the ryots. The safety and security afforded by the system will undoubtedly appeal to the Central Banks but it is impossible to overlook the fact that there are real difficulties in the way. The first essential for success is of course capable and thoroughly trustworthy management. I am hopeful that the rural co-operators in this area will prove themselves equal to the task. There is another difficulty of a general character which has already been experienced here and will be experienced in other rural areas if the system is extended and that is the difficulty of securing proper storage accommodation for the large quantities of produce involved. For the proper working of the system fire proof and rat proof godowns are absolutely necessary and this means capital expenditure, on a large scale. A suggestion was made at the last Provincial Co-operative Conference that in order to overcome this very serious obstacle to the rapid development of the system of crop loans financial assistance from Government will be necessary. I am at present engaged in collecting the information necessary for the examination of that suggestion. I congratulate the co-operators of this District on their decision to make a beginning in the matter of providing godown accommodations without asking for Government assistance and without waiting to see what may result from the suggestion of the Provincial Co-operative Conference regarding the question of state aid. The development of the spirit of self-help, as you are aware, is one of the objects mentioned in the by-laws of every co-operative society and I am glad to find in this area such practical realisation of the ideal.

5. I would congratulate the gentlemen responsible for the management of the two crop loan unions, Orathanad North and Orathanad South, upon their wise decision to meet the cost of their buildings out of their share capital. I would congratulate them also upon the co-operative spirit which they have displayed in combining for the construction of a building common to both societies.

But for this decision it would have been impossible to commence building for some time to come. I hope that similar harmony will prevail in all their future working and that they may grow and develop, to the economic improvement and increasing prosperity of the agriculturists in this part of the District.

The greatest hindrance to all progress is the failure to understand the other fellow's point of view.

AGRICULTURAL EDUCATION AMONG THE MASSES*

That education has been unmaking agriculturists was the complaint in many civilised countries like America. The tendency of the educated man to live in towns is not at all confined to our country. It has been seldom possible here to get the really educated man to take to agriculture and to lead a contented and happy life in a rural area. As a result of this it is also felt that in the same family the unfortunate amongst brothers who was unsuccessful in his educational career goes back to his lands as a matter of necessity. Thus in many rich families there is a sort of aversion created to farming as it is meant to be the profession of the failures. By this process of selection as a rule the least intellectual of the brothers of a rich family goes to manage or cultivate lands and the man who could not get into schools on account of his poverty also happens to be the farmer of the village. Perhaps the largest proportion of the present day farmers belongs to the latter class. This is quite an unfortunate state of affairs which retards progress in farming.

It is not within the scope of my short paper of to-day to go into the details of the cause or causes that create this situation. I confine myself to the best way of educating the man behind the plough who is as a rule both illiterate and conservative. He is destined to follow this walk of life often quite against his own will. He has to be taught improved farming by a system of practical coaching in which the results must be made to actually pay him better. This is the work that every agricultural propagandist is doing now. I therefore propose to place for discussion before you the all important line of work of the agricultural officers in order to obtain more information on the subject from all practical points of view.

We all know what low percentage of farmers we come across condescend to hear an agricultural demonstrator. In how many instances a demonstrator gets the sympathetic request to go home before the sun gets hot when he would have actually wasted time over his courteous farmer friend, is all facts too well known to the worker in the field. Out of the small number of patient hearers we get a very small percentage to adopt improved methods even half-heartedly. Thus the number of actual farmers to follow improved methods of agriculture is but a few men in every ten thousand. We also know the enormous extent of work we had

* A paper read at the last Agricultural Conference at Coimbatore.

The latest step towards securing a pure milk supply for London is the provision of a glass lined motor tank for collecting milk. The tank will hold 1,200 gallons and will collect from country dairies, thus cutting out handling as far as possible.

to do for what we have achieved hitherto. My idea is that we must be able to concentrate our energies on teaching the farmer about our methods in a more telling manner. The results obtained at the various Government farms far or near a farmer's home do not appeal to him strongly enough to prompt him to act up to the demonstrator's advice; because the farmer generally believes that we are spending enormously on farm crops without any economic justification. The demonstration plots opened by rich farmers also share the same fate as the farm plots in their effects. In this case he attributes the better results to the good luck, also of the rich villager. It is not therefore easy to get an ordinary poor farmer, to adopt new methods in his cultivation till he gets convincing results. I therefore want that the responsibility for the apparent risk, which deters him from adopting improvements should be divided among the members of a Society. Several individuals in a village should have pecuniary interest in an undertaking like this so that they may be well impressed with the results. There should also be several plots to prove one and the same item of improvement in a village so that the accidental failures of any one may not for ever block the way of improvements in that locality. Such an organisation of farmers can more easily learn to grow crops according to the changing needs of the market and to effect joint sale of the produce or purchase of their needs in a really co-operative sense.

The best organisation for it may, in my opinion, be a rural co-operative producing society. The society to do this work is necessarily different from the present co-operative societies that easily give loans without increasing the capacity of the borrower to repay it and of which I had the privilege of reading a paper in this very hall last year. This society is to teach primarily the work of scientific farming for which alone it may obtain loans for individuals and never for unproductive purposes. It is as you all know such producing societies that improved the profits from all sorts of rural industries in civilised countries especially when they began with the poor farmer. Therefore there is no reason why a similar move should fail to yield the same results in this country where agriculture is the national industry of the people but remains mostly in the hands of poor farmers.

To gain this end four or five members at least of each society so formed must be prepared to try one or two cheap items of improvements repeatedly for three or four years in the same village under the immediate guidance of a demonstrator. The necessary funds for this purpose may

If your means murder, and medals, business means betterment, brightness, and benefit.

be partly subscribed by the members as share capital in addition to what the District bank may advance them by way of loans. Loans may also be received by the society under agricultural loans act. The plots meant for this must be selected by the demonstrator who may be made entirely responsible for the successful cultivation of these demonstration plots on the most economic lines laid down by a resolution of the society with the demonstrator and sanctioned by the Circle officer. A discussion based on the money interests of the farmer in a society on agricultural points will give the necessary theoretical information to improve the outlook of members. Thus the society in course of time will be capable of dealing with questions like small trades and industries connected with agriculture, education of villagers, sanitation and other forms of useful activities. The chief item of work of a demonstrator should then be the work relating to these demonstration plots in order to show the farmer in his own fields the value of improvements in his own Rupees Annas and pias. After a couple of villagers have been so dealt with by a demonstrator from a centre the work can be shifted on to new centres while older centres can deal with higher lessons involving more elaborate and costly items of improvement.

The rate of progress is expected to be indeed faster and more permanent when work is done on these lines. The demonstrator will have a more definitely settled programme to follow. He will come in closer contact with the actual ways of the farmer sooner and find the solution for the many more problems which may be peculiar to each locality. Because this system of working actually shows the money value of each item of improvements per acre the farmer will be taught to look at the economic aspect of his business in every detail. It is the want of this knowledge regarding his work that keeps him at a disadvantage and impoverishes him. If something is not done at once to teach the farmer about the faulty economics of his time-honoured ways of farming this country cannot make any material advance.

The time seems quite opportune to awaken interest in the subject among the rural population as considerable spade work has been done in the villages during the past twenty years. The villager knows now what the department is for and can surely and safely take up such work as mentioned above.

K. UNNI KRISHNA MENON,
Assistant Director of Agriculture, Tellicherry.

He who forgoes his own friends meanly to follow after those of a higher degree is a mob.—Thackeray.

HOW CO-OPERATIVE SOCIETIES CAN ASSIST IN GETTING TRAINED MAISTRIES FOR PRIVATE FARMS.

In my article on "How Local Supervising Unions can assist the spread of Private Demonstration Farms", I gave a hint about the advantages of maintaining trained men by each Union. Let us now see what important part the Maistries and Field Labourers play in the advancement of Agricultural Improvements.

2. Of the several impediments that stand in the way of the progress of Agricultural Improvements, the Pannai Servant is the chief. The landlord is naturally eager to improve his land and get as much profit as possible from it. When a new implement is introduced or economic method of cultivation is suggested, the landlord wants to give a fair trial to the implement or to the suggestions. But the Pannai servant who is accustomed to his time honoured country plough thinks in his ignorance that it is the most suitable implement in the world and that no other can equal it in efficiency. He therefore condemns the improved plough on the very sight of it. He says that it is too heavy for the bullocks of the tract, and too costly. On the compulsion of his master he may give it a trial, but, as he does so with a certain amount of dissatisfaction, the work turned out is inefficient. In some cases the landlord thinks that the 'Pannai' servant is quite right and congratulates himself that he did not waste his money on the implements. In some other cases the landlord knowing that his 'Pannai' servant has not worked it properly goes in for the implement hoping that he could bring round his servant to work it properly. He insists on the implement being used. But a few days later he finds the implement broken and thrown away in a corner or a lumber room. How many landlords have purchased such improved implements and thrown them away in a corner? If the 'Pannai' servant or the maistry has as much interest as the landlord, this would not happen.

3. The Landlords, therefore, should find every means to free their maistries and field labourers of their ignorance and prejudices and educate them in handling up-to-date implements etc.

This can easily be done by giving them a few months' training in some of the Government Farms. As the readers are aware the Government have opened experimental Stations in the several tracts of the Presidency. Deputy Directors of Agriculture who are in charge of these farms will always be ready to take a limited number of special cultivators, maistries and field coolies for training in the different farms.

Most rice is due to suppressed perspiration

4. Here is a large field for the Co-operative Societies to work upon. If all the members of a Society cannot send their men for training in a Farm, they can send one in common. The trained men will in turn train his co-workers.

5. To facilitate correspondence a list showing the names of the Agricultural Farms with their location and the Deputy Directors in charge of them is given below.

Agricultural Station.	District	Deputy Director with headquarters.
1. Anakapalli ...	Vizagapatam ...	Deputy Director of Agriculture I circle, Cocanada.
2. Smalkotta ...	Godavari ...	do
3. Guntur ...	Guntur ...	Deputy Director of Agriculture, II circle, Guntur.
4. Chintaladevi ...	Nellore ...	Deputy Director of Agriculture Live-stock Lawley Road, P. O. Coimbatore.
5. Hagari ...	Bellary ...	Deputy Director of Agriculture, III circle Bellary.
6. Nandyal ...	Kurnool ...	do
7. Palnr ...	S. Arcot Dt. ...	Deputy Director of Agriculture, IV circle, St. Thomas Mount.
8. Kolpatti ...	Tinnevely Dt. ...	Deputy Director of Agriculture, VI circle, Madura.
9. Taliparamba ...	Malabar ...	Deputy Director of Agriculture VII circle, Tellicherry.
10. Central Farm ...	Coimbatore ...	Superintendent Central Farm Coimbatore.

M. KULANDAS,
Offg. Deputy Director of Agriculture,
V Circle, Trichinopoly.

'Twas eventide. The boy stood on the bridge, clapping his hands vigorously. Beyond the brow of the hill a dull red glow suffused the sky.

"Ah, little boy," remarked the sentimental stranger, who was rather near-sighted, "It does my heart good to see you appreciating that beautiful cloud effect."

"Yes, sir," replied the boy. "I've been watching it for ten minutes." Upon his face appeared a smile of radiant bliss

"A real poet, without a doubt. And do you watch the sunsets often, my little boy."

"Sunsets? Why, that ain't a sunset, guv-nor. That's the village school burning down."

EXTRACTS.

1. BOMBAY CO-OPERATIVE INSTITUTE LEAFLET.

Co-operative Educational Societies.

It is now recognised that there should be at any rate an equality of opportunity for all and that towards that end equal educational facilities should be provided alike for the rich and the poor. Philanthropic, no doubt, helps a few students. The institution of scholarships and fellowships enable the more intelligent among them to receive higher education: but as matters stand at present an appreciably large number of middle class students and those lower still in the social strata are denied those opportunities of cultural and material betterment which should be theirs in these progressive times. The loss is not only theirs but of the country too for the strength of a chain is the strength of its weakest link and the place of a country in the progress of civilisation is determined not by the few tall poppies it can boast of, but by the general level of understanding of its people.

Co-operation will not work miracles; but it will bring education within the easy reach of all who may care to avail themselves of it. Those familiar only with the present restricted sphere of co-operative activities may well ask how. Co-operative Hostels and Book stores will go some way in lowering the cost of education; but for a genuine solution of the difficulties of needy students we must look to the organisation and growth of Co-operative Educational Societies. An educational Society will be able to collect funds by the issue of shares and by deposits from members and sympathisers. Out of the capital thus collected it can grant long term loans at a fair rate of interest to deserving students and recover them by easy instalments within a specified period. Charity without any expectation of return may do good to the soul of him that gives. But it is very likely it may wound the self-respect of the recipient or demoralise him. A loan without the nightmare of usurious interest is just the thing a poor student aspiring to receive higher education in India or in foreign lands will highly appreciate and if the society be run on proper lines the shareholders also will not only lose nothing but may well expect a reasonable return on the capital they invest.

There is another way in which Co-operation can be harnessed to the cause of education. People living in a particular locality may start a school on co-

If the cap fits, wear it:

The School Board visited school the other day, and, of course, the principal put his pupils through their paces for the benefit of said austere board.

"Henry," he asked, turning to one boy.

"Who signed Magna Charta?"

"Please, sir, 'twasn't me," whimpered Henry. The teacher, in disgust, told the boy to sit down, but old Jed Smith, Chairman of the board was not satisfied. After a well-directed aim at the stove, he said "Call back that there boy. I don't like his manner. I believe he done it."

operative basis the profit from the enterprise being distributed as rebate on the fees paid by the students. Such co-operative schools, object lessons in co-operation will however take some time to start. In the meanwhile sustained efforts should be made to organise Co-operative Educational Societies by all those to whom the cause of education is dear.

Like Housing Societies Co-operative Educational Societies will have a better chance of success if run on communal lines because most often only the members of the same community can vouch for the bona fides of an applicant for loan and offer to stand sureties for him. It is again a common experience that barring a few broad-minded gentlemen people are found more willing to help the educational advancement of their own community than either of the city or the district to which they belong. Where however the local sentiment is sufficiently strong as in some compact rural areas it would be advisable to form co-operative schools either imparting general instruction or giving training in agriculture and the local industries if any. Of the former type are the Dashed Co-operative Educational Society and the Saraswat Co-operative Educational Society and Provident Society both in Bombay and of the latter the Charotar Co-operative Educational Society in Kheda District in Gujarat.

There are also some large Trust Funds which give loans to students like the Hindu Trust Fund, the Tata Fund, the Parwad Education Fund, the Sir Vithaldas Thackersey Fund besides some communal funds. But with regard to these institutions there is the difficulty of recovering the loans advanced if the students refuse to pay them except by recourse to a Court of Law.

Co-operative Societies however are saved from the unpleasant step as they can resort to arbitration. In cases of dispute between a co-operative society and its members the Registrar of Co-operative Societies on application from the society appoints an arbitrator to try the dispute and his award subject to appeal to the Registrar is final. It is a very cheap and expeditious method of bringing recalcitrant members to book and greatly facilitates the work of Co-operative societies.

It is hoped that this type of Co-operative Society will appeal to the Educationalists in the Bombay Presidency.

The Bombay Co-operative Institute will be glad to supply any further information regarding such societies, and to supply model bye-laws.

(Bombay Co-operative News—page, 192.)

Human foresight is never quite adequate to the inexhaustible casuistry of life.

II. BRITISH CO-OPERATORS AND BRITISH AGRICULTURE.

A letter from Mr. Henry W. Wolff to the Editor of the Co-operative Official.

Having pleaded for the action of Co-operative Union on agricultural ground for so many years I was of course delighted to learn that that course had been decided upon. And a discussion of the Southport Congress, the masterly Pleading of Mr. Alexander couched precisely in the right vein and the ready and indeed enthusiastic reception given to it by the Congress are exceedingly heartening more particularly after the disappointing coolness given to the invitation of the Central Board to take action among co-operators after the passing of the late Lord Harcourt's two small Holdings Acts of 1907 and 1908. Like Mr. Lloyd George and some other leading statesmen our co-operators have at length awakened to the fact that in the matter of agriculture there is a great task to be performed for the benefit of the country which only co-operation can accomplish triumphantly and for the accomplishment of which co-operation which has so grandly proved its unselfish patriotism during the Great War, unquestionably will gladly lend its hand. The precious inheritance of our land with its good soil and favoured by a climate stimulating to vegetation is running to waste. It is humiliating to think that after we have so long held the pride of place among nations in the matter of agriculture, we have been excelled by our neighbours all round so as to have fallen to the lowest room. Mr. Lloyd George has pointed to the example of Denmark. The Danish example is indeed a brilliant one but there is the same lesson to be learned from Belgium, the Netherlands, and as Sir Thomas Middleton has shown in his masterly report from Germany. Germany indeed in the matter of yield per acre is, after having been only sixty years ago still our humble pupil, miles in advance of us and beats us hollow. And everywhere it is co-operation coupled with education, which we know is a sure by-product of co-operation, which has brought about this result.

It is not to be wondered at that in view of this we should have tied our hand at organising co-operation for agriculture. But we have attempted the task in such a faulty way that it is no wonder that there has been no progress. One great and fatal mistake of course was the acceptance of Government money of which a considerable amount has been wantonly thrown away and the subordination of proposed organisation to the Ministry of Agriculture. Mr. Alexander did well to put his foot down firmly against the suggestions of a begging of money support from the State. Why that has been the ruin of the A. O. S., as it was bound to be. I am not talking without book. Look at the co-operative movement in India with the preparation for which I have had something to do. My advice has been adopted there and in his speech introducing the Co-operative Act of 1904 Lord Curzon paid me the compliment of saying that it was not from stinginess, but in deference to my opinion which

Cars are cheap in America. It is reckoned that there are from 14,000,000 to 15,000,000 motor cars in the United States. The agricultural state of Texas has more cars than the whole of the United Kingdom. In Great Britain there is a car to every 100 persons; in California one motor vehicle to every four persons.

was that State aid was cut down to a minimum. The result has been a brilliant success. Even in India State money has proved superfluous. We have now over 2,500,000 of co-operators enrolled in India and we might have many more if the Registrars had not deliberately and wisely restrained the movement so as to keep it as pure as possible. And a native Registrar has declared in one of his reports that co-operation is the best boon that India has ever received.

The miserable fiasco has shown afresh that co-operation cannot be organised from above by intending patrons operating with however excellent intentions for others and not well versed in co-operative principles but must be undertaken by the intending beneficiaries themselves and certainly by people who understand co-operation. That is why in 1905 I was so anxious to link up our movement intimately with that of the co-operative Union. I wanted co-operators from the Union to instil co-operative principles into our backward agriculturists to show them how to proceed, and generally, if I may use the term to go and co-operatise our professing co-operation. I wanted the C. W. S. to become our Wholesale Society. We would not have found a better. I wanted the co-operative Insurance Society to become our insurance society; I wanted the C.W.S. Bank to become our apex bank. All this was frustrated.

But we have now a fresh field before us. There is really more to be done than purely organised co-operation; for as our agricultural system is still to a great extent the system of our grandfathers our land system which lies like an incubus on agriculture is antiquated and out of date. The whole thing wants to be democratised. But that is just what Co-operation can best accomplish. Let it be granted that the bulk of our distributive co-operators know little or nothing of agriculture. But they are the men of the same class as those by whom we hope to see our land peopled acting not as having their hands and feet tied by covenants but acting freely and reaping the full cultivators' under-labours. Our co-operators understand co-operation and can therefore make our cultivators understand it. For the principles of co-operation remain the same in every form of application; and our co-operators come to the cultivators with a precious gift in their hand in the shape of the benefits of distributive co-operation and of the turning to account of the produce delivered at its true but also its full price.

Not only every co-operator but every patriot must wish the new enterprise glorious success; and knowing what is the need of agriculture and what our co-operators can accomplish I have not the least doubt that in their useful work they will succeed. So wishing the movement godspeed.

(The Co-operative Official—Page 185, 186)

The Kids Own School.

New York. "An opportunity for boys and girls to live their own natural lives through initiating their own endeavours according to their standards rather than according to the standards of adults." That is what a public school should be, says the New York Teachers' Union.

REVIEWS.

A BOOK BY Dr. NORMAN LEYS ON THE TRUE SITUATION IN KENYA.

A REVIEW BY PROF. C. S. SRINIVASACHARI.

Kenya by Norman Leys (Fulani bai Fulani): with an Introduction by Prof. Gilbert Murray.—2nd Edition—The Hogarth Press. London 1925 pp. 409 price 15.

Dr. Leys, for over twenty years, in the medical service of different parts of Africa, both Portuguese and British, has brought out this book after years of hard preparation and thinking—thinking "with sympathy for both sides, in order to understand and if possible devise better ways of handling the vast problems that obscure the relations of governors and governed in Africa." He very carefully avoids disquisitions on dangerous notions like the equality of mankind, on natives providing markets for European goods and labour for speculative enterprises, on the theories embodied in the Covenant of the League of Nations. He goes into the actualities of the points of view of the 'colonial' as well as of the 'native,' embodying the results of thousands of questions put to Africans of all shades and numerous Indian and European informants and helpers; he has got at opinions unwelcome to the Europeans, got at by listening to Africans talking among themselves and attempted to bridge the gulfs between the average colonial opinion based on the assumption of 'native' inferiority and exposed to perversion by prejudice of race and class and public opinion in England "sentimental, disinterested and genuinely anxious for justice, but grievously crippled by ignorance and lack of understanding."

The book is rich in accounts, historical and general, of how East Africa was attempted to be colonised, actually exploited and consistently drained of its man-power by Arabs, Portuguese and subsequent waves of parasites, planters and slave-raiders. Rightly it is pointed out how Africans, unless they be Christians or Moslems, scarcely ever resent being treated as inferiors and even injustice; while the most miserable point is that centuries of wrong have stained and seared and blackened men's hearts and have made them unfit to be free. Especially in Kenya and generally in British East Africa, the land policy followed has deprived tribe, chief or individual tribesman of every vestige of right and there is not at the present day one tribe in Kenya which has not suffered during the past twenty years some contraction of its reserves on closed areas. This land-policy of Government is the clue to the true interpretation of all that is characteristic of life in Kenya, and to some extent in all Eastern Africa. "The writer gives us some telling instances of the unlimited influence exercised both over policy and in actual administration, by rich concessionaires; and we are shown how these have frequently contributed to the breaking up of tribal organisations, e. g., that of the Masia. He also regrets the

A woman treats her husband as a maid treats china; The more he is worth, the more she tries to break him;

practice too frequently followed, of appointing men to administrative posts who have no inner knowledge of African life and show no readiness to defend the rights and interests of Africans. More than 9 million acres were given away in some seven hundred separate grants to Europeans; the policy of alienating land to Europeans for commercial purposes was persisted in till 1920; and most of the land not yet alienated is worth very little, and some of it is probably promised, not yet registered. No precedent for such expropriation of native rights has yet been found in British Colonial or Imperial history. We are pertinently told that the Europeans of Kenya are in a unique situation which has reacted on their minds and habits and warped them. The public school and ex-officer type of Englishman supplies "the pepper and ginger which form so large an ingredient in colonial politics." "There are more of the kinsmen of Hawkins and Clive in Kenya than of Wilberforce and Sharpe." But the bulk of the Europeans in the Colony are none of these and are mainly shop-keepers, shop-hands and artisans in Nairobi and working farmers in the country-parts; their lack of prosperity leads to their political self-effacement: and these play no outstanding part in the events of the Colony's history. The blame is not theirs; nor is theirs the responsibility for the crimes of the Europeans.

One of the Central problems in Kenya as in other Crown Colonies and tropical regions is the way in which crimes committed by Europeans on natives, mainly labourers, condoned without being publicly and privately reprobated. This is what involves the whole European Colony in whatever guilt those who commit the crimes can be rightly said to bear. The labour problem which has become very acute in the last half-a-dozen years, is insoluble on account of the insistence of the European employers on the Africans working all the year round while the latter require to be allowed to be slack and return to their houses during the dry season. The policy of the European Colony tacitly supported by both Downing Street and the Nairobi Government House involves, first, the transference of the able-bodied male population to the alienated area from its homes and secondly looks only to the final financial and industrial prosperity without caring for the fate of native labour. Not every East African Governor has been a hearty supporter of this policy, but such as doubted its success were not able to reverse the movement of vested interests. It has always been the sin of the officials that their face has been consistently set against the self-sufficiency of the tribes. They have also strenuously been spreading the doctrine that the Africans in Kenya are always lazy work-strikers, and on this idea Lord Milner relied for his defence in Parliament of the compulsory labour regulations which required 60 days' labour for any Government department from those Africans who could not prove that they had worked for wages for at least three months out of the preceding twelve. On the other hand the Colony contains a larger proportion of white work-strikers to the total population.

Sir Henry Irving, the famous English dramatist, gave 240 performances in America and earned £116,516.16.9.

It was the Indian agitation and the War that made the Kenya Africans begin to think about politics. Now that some champions of the Kenya whites begin saying that the interests of Europeans and those of Native Africans in Kenya coincide, it is "something less than honest, especially when these same people are constantly suggesting that the interests of Indians are inimical to the interests of both the other races." (p. 208). This is due to the fact that Indian agitation has completely absorbed public opinion in Kenya. One fundamental fact which could not be controverted or overlooked is that European immigration has not filled and cannot fill those spaces in Africa left empty by the slave-wars and by the kind of exploitation which, since slavery was abolished, has prevailed in the French and Belgian Congo as well as in Kenya. This could be done only by Indian immigration. Opposition to the Indian demands is not merely economic in its essence, but is mainly due to race-feeling to which "certain fallacious economic ideas are enlisted in support." The publication of the Wood-Winterton agreement approved by the last Coalition Ministry and admitting Indian claims to franchise and to free immigration but maintaining the exclusive right of the Europeans to the ownership of the highlands and followed by the Devonshire Despatch of 1923, produced a violent political storm. There is no evidence forthcoming as yet that the European Government has changed its views; and its last manifestation is the reactionary spirit embodied in the new Education Bill of 1924.

The book is a very good summary of the situation in Kenya as it has been developing during the last thirty years—a period of momentous struggles and radical changes, in all aspects of life, commercial, financial, industrial, political and religious. The essence of the economic situation in Kenya is that it is the full and perfect expression of the capitalistic system; and for this the European colonists are mainly responsible. Extremes have met in the land in the forms of primitive tribalism and of capitalism at the height of its power; and besides Indian opinion is inflamed and jealous and intensely resentful of the scarcely-veiled partiality shown to the Europeans by the local authorities; while local European opinion is determined to resist by violence, if it need be, any substantial extension of its own privileges either to Africans or to Asiatics. Thus the political situation is unique in Kenya and the issue in its naked form is primarily whether race and colour form the true distinguishing mark of social superiority and political capacity. According to our author, the main remedy would lie in the stoppage of political control given to the European concessionaires of land and in a vigorous encouragement of the native worker and wage earner and peasant to be independent and self-supporting. European opinion would naturally fight against both these, and specially against any sustained effort to increase native production. But the Supreme and Parliament should not allow themselves to be coerced by European planters who might destroy the good fame of Britain and alienate beyond the possibility of restoration the confidence of all Asiatic and African subjects of the Crown. The Indian problem naturally merges itself in the larger issue of white *versus* coloured men. Greater wealth

A community twenty years from now is just as strong as its schools are to-day.

is indispensable to the native; though it should not be the chief educational aim. The future, especially in the immediate years, is very dark and heavy, but with the true Christian's hopefulness, the author still hopes for Africa's sons the long-delayed victory of justice and calls on us to forget "the endless scroll of past failure on which the names of men of every race are written." We wish that the Indian problem, which is the solvent of the present unrest in East Africa had been discussed at greater length; but this is primarily a vindication of the rights and claims of the African and a vigorous plea for his uplift to full manhood.

REPORTS OF THE COMMISSION ON AGRICULTURE, IRELAND.

The Commissioner was appointed in November 1922 to enquire into and report on the causes of the present depression in agriculture and to recommend such remedies as will secure for it and its subsidiary industries an assured basis of future expansion and prosperity. It was composed of nine eminent men representing the varied official and non-official agricultural and labour interests and was presided over by Prof. J. P. Drew, Professor of Agriculture, University College, Dublin. The Commission held 74 sittings in 1923 and collected evidence from a very large number of well-informed persons, representatives of the I. A. O. S. Owing to the urgency of the questions involved it was thought necessary to issue five interim reports on Tobacco growing, marketing of butter and of eggs, agricultural credit and licensing of bulls. The final report included a minority report signed by two members. A perusal of all these reports shows that the members have left no stone unturned in correctly understanding the causes of the agricultural depression and in suggesting suitable remedies for the same. They have boldly and forcibly expressed their views and their sincerity of purpose and their desire to make the reports useful to the country are very striking.

The Commission find that the causes of the present agricultural depression are world-wide and are the result of the Great War. The purchasing power of the people has been considerably lowered and the instability of European currencies has made international trade difficult. Moreover, the cost of production has also increased. The majority report says "Cereals of all kinds can be brought cheaper than they can be grown." This may probably be a slight exaggeration.

The Minority Report gives some very interesting ideas regarding the purpose of agriculture and the function of the farmer in national economy. The opinion is emphatically expressed that the State policy respecting agriculture must be guided by a clear recognition of the principle that in the utilisation of the national resource, including the land, individual self-interest must be subordinated to the national welfare, that the farmer, as landholder, must learn that he holds

In 1920-1921 the Belgian Government spent 56 million francs in encouraging the building of cheap houses, 180 million francs in 1923 and 150 millions in 1924.

his land in trust for the nation, and, as trustee, it is his absolute duty to make the best use of his land for the nation's benefit, even though occasionally and temporarily his own interests seem to be not reconcilable therewith and that it is one of the functions of the State to endeavour to reconcile the individual interest of the nation. The Report says that in the work of inculcating this kind of patriotism the State will play an active part through the education of both children and adults. The purpose of agriculture is therefore "to grow food, firstly to satisfy the needs of the people of the country and secondly, to supply the demands from other countries for commodities of a quality or kind which we can produce to advantage, and to exchange these for commodities which we cannot produce or which we can only produce at an exorbitant cost." "Every farmer must cultivate such a variety of crops as would at least supply the food requirements of those directly engaged in the industry and also those who live in their immediate neighbourhood." In the light of these views a food budget showing the food requirements of the people of Ireland and how far they are met is given. It is found that there is a great deficiency in respect of wheat and whole milk while other articles are produced so that a large surplus is available for export. It is therefore suggested that by a persistent advertising campaign the consumption of whole milk should be encouraged and that the dressed meat industry must be considerably developed. In developing their industry it is recommended that the Government should assist by guaranteeing a fixed rate of interest on capital invested for some years and by imposing a small tax on all live cattle exported. With regard to Government assistance towards increasing wheat production it is suggested that a minimum price for limited quantities of wheat should be guaranteed by the State. The members who signed the minority report also recommend that steps should be taken to fix a limit to the acreage of land to be held by a single owner.

The importance of the Dairy industry and the dressed meat industry is also emphasised in the majority report but they do not recommend such financial assistance from the State as the Minority do. They consider that State funds should be mainly applied towards the promotion and attainment of better practice both in production and marketing of agricultural produce and regard education in these matters as the main concern of the State. They firmly believe in the Co-operative system as calculated to promote better business methods and consider that the State may, with advantage, spend substantial sums in the teaching of practical co-operation. Apart from very exceptional cases, they do not favour subsidies, grants, bounties, guaranteed prices or any such measure of direct assistance.

As we are much interested in the portions of the Reports dealing with Co-operation, the most important recommendations on purely agricultural matters can alone be mentioned here. Tobacco is recommended as a very suitable crop for small holders as it needs a large amount of labour. The principal competitor

"John, dear, You're kinder to dumb animals than you are to me."

"Try being dumb, my dear, and see how kind I'll be to you"

to Irish tobacco is said to be the Indian product, "the Indian grower having the enormous advantage of cheap labour and better climate for maturing" "At present we cannot compete with the Indian product even with a special subsidy of £ 25 per acre and a preference in duty of 1½d per lb. The present day cost of production of Irish tobacco is from 1 s. to 1 s.—6 d. per lb. and the present market price of Indian tobacco is 9d. per lb. and as recent as 1921 was as low as 4½d." To encourage tobacco growing in Ireland sufficient to meet the needs of the country the Commission recommend direct subsidy to the grower and remission of excise duty. The cultivation of flax is also recommended as it gives employment to a large amount of labour. The cultivation of sugar beet and manufacture of sugar are also suggested.

The subject of agricultural education has been dealt at length and it deserves to be carefully studied. They rightly point out that agricultural education should be supplementary to general education. They say "Agriculture is, more than any other avocation, a pursuit where man is brought into direct contact with nature and the elements; there is no other industry where success is dependent upon so many causes outside the worker's own control, and more where ready adaptability to changing circumstances and a philosophic attitude in the face of unforeseen misfortunes so essential. For the production of these qualities technical education alone will not suffice; the whole education of the boy and the man must be directed towards the creation of the correct type of character. They rightly point out that the earliest stages in education are the most important and it is, therefore, to the primary schools that attention should be first directed. It is not advisable to introduce technical or vocational education in the primary stages but much can be done to prepare the pupil for an agricultural career by giving the education a rural bias. In Secondary Schools agricultural education should be provided. Regarding the problem of the agricultural education of those who do not attend Secondary Schools the Commission recommend that there should be instituted a system of continuation schools for young people of between 14 and 18 years of age in rural areas which should provide a four year course of evening classes composed partly of general and partly of technical subjects. Regarding higher agricultural education it is recommended that two of the residential regional agricultural technical schools, each specialising in the particular kind of farming prevalent in different districts should be established and that the existing colleges should be endowed with funds sufficient to enable them to establish agricultural faculties. The Commission also recommend a widespread use of the cinematograph for conveying agricultural instruction to farmers. It is also suggested that rural economy should be recognised as an optional subject in the ordinary arts course. It is also rightly pointed out that agriculture can be advanced not only by the education of the producer but also of the consumer, in the towns and it is suggested that a campaign of propaganda directed to the education of the consuming class with regard to the food values and real cost of what they consume and the evils of substitutes would

The only title-deed upon which a Government can rightly rely is the quality of the service which it renders to the governed.

undoubtedly have the effect of stimulating the purchase of milk, butter, eggs and other home produced commodities.

The Commission think that the burden of rates and taxes is solely felt by agriculture and they recommend considerable reductions. They are also of opinion that railway freights are high and have to be reduced. The development of methods of transportation supplementary to the railways such as roads, canals and small ports is strongly advocated. In this connection it is very pleasing to note that the Templecrone Co-operative Agricultural Society Ltd in the course of a year or two developed a small harbour at Dungloe and was able to save much in transport charges by importing direct from Liverpool instead of as before through Londonderry.

The fourth interim report deals with agricultural credit. The following paragraphs from the Report have to be carefully noted.

"There are quite a number of credit societies here and there throughout the country which have pursued useful and prosperous careers for a scores of years or more: We have no evidence, however, of any widespread desire for the further rapid development of this form of co-operative effort. Until such desire manifests itself there can be no question of any such rapid development.

"The Failure or success of co-operative credit societies depends on the extent to which they embody the spirit of organised self-help. The State can do little to further the growth of this spirit and it can do much to impair it.

"The State, however, can and ought to provide a satisfactory legislative background for the operations of co-operative credit societies. It can and ought to subsidise the educational effort of the Irish Agricultural Organisation Society in this matter as it subsidises other forms of education given through voluntary agencies.

"For the supervision of existing co-operative credit societies and making arrangements for their audit and for the organisation of additional societies, as and when opportunity offers, the I. A. O. S. has alone both the necessary competence and experience. Its efforts in this direction have admittedly been impaired in the past by the limitation of its financial resources."

For providing long term loans the commission proposes that the joint-stock banks of the country should set aside a fixed quota of their assets to establish an institution which may be called a Land Mortgage Bank which, however, is to be merely a legal and accounting entity with no physical existence. Each loan is to be approved and guaranteed by the State.

It is pointed out that the present system of marketing farm produce is wasteful and uneconomic and that a great extension of Co-operative marketing is desirable. Suitable schemes for large scale marketing, of the main agricultural products viz. live-stock, poultry, eggs, butter, bacon, flax, dressed meat, fruit and vegetables on a commodity basis have to be worked out. They fully realize

Specialist: "If anything comes to worry you, cast it aside; forget it."

Patient: "Thanks, Doctor, I'll remember that when your bill comes in."

that, in the last resort, the success or failure of these schemes will depend on the competence of the management and the adequacy of the capital, but much will also depend on the co-operative capacity, loyalty and energy of the organised farmers themselves. In their second and third interim reports they have made recommendations for the suitable provision of inspection of butter and eggs intended for export.

Regarding the I. A. O. S. the Commission fully realising that education in the true spirit and practice of co-operation is a proper case for State aid, recommend the continuance and increase of the grants to the I. A. O. S. but would impose certain conditions. The State should have four representatives in the Managing Committee with voting power and a temporary veto on expenditure pending prompt Government enquiry. This does not seem to be quite wholesome. Seeing that the personnell of the I. A. O. S. Committee has undergone little change for many years and believing that "a gradual infiltration of new blood would benefit the society both at present and in years to come" the Commission recommend that one-fourth of the members of the Committee elected by the societies retire each year and that the members so retiring be ineligible for re-election until a year has elapsed. They also recommend that it be a condition of any Government grant that no new society be affiliated or assisted until a substantial proportion of the Capital be paid up and that all assistance to such societies should be withdrawn unless Credit be kept within due and decent bounds. The Commission also desire that a definite position of the grant to the I. A. O. S. be ear-marked for the extension of Co-operative credit societies. Regarding training of managers they consider the most practical plan would be to apprentice promising young men to societies whose record of good management has been proved by results. They think that no society can be expected to take these apprentices without remuneration and they, therefore, recommend that a portion of the State grant is to be utilised for the purpose.

S. DORASWAMY AIYAR

There were 247,000 war widows in England, of whom 87,000 have re-married. The latter received a gratuity of £35 to £40, since they considerably relieved the pensions list. There are still 160,000 receiving pensions. Disciples of Sam Waller must have a rather anxious time in these days.

EXTRACTS FROM DISTRICT REPORTS.

VI Godavari.

There were four Honorary Assistant Registrars. I note below particulars of their work and other matters.

M. R. Ry. C. Seshagiri Rao Pantulu Garu.

Organisation:—3 agricultural credit societies were organised.

Inspection:—7 societies including the Ramachandrapuram supervising union were visited. One of these had to be visited 4 times and another 18 times as they are bad societies.

Claims:—25 were disposed of. He has travelled 480 miles and done some propaganda work. He was instrumental in reviving three societies which would otherwise have been wound up.

Travelling allowance drawn:—Rs. 238-4-0 have been actually drawn. Rs. 21-4-0 have yet to be drawn.

Peon's pay:—A sum of Rs. 36 was spent in the year on account of the peon's pay.

M. R. Ry. N. Butchi Venkatapathiraju Garu.

Organisation:—He organised two societies.

Inspection:—He inspected 22 societies and visited 3 but very few notes of inspection have been received.

Travelling allowance:—He toured for 71 days and drew Rs. 286-8-0 as Travelling Allowance.

Peon's pay:—Rs. 36-0-0 were drawn on this account.

This Honorary Assistant Registrar interested himself in collection work also.

Summary of Progress.

The following statement shows the societies of all kinds existing in the district at the close of the year.

	No. at the commencement of the year.	No. existing at the end of the year.
Agricultural credit societies ...	422	406
Non-Agricultural do. ...	32	32
Distributive societies. ...	4	5
Other forms. ...	4	47
Central Banks. ...	4	4
Unions. ...	10	11
Total. ...	476	505

"Devote yourself first to the establishment of mutual service institutions, and mutually supply each other with the necessities and comforts of life and all other contributory factors and amenities of human happiness will follow as a matter of course."

Supervising Unions:—A Union was registered in the year for the supervision of the field labourers societies in the Nagaram island of the Razole Taluk. As the Supervision Fund leviable on borrowings will not be sufficient for the needs of the Union, the societies have agreed to pay in addition a contribution at the rate of six pies on the rent value of the lankas or other lands leased out to them.

There are at present 11 Unions. The total number of primary societies affiliated to Unions on 30-6-1924 was 314 with 22932 members as against 250 societies with 14725 members on 30-6-1923.

11. Joint purchases and sales by primary credit societies amounted to Rs. 803 against Rs. 559 of the previous year. The transactions of trading societies amounted to Rs. 2493 under goods purchased and Rs. 4669 under goods sold.

As usual, the Rajahmundry Central Bank had surplus funds owing to want of outlet, many of the societies affiliated to it being bad or dormant and the requirements of those which are working being very limited. The Godavary District Co-operative Banking Union also had heavy cash balances for about 4 months in the year (at the commencement and at the end). One reason for this was the coming in of collections mostly at the end of the year. Another reason was that as many societies were in arrears, very few applications were received for fresh loans while deposits were being received as usual.

*Building Societies:—*The Cocanada Co-operative Building Society was organised and started in the year. It had 30 members and a paid up share capital of Rs. 5390 on 30-6-1924. It borrowed Rs. 12,210 from Government and lent Rs. 18,470 to 13 of its members.

All the Banks have earned sufficient divisible profit to enable them to declare the maximum dividend of 9 per cent. The Rajahmundry Central Bank has attained this position for the first time this year.

Deposits made by individuals amounted to Rs. 19,308 against Rs. 13,920 of the previous year. Of this Rs. 12,820 were contributed by members. This is the least satisfactory feature of the movement but no improvement can be expected so long as more attractive investments are available to the moneyed people in villages.

The reasons for the increase in overdue are given below.

(1) The main reason is the unfavourable season. The upland portion of the district has had a succession of bad years and it will take time for the ryots to recover from its effects.

(2) The comparatively small amount available for long term loans. If there is a large increase of this amount, there will be a fall in the annual demand and consequently in overdues.

Quite Right.

"Now has any little boy seen an elephant's skin?" asked the teacher.
 "I have, Sir," said little Franklin.
 "And where have you seen it?"
 "Please, Sir, on the elephant."

(3) The majority of borrowers including Panchayatdars have not realised the importance of punctuality in repayment of loans. A good deal of educative work has to be done before this can be impressed upon them.

(4) Very few members of the governing bodies of unions take active interest in the affairs of societies.

Purchase, Purchase and Sale.

(1) *The Pedapalla Stores:—*Stock worth Rs. 161-10-3 was purchased. The sales amounted to Rs. 216-12-3. The net profit on the transactions of the year amounted to Rs. 8-2-7 but the net loss from the beginning is Rs. 172-4-5.

(2) *The Ramachantrapuram Trading Union:—*It purchased cloth worth Rs. 27-5-0 and realised Rs. 2,153-7-0 from sales. The net loss in the year is Rs. 476-9-11 while the total loss is Rs. 2,264-15-2. From the Directors' certificate appended to the balance sheet, it is evident that there will be further loss. The society will have to be wound up.

Supervision.

There were 10 supervising unions at the beginning of the year and one was registered during the year bringing the total up to 11 at the end of the year. The total number of societies affiliated to these unions was 314 as compared with 250 at the beginning of the year. There were in all 176 agricultural and non-agricultural societies not affiliated to any supervising union. Of these 148 are supervised by the Labour Department and 12 did not actually start work before the end of the year. Of the balance, 15 are urban banks and one is a stores. The unaffiliated societies are supervised by the Government staff.

In the District co-operative conference held on 1-5-1924, it was resolved to form a District Council of Supervision. The unions have been addressed in the matter and their resolutions are awaited. If the unions are willing to contribute 25 per cent of their income for the up-keep of the District Council, there will be no difficulty in organising it. A conference of the representatives of unions and central banks is meeting shortly to consider this along with other questions.

Disputes and Litigation.

Some societies have recourse to arbitration under pressure from above and delay in applying for execution. When they do apply and the applications are received by the Village Officers, they are quite indifferent as to the further action to be taken. As an instance in point, I may mention the Komaragiri-patnam society. The execution applications were sent to the Village Munsiff but as he is a defaulter himself and some of the defaulters are his relations, he failed to take any genuine steps for the collection of the amount and the President of the society (another defaulter) gave him to the debtors.

Mr. John Penny, who represented the English C. W. S. at the All-Russian Co-operative Congress, declared that Co-operation was an ethical idea which required practical application.

Criminal prosecution :—The Secretary of the Venkatakrishnarayapuram co-operative society who was prosecuted for misappropriation was convicted and sentenced to suffer rigorous imprisonment for six months on three counts. Please see the correspondence ending with your Dis. No. 2790—23 dated 8—1—1924.

Attitude of the Public.

There is no doubt a large number of Honorary workers connected with the movement in one way or other but those who take sustained and genuine interest are very few. There is a crying need for propaganda work but there are few or no workers to take it up.

VII. NELLORE.

The following statement shows the total number of days each Honorary Assistant Registrar was on tour, the nature of work turned out and the amount of travelling allowance drawn during the year :—

Name.	No. of days on tour in the year.	No. of societies inspected.	No. of societies organised.	Arbitration suits disposed of.	Travelling allowance drawn.
					Rs. A. P.
1. M.R. Ry., O. Viswanadha Rao Pantulu Garu, B.A., B.L., ...	41	9	...	170	189 12 0
2. M.R. Ry., M. R. Chelapathi Rao Naidu Garu.	102	21	2	86	362 4 0
3. M.R. Ry., P. Venkatasubba Reddi Garu ...	38	2	...	49	155 9 0
4. M. R. Ry., Janah S. Abdul Rahiman Sahab Bahadur ...	6	...	...	13	45 7 0
Total ...					753 0 0

II. SUMMARY OF PROGRESS.

There were 283 societies at the end of the year 1922-23. There was no substantial progress up to 1915-16 except a few societies registered every year from 1905-06. During the year under report, 79 societies were registered, of which 67 were started within the year.

6 Applications for registration of societies were pending disposal at the end of last year and 101 applications were received during the year. 79 applications were complied with by registration and 12 were rejected. At the end of the year, 16 applications were pending disposal. The rejections were due to either

When it is Home.

Home seems more worth its upkeep on the cold, black nights when "going somewhere" for entertainment is such a trial.

want of proper human material to manage the proposed societies or to very meagre property qualifications of the applicants to justify registration, almost all of the rejected cases being from the Christians of upland taluks.

Trading Societies.

Joint purchase by primary credit societies other than trade societies amounted to Rs. 1,252-7-6 as compared with Rs. 2,326 in the previous year; but no appreciable results came out of the attempts for joint sale except in one society which collected paddy to the value of Rs. 1,000 for sale at a favourable rate and adjustment towards the dues of the members.

Collection.

During the year, under report there has been an appreciable reduction of percentage of balance to demand in all classes of societies in respect of collections both from members to societies and from societies to financing banks.

Finances.

The finances available for the movement were greatly augmented from the receipts of large sums of deposits from the District Board, Municipal funds, Railway cess, and from deposits of Abkari, Municipal, and other contractors and by Provident funds of Local Board Employees. The Madras Central Urban Bank was also accommodating the District Bank whenever necessary and the Christian Central Bank was as usual financing the Christian Societies in the District. On the whole, there was no dearth of funds throughout the year and the organisation of new societies and the old societies did not suffer to any extent on that account.

WORKING OF SOCIETIES.

A. Cental Banks.

The main reason for the outstanding arrears would appear to be scarcity of rains in the proper season and consequent failure of crops. In some cases it is due to the delay in the recovery of amounts from members in societies on account of the apathy of the panchayatdars and in some others of the delay in the execution of the arbitration awards pending realisation in the societies.

Joint Purchase and Sale.

26. The Gudur Society bought a monsoon plough for Rs. 24 for being hired to its members.

The Allur Co-operative Union indented for sarees and towels to the value of Rs. 35 for distribution to the members of Allur and other Societies.

Purchase, Purchase and Sale.

The Nennur Panchama Weavers' Co-operative Society, the only society of its kind in this District, continued to be in the same dormant state as in last

Co-operative Societies are conducting hospitals, sanitariums, schools, theatres and recreations of every sort, as well as providing medical service and nurses.

year, for want of proper human material. Steps will be taken in the course of the current year either to mend it with some effort or end it. The arrear to the financing Bank under principal was Rs. 118 and the cash balance was Rs. 100—13—6 remaining idle for a long time with the President and the Secretary of the Society.

The District Council of Supervision.

40. The power of recommending loans to the affiliated societies conferred on the South Pennar Co-operative Union last year has been very carefully exercised and delay in getting payments of the loans from the District Bank by the societies has been considerably reduced. It is under contemplation to transfer similar powers to the unions at Allur, Indurpet, Kovur and Gudur during the current year.

41. Arrangements have been made, since the close of the year, for the registration of a society under the title of "Nellore District Council of Supervision" with the object of supervising the non-affiliated societies of the District and also to push on propaganda work in the formation of new and special types of societies in suitable areas.

VI. DISPUTES AND LITIGATION.

43. There were no suits pending in Civil Courts, while 5 decrees alone obtained in previous years were pending execution at the end of last year. During the year, no suits were taken up to the Civil Courts and no decree was executed through Civil Court.

IX. MISCELLANEOUS.

47. The South Pennar Co-operative Union arranged during the year to hold training classes in six centres for the panchayatars of primary societies within the jurisdiction of the union. The President, Secretary and the Supervisor of the Union and also the Administrative Inspector, Nellore circle, conducted the training classes successfully. About 50 of the number of societies in the Union area were represented at the training classes. Instruction in the manner of account keeping, interpretation of by-laws and business procedure were explained in detail and in an impressive manner. It is hoped that the scheme will take a definite shape with a regular and systematic programme from the current year also and that the other unions will adopt the improved scheme to the best advantage of the societies in their areas.

No conferences of the Co-operators of any kind were held in the District during the year under report.

Improvement always begins with "I."

—Prof. Dr. Franz Staudinger, A German Economist.

VIII—MADRAS DISTRICT, 1923-24.

1. **Number of Societies.**—There were 69 societies in the Madras District at the beginning of the year excepting the Madras Central Urban Bank which is in direct charge of the Registrar. While 26 societies were registered during the year one was liquidated with the result that the number of societies at the end of the year was 94.

II. WORKING OF SOCIETIES.

(A) Central Bank.

3. **The Madras Christian Central Co-operative Bank Ltd.**—This is more and more becoming an efficient financing bank of the District. It has had an increasing prosperous year. There were 146 individuals and 482 society members at the close of the year as against 147 and 258 at its opening of the year. The paid up share capital rose from Rs. 1,04,478 to Rs. 1,16,011 the contribution by societies being Rs. 22,372 as against Rs. 10,898 at the end of the previous year. The share capital of Individuals which were withdrawable though under certain conditions and restrictions were made altogether non-withdrawable, from 1st September 1923. As a result of this Rs. 11,300 worth of shares now held by members is absolutely non-withdrawable. Deposits from individuals rose from Rs. 5,75,077 to Rs. 7,11,072 while those from societies including reserve fund investments rose from Rs. 21,191 to Rs. 32,800. The bank is developing its current account transactions considerably.

Class I Credit.

5. There were 84 societies on the list falling under this class, 40 on limited and 44 on unlimited liability basis. They may be grouped into three classes having been registered by (1) area or (2) profession and (3) caste as under for the purpose of this report:—

(i) 56 societies with territorial jurisdiction and open to all residents in the area:—of these 20 are on limited liability and 36 on unlimited liability basis. Again out of these 38 societies were exclusively for poor men while 18 were open to all classes but mainly composed of middle class people.

(ii) 25 special societies are open only to wage-earners employed under Government or local bodies or well established firms and companies, 17 out of them are on limited liability and 8 on unlimited liability basis.

(iii) 3 societies are open only to fisher-folk on limited liability basis.

6. **Societies with area jurisdiction:**—The 56 credit societies with area jurisdiction may again be divided into 3 classes.

(i) Big urban banks.

(ii) Smaller urban credit societies on limited liability basis.

(iii) Poor men's societies all on unlimited liability basis.

The Florida Citrus Exchange Society of U. S. A. shipped during the season 1922-23 5,205,510 boxes of oranges valued at 13,823,676 dollars or 4 crores of rupees roughly.

9. **Poor men's Societies** :—There were 38 societies for the poor men in the city as against 26 in the previous year. Two of them, viz., The Egmore Co-operative society and the Periamet Co-operative Society, are on limited liability and the rest are all on unlimited liability basis.

10. **Employees Societies** :—The number of employees societies rose from 17 to 25 ; 17 out of them are on limited liability and 8 on unlimited liability basis. Out of these 17 three viz., (1) The M. S. M. Railway Employees Urban Bank, (2) the Madras Government Servants Co-operative Society pay for their own audit.

13. **Poor Men Employees Co-operative Societies** :—There are 8 societies under this head viz.,

(1) The High Court Peons Co-operative Society, etc.

(2) The Corporation Servants Co-operative Society

(3) The Corporation "A" Depot Menials Co operative Society.

15. **Fishermen societies**.—There are three of this sort. The number of members in these societies were 100 as against 101 in the previous year. The paid up share capital and working capital were Rs. 1181 and Rs. 1341 respectively as against Rs. 1150 and Rs. 1767 in the previous year. The amount of loans outstanding against members was Rs. 1415, of which Rs. 1263 were overdue at the end of the year.

Class II Purchase and Purchase and Sale.

16. The Triplicane Co-operative Society Ltd., is the only society in the city coming under this head. It opened a new branch at Mambalam. Thus there are 18 branches extending all over the town inclusive of Saidapet.

The number of members and the paid up share capital rose from Rs. 2653 and Rs. 53,458 to Rs. 3936 and Rs. 59,325. The sale of goods to members rose from Rs. 7,83,172 to Rs. 8,72,704 in the previous year. The society realised a net profit of Rs. 24,197 for the year as against Rs. 20,974. The reserve fund and common good fund amounts to the credit of the society at the end of the year were Rs. 67,187 and Rs. 30,614 respectively as against Rs. 64,620 and Rs. 27,208 in the previous year.

Class II—other forms.

17. **The Madras Central Co-operative Printing Works Ltd., Madras**.—Membership in this society is open only to societies. The number of members rose from 116 to 129 and the paid up share capital from Rs. 9,633 to Rs. 10,050. It purchased during the year. Types and machines for Rs. 577. The value of work turned out was Rs. 19,966 as against Rs. 20,716 in the previous year. The cost of machines and types purchased up to date is Rs. 8,749, and they were valued at Rs. 6,593, Reducting cost of those which have been

New Zealand farmers are pressing for more protection against Australian wheat and flour, with which, they say, they cannot compete. It is difficult to see the end of the war of tariffs between the countries of the world. By the time they are all protected against all the rest they will just have arrived nowhere.

sold or rendered unserviceable and allowing depreciation. The net profit of the year was Rs. 2,009 as against Rs. 1,976 in the previous year. The reserve fund of the Press on the last day of the year was Rs. 1,988—14—3 as against Rs. 1,976 in the previous year. The reserve fund has been permitted to be used in the working capital of the Society. Its chief customer is the Provincial Co-operative Union for the publication of the Bulletin. The Triplicane Urban Co-operative Society lent its support liberally and the Madras Central Urban Bank to some extent. If at least all the town societies take shares and give all their work to the Press the cost of production of books and forms supplied to them can considerably be reduced.

42 out of the 84 credit societies in the town are exclusively composed of Adi-Dravidas and Adi-Andhras or other depressed classes. In these societies there are 1310 Adi-Dravidas and 1082 Audi-Andhras and others and 501 Christians of the social level as that of the Adi-dravidas. The Audi-Andhras are mainly contributed by the Corporation scavenging staff society and the Perambur Cobblers society. Special attention was paid during the year to give the societies to Cheris situated near one another so as to group them into compact unions to facilitate writing up of accounts, collecting moneys due and supervision and instruction of societies. Ten societies were so started. These with old societies were formed into two unions.

21. **The Madras Provincial Co-operative Union**.—The Provincial Union convened as usual during the Christmas week the annual provincial conference which was presided over by Mr. Devadhar M.A., of Bombay. It also arranged for the first Madras District Conference which was presided over by Mr. L. D. Swamikannu Pillai. The English and Tamil editions of the Madras Bulletin of Co-operation continued to be published. There is considerable improvement in the matter and manner of these publications.

Two Unions viz., the Pudupet Supervising Union and the Thousand Lights Supervising Union were registered during the year to consolidate the working of the existing poor men's societies and to expand their activities. The Jurisdiction of the Pudupet Union extends to that portion of Madras to the West of Mount Road between Purasawalkum tram line and Koovam River. It has at present 9 societies affiliated to it. Two limited liability societies viz., The Pudupet Bank and the Vepery Indian Christian Co-operative Society have joined the union to give the union the head and the lead. The Secretary of the Union helps in writing the accounts and collecting dues where necessary in the 7 Audi-Dravida Societies.

Honorary Assistant Registrars. The marginally noted seven gentlemen have been in the list of Honorary Assistant Registrars for the City. Mr. Sriram Babu Naidu Garu is connected with the Pudupet Co-operative Supervising Union as already stated. In the dual capacity he has been able to do much useful work. The others are still unconnected with any union and as such very little can be done by them.

Co-operation is succeeding, even in the distressed countries of Europe to-day.

1. M.R.Ry. P. Ramanathan Avl, B.A.,
2. „ T. Sundara Rao Naidu Garu B.A, B.L.,
3. „ S.G. Ranga Ramanujam Avl., B.A., B.L.,
4. „ A. Somasundara Mudaliar Avl.,
5. „ Dewan Bahadur G. Narayanaswami Chetti Garu
6. „ Rao Bahadur M.C. Rajah Avl,
7. „ G. Sriram Babu Naidu Garu B.A.,

IV. DISPUTES AND LITIGATION.

25. **Arbitration:**—To the 43 cases pending disposal at the beginning of the year 257 were added during the year. Of these 46 claims were satisfied before decree. 89 were decreed during the year leaving 165 claims pending disposal at the end of the year. 48 decisions or awards were pending execution at the beginning of the year. 20 claims were satisfied during the year leaving 117 decisions pending execution at the end of the year.

LIST OF SOCIETIES REGISTERED IN THE MONTHS OF JULY AND AUGUST '25.

Cocanada Circle	...	...	...	Nil
Cuddappah Circle	...	...	...	Nil
Bezwada Circle	...	...	...	13
Madras Circle	...	...	...	9

LIST OF SOCIETIES CANCELLED IN THE MONTH OF AUGUST '25.

Name of the Society Cancelled.	District.
1. The Uppinangady Gowd Saraswat Co-operative Buiding Society No. 8870	South Kanara
2. Aryakarthyani C. S. No. 7347	do
3. The Jaggayapeta Wood-cutter's C. S. No. 5898...	Kistna

SPECIAL TYPES OF SOCIETIES.

Pattukottah Co-operative Labour Union Ltd., No. 8448 for the year ending 31st March, 1925.

The accounts of the Pattukottah Co-operative Labour Union Ltd., No. 8448 for the year ending 31—3—1925 as audited by M. R. Ry., S. R. Seshadri Iyengar, Special Inspector for Labour Unions, are passed.

2. **Members and Share Capital.**—This is the 2nd year of working of the Union. The number of members and their paid up share capital were

"If you would understand men, study women."

265 and Rs. 1,423—13—9 respectively as against 210 and 1,140—1—0 respectively of the last year. A sum of Rs. 506—12—3 was left uncollected at the close of the year.

3. **Contract Works.**—The Union undertook several contract works during the year, of which the supply of metal to the District Board roads formed the main one. In this work the Union was helped by the Arantangi Co-operative Labour Union, which undertook the Quarrying of metal from Arantangi Quarry and the supply to the Arantangi Roads. The Union undertook that portion of the contract relating to the railborne gravel supply to the roads in the Pattukotah Taluk and to a small portion in the Tirutharaipoondi Taluk. It is satisfactory to note that all the cartman who carted the gravel to the roadside are members of the Union. The following table shows the various contracts executed by the Union and the gross profit realised therefrom.

Name of Contract Works.	Net value of work done.	Net amount incurred.	Gross profit.	Remarks.
Gravel supply works.	19,768 8 0	16,670 14 10	3,907 9 2	...
Maintenance of roads	3,295 0 4	2,467 5 0	811 1 3	2 roads involved loss 49-12-7.
Culvert work	375 11 0	318 4 5	57 6 7	...
Cart making	3,063 13 2	2,835 13 5	227 15 9	Includes stock on hand.
Furniture supply	5,087 12 3	5,028 11 10	59 0 5	...
At least	1,076 8 0	1,076 8 0	215 5 0	Probable profit.
Other minor works...	501 11 0	415 9 9	86 1 3	...
TOTAL	33,168 15 9	28,813 3 4	4,554 7 5	

Thus the gross profit realised from the above works was Rs. 45,54-7-5 as against Rs. 3191, in the last year.

4. **Borrowings.** The Union obtained loans from the Central Banking Union Ltd., Tanjore, for the execution of works: Besides the outstanding loan of Rs. 6454, held at the begining of the year, the Union drew from the Bank Rs. 24,200 and repaid Rs. 23,313 leaving balance of Rs. 7341 as ourstanding at the close of the year. If the bill proceeds had been promptly remitted into the Bank as stipulated at the time of granting loans, the District Bank loans would have been entirely cleared. It his hoped that this practice will be adhered to at least in future. Fresh loans should be applied for excuting fresh works.

The English women drinking their cup of afternoon tea in England know that it comes from some one of their co-operative tea plantations in far-away India. They own forty thousand acres of them.

5. **Establishment and contingencies.** The total amount spent under these heads was Rs. 2722-1-6. This works at more than 50 per cent of the gross profit realised and is too heavy. Immediate steps should be taken to effect retrenchment under these heads.

6. **Net Profits.** The net profit earned by the Union for the year was Rs. 1021-13-5 as against Rs. 1577-7-0 of the previous year. The fall is due to the heavy establishment and contingent charges incurred and also on account of interest paid to the District Bank for the amount which had been locked up in works which did not fetch any profit during the year. As per by-laws of the Union $\frac{1}{4}$ of the profit viz. Rs. 255-7-3 should be carried to the Reserve Fund. 10 per cent or Rs. 153-4-4 shall be set apart as sinking fund; 25 per cent or 255-7-3 may be paid as honorarium to the Secretary, $7\frac{1}{2}$ per cent or Rs. 76 10-2 may be set apart as Common Good Fund. The balance may be disbursed as bonus to members and dividend to shareholders as specified in the by-laws. Any balance left after making the above appropriation shall be carried to the reserve fund. It is also requested that the undisbursed balance of last years, if any, may also be the Reserve Fund, immediately.

7. The Union is requested to pay a nominal sum of Re. 1 to the Supervising Union towards Supervision Fund besides the sum of Re. left unpaid on account of last year.

8. **General.**—The President of the Union M.R.Ry. S. Venugopala Naidu Garu Avl, B.A., B.L., continued to be enthusiastic.

(Sd) O. N. RAMASWAMY IYER,
Deputy Registrar.

ORATHANAD SOUTH CO-OPERATIVE CROP LOAN UNION Ltd., No. 9287.

for the year ending 30th June 1925.

The accounts of the Orathanad South Co-operative Crop Loan Union Ltd., No. 9287, as audited by M.R.Ry., K.V. Krishnaswamy Iyer, Senior Inspector, Tanjore section, are passe.

2. This the second year of the working of the Union. The number of individual members rose from 8 to 12 and that of society members from 4 to 12. Thus there were 24 members on the rolls with a paid-up share capital of Rs. 1425 at the close of the year.

3. The Union borrowed from the Central Banking Union Ltd., Tanjore, Rs. 2991 for the disbursement of loans to its individual members and also Rs. 200 as the first instalment of a loan of Rs. 4000 sanctioned to it for the construction of a godown to keep the goods pledged by the members in safe custody. Out of repayments made by members it repaid Rs. 409 towards the

The world is my country ; to do good my religion.

former loan leaving a balance of Rs. 1522 pending payment at the end of the year in addition to Rs. 200 outstanding against the latter.

4. Thirteen loans amounting to Rs. 3033-4-0 were disbursed to its individual members out of which Rs. 1418 was repaid by them leaving 8 loans amounting to Rs. 1620-4-0 as outstanding against members on the last day of the year. One loan for Rs. 38-14-0 was left overdue in spite of prompt action taken by the Directors to recover the amounts before the close of the year. The Union has acted also as agent to 11 of its affiliated societies in securing the produce pledged by the members of these societies in its godowns and in disbursing and recovering monies on their behalf. The amount so disbursed and recovered amounted to Rs. 4255-12-0 and Rs. 3036-13-11 respectively. It held at the beginning of the year goods to cover an outstanding amount of Rs. 768-5-4 and at the end of the year it held goods to the market value of about Rs. 5700 to cover an outstanding balance of Rs. 3714 including Rs. 1620-4-0 outstanding against individual members.

5. The Union engaged five small rat proof rooms for securing the goods pledged but finding the existing arrangement to be unsafe, inadequate and unworkable, it has begun to construct a godown of its own by purchasing suitable site. At the suggestion of the Registrar it is collecting sufficient share capital from its affiliated societies to complete the building. It is hoped that the Crop Loan Union in the locality would put forth both the necessary share capital and energy in completing the building early enough.

6. The Union earned during the year a net profit of Rs. 26-1-2 but deducting the previous year's loss of Rs. 46-12-0 it carried a sum of Rs. 20-10-10 under loss account to make it good from the profits of the next year. The Union is however requested to pay Rs. 4-10-0 towards the Supervision Fund of the Orathanad Supervising South Union.

7. The Union convened two general and fifteen committee meetings during the year.

8. The Union could not maintain an adequate staff for the heavy work to be turned out but with an establishment charge of only Rs. 22 for the year, the Secretary of the Union took much trouble in carrying out the business to the satisfaction of the poor and ignorant ryots. The non-official and official co-operators are thankful to the Secretary, Mr. Pitchu Sastrigal, and they desire to see greater improvement in this field of activity in future years.

THE ARANTANGI CO-OPERATIVE LABOUR UNION LIMITED NO. 8120

for the year ending 31-3-1925.

The accounts of the Arantangi Co-operative Labour Union Ltd., No. 8120 for the year ending 31-3-1925 as audited by M. R. Ry. S. R. Seshadri Ayyengar, Special Inspector for Labour Unions, are passed.

2. Members and share Capital.—The Union has passed its second year of its working. 44 new members were admitted during the year making a total number of 160 individual and 6 society members on rolls at the close of the year, as against 116 and 6 at the close of the previous year. The paid up share capital of members rose from Rs. 893-4 to 904-4. As much as Rs. 435-12 was left as uncollected share capital of members at the end of the year. Steps should be taken to collect the overdue share capital as early as possible.

3. Contract Works.—During the year under report, this Union acted as agent of the Pattukottah Co-operative Labour Union in the matter of gravel supply to Dt. Board roads from the Arantangi quarry. The contract was in the name of the Pattukottah Labour Union while this undertook quarrying of metal, carting the same to the roads in the Arantangi taluk loading gravel by rail to the roads in the Pattukottah taluk. The total value of the supply made to Arantangi taluk roads amounted to Rs. 14,109-8-0. The gross profit realised on account of gravel supply work was Rs. 2663-11-9. The Union also undertook repair works to District Board bungalows. But they were not completed before the close of the year. The profit accrued on those works was Rs. 185-9-0. Thus, the total gross profit was Rs. 2849-4-9.

4. Borrowings. The Union was as usual financed by the Tanjore Central Banking Union. Besides ordinary loans, a running loan accommodation to the extent of Rs. 4000 was also given to the Union.

The Union advanced a sum of Rs. 7000 to the Pattukottah Labour Union as the latter union undertook to finance this union throughout the period of the gravel supply contract for which the Arantangi Union was the agent of the other Union. A sum of Rs. 6848 was left as outstanding at the close of the year as the Pattukottah Labour Union which secured all bills proceeds did not repay that portion of the bills relating to Arantangi taluk in time.

5. Net profit. Deducting the charges for establishment and contingencies and interest paid on loans and other minor charges the net profit realised by the union for the year's working was Rs. 1172-12-2 as against Rs. 1014-3-4 of last year. The charges under establishment and contingencies which worked at more than 45 per cent of the gross profit was responsible for considerably reducing the profit. The expenditure under these two items must necessarily be in proportion to the quantity of work undertaken. Every effort should be made to effect retrenchment under these heads. The principle that as much as possible should be saved for the poor labourers through the Labour Union should always be kept in view. It is hoped that this important matter will be looked into in the current year.

According to the by-laws of the Unions $\frac{1}{4}$ of the net profits viz., 293-3-0, should be carried to the Reserve Fund; 15 per cent or Rs. 175-14-6 shall be carried to the Sinking Fund; 25 per cent or Rs. 293-3-0 may be paid as honorarium to the Secretary; $7\frac{1}{2}$ per cent or 87-15-3 may be set apart as Common Good Funds. Out of the balance a dividend to shareholders and bonus to labourers may be distributed as per by-laws of the Union. It has to be mentioned that the balance of Rs. 760-10-6 out of profit of previous year remains yet undistributed. It is requested that arrangement may be made immediately to distribute this amount also. Any balance left after making all the distributions mentioned above shall again be carried to the Reserve Fund. The Union is requested to remit the nominal sum of Re. 1 towards Supervision Fund to the Arantangi Co-operative Supervising Union to which it is affiliated.

6. General. The Union is congratulated on having secured larger number of contracts for the new year. It is hoped that they will be executed satisfactorily. The President and the Secretary of the Union, Messrs V. Govindaswamy Ayyer and K. Singaravelu Pillay, took much interest in the successful working of the Union.

(Sd.) O. N. RAMASWAMI IYER.

Deputy Registrar.

ACTION TAKEN ON THE RESOLUTIONS PASSED AT THE XIII MADRAS PROVINCIAL CO-OPERATIVE CONFERENCE.

Sir K. V. Reddi Naidu, Kt., President of the P.C.U., writes:—

The Provincial Union has addressed the Registrar of Co-operation on some of the resolutions passed at the Provincial Co-operative Conference held in December, 1924 and the Registrar has intimated to the Secretary his observations on some of the resolutions indicating the action taken by him. The resolutions passed at the Conference and the remarks of the Registrar are given below for the information of those interested in the movement.

Resolution 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.

Resolution 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.

*Resolution 1 :—*The Resolution merely represents the policy which has always been followed in the Presidency. See by-law 38 of model by-laws for stores societies.

The Registrar has drawn the attention of the Assistant Registrars to Resolutions 1 and 3.

Resolution 5. 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.

The matter is stated to be under consideration.

Resolution 6. 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.

The Registrar has already submitted to Government a definite scheme on the subject. He has also forwarded a copy of the Resolution.

Resolution 10. 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.

The model by-law of primary co-operative credit societies was purposely made elastic so as to suit the circumstances of every possible class of members. The by-law itself is sufficiently indicative of the policy of the Department in the matter, a policy which there is no intention of altering. The Registrar fails to understand the suggestion that the department is or has been attempting to force on co-operators a uniform system of levy of share capital in primary societies so as to make Co-operators feel it a burden.

*Note :—*The policy of the Department has now been definitely reaffirmed ; wherever Co-operators feel that the policy is departed from, they can address the Registrar.

The Registrar further observes that the by-law makes no distinction between borrowing and non-borrowing members as regards the liability to pay their instalments regularly on the due dates and he regrets he cannot see why non-borrowing members should be allowed to disregard their obligations any more than borrowing members.

*Note :—*The principle enunciated by the Registrar is very sound. But the Conference wanted to make a distinction because non-borrowing members will try to escape out of unlimited liability by becoming a defaulter and by ceasing to be a member after default.

Resolution 14. 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.

The resolution merely represents the policy which was initiated by the Department over two years ago and which is being given effect to as rapidly as the financing banks and the unions will permit.

*Resolution 11 :—*The Registrar has issued a circular to Assistant Registrars stating that as far as possible the practice of deducting share capital due from members to societies and from societies to Central Banks from loans should be discouraged.

Copy of resolution No. 11 of the XIII Madras Provincial Co-operative Conference held at Madras in December last.

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.

Resolution 15. 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.

So far as Central Banks are concerned the resolution merely represents the existing practice. The suggestion that the local unions should appoint an Executive Committee to deal with applications for short term loans will be considered in consultation with Assistant Registrars. As at present advised I am inclined to think there are serious disadvantages in the procedure suggested and that the difficulties which it is extended to overcome can be met better in other ways.

Resolution 16. 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

Registrar has circularised the Assistant Registrars drawing their attention to the resolution and desiring them to bear the resolution in mind in approving budgets sent to them by unions for approval.

Resolution 21. 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.

Registrar notes "I have considered this question carefully in consultation with my Assistant Registrars. The conclusion arrived at was that trading unions and stores should not ordinarily look to a central bank for financial assistance but should depend mainly on their own paid up share capital and their members' deposits. Trading Unions which undertake the sale of produce on behalf of their members may of course legitimately borrow from the District Central Bank on the pledge of such produce but they should not borrow from of her primary societies.

Resolution 23 & 24. 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.

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.

The Registrar states that steps are being taken to form District Federations in Districts on the lines settled at the conference held in March last in pursuance of Resolution 24 of the Provincial Conference.

Resolution 25 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

The Registrar notes that the resolution merely represents the policy which is being pursued by the department. Assistant Registrars have already been requested to take steps wherever practicable towards the formation of credit unions for taking over primary credit of urban banks. Two such unions have already been registered, one at Palamcottah in the Tinnevely District and the other at Vellore in North Arcot District.

Resolution 26. This Conference appeals to the Central Banks that they should accommodate 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.

The Registrar is issuing a circular to all central banks.

Resolution 27. 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 has been sent to Government by the Registrar.

Resolution 29. 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 meeting, such allowances and fees should be borne entirely by the Central Banks concerned.

The Registrar is requesting the central banks which have not yet adopted the practice to consider the Provincial Co-operative Conference resolution.

Resolution 30. 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.

The Registrar notes that resolution merely represents the existing practice in the Districts where the labour department is working.

Resolution 28. 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.

The Registrar notes that my circulars regarding the utilisation of the Imperial Bank overdraft merely embody the conditions on which the Imperial Bank has allowed overdrafts to the Provincial Bank and to other Central Banks and so long as these conditions remain in force it is my duty to see that they are strictly adhered to. The periodical reports received about the working of these rules in Central Banks do not indicate that the conditions imposed are impracticable or unworkable.

On receipt of a letter dated 5th December last from the Madras Central Urban Bank on the subject I interviewed Mr. Lamb, Secretary and Treasurer of the Imperial Bank, and discussed the question with him. He informed me that he was not prepared to alter any of the conditions originally imposed. The Madras Central Bank was informed accordingly. If and when the sub-committee appointed by the Madras Central Urban Bank arranges with the authorities of the Imperial Bank for a modification of these conditions I shall of course modify my circular instructions.

Resolution 37. Resolved that lease-societies for actual cultivation of lands or for collecting Melvaram be formed.

The Registrar has addressed the Deputy Registrars to organise such societies wherever practicable.

Resolution 36. This Conference resolves that a provision be made in the model bylaws to give to the crop-loan union a portion of the profit earned by the primary societies on account of the crop-loan transactions.

The Registrar notes 'by-law 32 of the model by-laws of co-operative crop loan and sale societies makes adequate provision. The Board of Directors may charge a reasonable commission on sales arranged by them'.

Resolution 38. 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.

(a) Registrar notes that labour unions are being formed in several Districts.

(b) G. O. No. 1098 L. M. Dated 29-4-24 copy of which is given below in which Government have not only brought to the notice of local bodies the existence of co-operative labour unions but also requested them to consider the desirability of entrusting their contracts to such unions.

GOVERNMENT OF MADRAS

Local Self-Government Department

Copy of G. O. No. 1098 L. M. Mis., dated 29th April 1924.

Order.—It has been brought to the notice of the Government that co-operative labour unions have been formed in some places in the districts of Tanjore, Godavari, Kurnool and South Kanara and that such unions are likely to be formed in other districts in the near future. The unions are composed of manual labourers and are formed with the object of finding suitable employment for their members and of securing to them a greater share of the profits of their work. The existence of these unions is brought to the notice of local bodies and they are requested to consider the desirability of entrusting their contracts to such unions.

(By order of the Government, Ministry of Local Self-Government).

P. L. MOORE

Ag. Secretary to Government.

(c) The Registrar has forwarded a copy of the Resolution to Government.

Resolution 40. 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.

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.

The Registrar notes "I have forwarded copies of these resolutions to Government. Regarding resolution no. 40, I regret I cannot support it as I consider the proposal impracticable. Moreover I would strongly deprecate the introduction into Co-operative Organisations of activities which have no bearing on their legitimate function which is the promotion of the economic interests of the members and the development of thrift and self-help.

Resolution 41. 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.

The Registrar notes that the Co-operative and Agricultural Departments are already working in close co-operation. The formation of District Councils will, it is hoped, help to make even closer co-operation possible and to achieve the object aimed at in the resolution. I regret I cannot support the proposal for a Central Board of the kind proposed to regulate the working of the subordinate staff.

Resolution 42. 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.

The Registrar notes Government have already sanctioned a recurring grant of Rs. 1200 for 5 years to the Provincial Co-operative Union for Co-operative Educational and propaganda work. The resolution will be borne in mind.

Resolution 43. That the Madras Provincial Co-operative Union be requested to make the necessary amendments in its By-laws for carrying out the above Resolution.

The Registrar notes that District Federations have already been formed in the following Districts.

(1) Chingleput (2) South Kanara (3) Malabar (4) Salem (5) Vellore (North Arcot) (6) Kurnool (7) Trichinopoly (8) Chittoor (9) Coimbatore (10) Kistna (West Godavari). The formation of similar Federations is under consideration in the following Districts.

South Arcot, Madura, Ramnad, Tinnevely, Nellore, Anantapur and (East Godavari.)

Note.—The Provincial Union will put in proposals for alterations in the by-laws as regards (4) and (5) later on.

Resolution 45. Resolved to request the Government to authorise the village Panchayat to execute Co-operative decrees giving them additional powers where necessary.

Government have recently passed orders in the matter. I am enclosing a copy of G. O. No. 1,073 (Press) Dev. department dated 27-7-25.

GOVERNMENT OF MADRAS

Development Department

Copy of G. O. No. 1073 Press Dated 27th July 1925

Order.—The Registrar's proposal to amend Rule XIV (5) of the Rules framed under the Co-operative Societies Act II of 1912 is approved. In view of the fact that the jurisdiction of Village Courts is limited to suits of the value of Rs. 50 and less, the Government consider that the proviso in the draft amendment submitted by the Registrar is unnecessary.

2. The following notification will be published in the Fort St. George Gazette.

Notification.

In exercise of the powers conferred by section 43 of the Co-operative Societies Act it is proposed to amend Rule IV (5) of the Rules framed under the Act and published in Notification No. 483 dated 2nd October 1915 on pages 1039-1042 of Part I of the Fort St. George Gazette dated 9th November 1915 and as subsequently amended. The Rule is published as required by sub-section (4) of the same section.

3. Notice is hereby given that the rule will be taken into consideration by the Government in the Ministry of Development after the expiry of two months from the date of his application. Objections of suggestions relating thereto may be transmitted for the consideration of Government within that period.

Under Rule XIV (5) add as clause (c):—

"For the purpose of this rule Civil Courts shall include Village Courts constituted under the Madras Village Courts Act (Madras Act I of 1889).

(By Order of the Government, Ministry of Development)

G. T. H. BRACKEN

Secretary to Government,

Resolution 46. Resolved to request the authorities concerned to hand over the management of Elementary Schools to the local Co-operative Societies wherever possible.

Registrar Notes "I am afraid this is not practicable. Management of Elementary Schools is not within the scope of the legitimate activities of the Co-operative Societies. Co-operative Societies Act II of 1912 is intended to facilitate the formation of co-operative societies for the promotion of thrift and self-help among agriculturists etc. The object of co-operative societies should be the promotion of the Economical interests of its members in accordance with Co-operative principles. The spread of Education although in itself a very laudable object cannot be included as one of the objects of a co-operative society and much less can the panchayat of a co-operative society undertake the management of Elementary Schools.

Resolution 57. 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.

The Registrar has issued a circular on the subject (since published.)

Resolution 50. Resolved that 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.

The Registrar has requested the committee to communicate to him in due course a copy of their report.

APPENDIX.

I

No. B. 1300/25

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES,
Madras, 30th June, 1925.

From

J. GRAY, ESQ., O.B.E., I.C.S.,
Registrar of Co-operative Societies, Madras.

To

THE JOINT SECRETARY,
The Madras Provincial Co-operative Union,
ROYAPETTAH.

SIR,

Subject:—The XIII Madras Provincial Co-operative Conference Proceedings
Ref:—Your letter No. Rc. 104/25 dated 2nd April 1925.

With regard to resolution No. 1 passed at the above Conference I have the honour to state that the resolution merely represents the policy which has always been followed in this Presidency. I invite your attention to bylaw 38 of the model bylaws for stores societies. The resolution will be commended to the attention of Assistant Registrars.

2. The attention of all the Assistant Registrars will be invited to Resolution No. 3.

(By Order)
R. DESIKA,
Manager

Copy to all Assistant Registrars with a copy of the resolutions Nos. 1 and 3 of the XIII Madras Provincial Co-operative Conference held in December 1924.

II

No. B. 1296-25

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
Madras, 24th June 1925.

J. GRAY Esq., O.B.E., I.C.S.,

Registrar.

Subject:—The XIII Madras Provincial Co-operative Conference resolutions.

The attention of all Assistant Registrars and Co-operative District Central Banks is invited to resolution No. 11 of the XIII Madras Provincial Co-operative Conference held at Madras in December last, copy of which is appended for ready reference. As far as possible the practice of deducting share capital due from members to societies and from societies to Central Banks from loans should be discouraged.

(By order)
R. DESIKA,
Manager.

To

All Central Banks
„ „ Assistant Registrars and the Extra Assistant Registrar,
Vizagapatam.
Copy to the Madras Provincial Co-operative Union Ltd.,
Royapettah.

III

No. B. 1296/25

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES,
Madras, 24th June 1925.

J. GRAY, ESQ., O.B.E., I.C.S.,

Registrar.

Subject :—The XIII Madras Provincial Co-operative Conference Resolutions.

The attention of all Assistant Registrars is invited to resolution No. 15 passed at the XIII Madras Provincial Co-operative Conference (copy appended) regarding the minimum scale of expenditure for local supervising unions. Although it is a matter for the consideration of each local supervising union Assistant Registrars may bear the resolution in mind in approving budgets sent to them by unions for approval.

(By Order)
R. DESIKA,
Manager. 27-6-25.

To
All Assistant Registrars and the Extra
Assistant Registrar, Vizagapatam.
Copy to the Madras Provincial Co-
operative Union Ltd., Royapettah.

Copy of Resolution No. 16 referred to.

Resolved (a) that the annual minimum scale of expenditure for a local union may be fixed Rs. 600; and (b) that governing body members may be paid only out of pocket expenses and not sitting fees.

IV

No. B. 1296/25

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES,
Madras, 12th July 1925.

J. GRAY ESQ., O.B.E., I.C.S.,

Registrar.

Subject :—XIII Madras Provincial Co-operative Conference Resolutions—financing of Urban Banks.

The Registrar desires to invite the attention of all Central Banks to resolution No. 26 of the XIII Madras Provincial Co-operative Conference (copy enclosed) regarding the financing of urban banks. The Registrar has had this question under consideration for some time past and has come to the conclusion that Urban Banks should depend mainly on their share capital and on deposits from local sources. Such banks may of course reasonably look to district central banks for loans as a temporary measure in their initial stages, but when an urban bank has had sufficient time to establish itself properly it should not expect the District Central Bank to lend more than a small proportion of the amount which it (the urban bank) has obtained in the shape of deposits. A central bank may legitimately be expected to provide a cash credit for an urban

bank to enable the urban bank to provide the required fluid resource for its deposits. But the cash credit should not ordinarily exceed the amount required for this purpose.

(By Order)
R. DESIKA,
Manager.

To
All District Central Banks.
Copy to Assistant Registrars.
" the Madras Provincial Co-
operative Union Ltd.,

THE GOVERNMENT AND HONORARY ASSISTANT REGISTRARS.

Notwithstanding the resolution of the last Provincial Co-operative Conference and the opinions repeatedly expressed both in the press and on the platform against the continuance of the office of Honorary Assistant Registrars, a circular would seem to have been issued by all official Assistant Registrars, apparently at the instance of the Registrar of Co-operative Societies, asking each Union in their jurisdiction to state if it does not want an Honorary Assistant Registrar for its jurisdiction. Though there would seem to be provision in the budget only for about 96 Honorary Assistant Registrars, all the 308 Unions in the Presidency would appear to have been circularised. No detailed information is however forthcoming as to the number of Unions that responded to the call and the nature of their response. It is however seen from the Development Minister's address delivered recently at the Sattur Co-operative Conference that, out of 308 Unions consulted, only 87 did not desire the appointment of Honorary Assistant Registrars and 200 and odd were for their appointment. As one interested in the development of the co-operative movement, the writer of this article had been following the resolutions of quite a considerable number of the Unions and it is worthwhile to analyse them. Some Unions, which felt their obligation to be loyal to the Provincial Co-operative Union, expressed themselves strongly against the appointment. One of the Unions in Tanjore District was so indignant at the Department having flouted the opinion of the Provincial Conference and addressed the Unions direct that it resolved that, in the event of the Government appointing any Honorary Assistant Registrar in the face of the resolution of the Provincial Co-operative Conference, it would refuse to co-operate with the Department in the various directions in which it is now co-operating. Some that felt that the authorities had already made up their minds to appoint Honorary Assistant Registrars and that it would be no use going against their wishes, expressed themselves in their favour. Some others, feeling that Government are going to give Honorary Assistant Registrars only to those Unions that ask for them and not willing to forego the honour themselves, resolved in favour of the appointments subject however to the condition that persons appointed should be their own nominees, that they must, before their nomination give an undertaking that the amount that they may receive from Government by

way of travelling allowance and batta should be made over to the Union and that they will draw travelling allowances from the Union only at the rates sanctioned for its Governing Body Members. There are yet others, which being too weak to resist the temptation of one of their members getting a fat Travelling Allowance by way of batta of four rupees per diem and mileage of four annas with a peon on Rs. 11 to boot, to wait on them and to attend to their conveniences, succumbed to the temptation and resolved in favour of the appointment. As the Development Minister has stated that the matter is still under his consideration and he is to pass orders soon, it will be worthwhile for him to call for the resolutions received from the various Unions, get them analysed by his office, and see to what extent they have been whole-hearted. It is presumed that copies of resolutions have been received by the Provincial Co-operative Union, and if so, it is its duty also to help the Development Minister by undertaking the analysis. If, as rumoured in some quarters, the Departmental subordinates had played any part in the matter of getting up the resolutions, it is the duty of the Unions and those that are in the know-of-things to enlighten the public and Government in order to enable them to see how far the resolutions have been spontaneous.

25. 9. 25.

SENTINEL.

REGISTRAR'S CIRCULARS.

No. B. 2740/25

OFFICE OF THE

REGISTRAR OF CO-OPERATIVE SOCIETIES,

From

Madras, 1st October 1925.

M. R. Ry. Rao Bahadur M. K. Venkata Acharya Ayl., B. A.,
Ag. Registrar.

Subject:—Co-operative Building Societies—Sale of house sites to non-members—Stamp duty and Registration fees exemption.

All Deputy Registrars are informed that the Inspector General of Registration has in his No. 441 G1 dated 31st August 1925 concurred with the view of the Registrar that sale deeds executed by Co-operative building societies whether to members or non-members need not be stamped as the deeds are executed by a co-operative society. They may be communicated to all Assistant Registrars and societies.

To

All Deputy Registrars
Building Societies

(By Order)

R. DESIKA,

Manager.

No. B. 3142/25

OFFICE OF THE

REGISTRAR OF CO-OPERATIVE SOCIETIES,

Madras, Dated 4th October, 1925.

Rao Bahadur M. K. Vengata Achariyar Ayl., B. A.,

Ag. Registrar.

It has come to the notice of the Registrar that organisers and others of Co-operative societies sometimes collect share capital from the applicants

of such societies in advance of the registration and starting on work. Such collections are highly objectionable and should not be tolerated anywhere under any circumstances.

(By Order)

R. DESIKA,

Manager.

GOVERNMENT OF MADRAS,
DEVELOPMENT DEPARTMENT

Copy of G. O. No. Mis, dated 3rd October 1925.

Read the following papers:—

From the Government of India, Department of Education, Health and Lands No. 1222 Agri. dated the 19th September 1925:—

The undermentioned paper is forwarded to the Government of Madras for information.

Finance Department (Central Revenues) Notification R. Dis. 29—I. T. 25, dated the 25th August 1925.

Finance Department (Central Revenues)

NOTIFICATION

INCOME-TAX.

Simla, the 25th August 1925.

R. Dis. 291-I. T/25. In exercise of the powers conferred by Section 60 of the Indian Income-tax Act, 1922 (XI of 1922) and in supersession of the Notifications of the Government of India in the Finance Department No. 681-F, dated the 28th December 1912 and No. 718 F. dated the 8th March 1922, the Governor-General in Council is pleased to direct that the following class of income shall be exempt from the tax payable under the said Act, namely:—

"The profits of any co-operative society other than the Sanikatia Salt-owners' society in the Bombay Presidency for the time being registered under the Co-operative Societies Act, 1912 (II of 1922) or the dividends or other payments received by the Members of any such society on account of profits."

A. TOTTENHAM,

Joint Secy. to the Govt. of India

ORDER:—

Recorded.

(By Order of the Government, Ministry of Development)

V. PANDRANG RAO,

Secretary to Govt.

Dis. No. B. 3517/25

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES,
Madras, Dated 7-10-25.

Copy communicated to the Deputy Registrars and Assistant Registrars for information.

To

Deputy Registrars
Asst. Registrars.

(By Order)

R. DESIKA,

Manager.

M.R.Ry., Rao Sahib V. VENKATACHARIAR, AVL.,
A Brief Life Sketch.

In the galaxy of men that have laboured in the field of Co-operation in our province, the name of Rao Sahib V. Venkatachariar occupies an important place. Unostentatious by nature, and retired in disposition, he has been doing steady but silent work for nearly a quarter of a century in the co-operative field. His lovable nature, his sincerity and steadfastness of purpose, his extreme sympathy for the weak and poverty-stricken and his keen desire to ameliorate their condition have all made him an enthusiastic co-operator and if we have tried in the following few lines to portray his life sketch, it is only with the desire that his noble example might enthuse the young generation and create in them a desire to follow in his footsteps.

He was born in the year 1870 and had his early education at Walajanagar and Vellore. Matriculating in 1886 he went up to the Pachaiyappa's College, Madras, and passed his F. A., in 1888. The intellectual gifts of Mr. V. Venkatachariar may be readily seen when we mention that out of the 72 candidates that sat for the examination from his college, 12 passed and he was one of the "lucky dozen". Later he was for some time employed in the Postmaster General's Office. In the meanwhile he qualified for the bar, and started practice at Conjeeveram in the beginning of 1894.

From this moment he had dedicated his spare hours to the service of humanity. He founded the Chingleput District Association, a quasi-political organisation, held meetings in several parts of the district and spoke on the current problems, thus waking up the consciousness of the people. At this time the Co-operative Societies' Act of 1904 was on the anvil and it came to be studied and discussed by the subject of our sketch. As a result of this he formed what was then called the Co-operator's Society with the chief function of forming new co-operative societies. He also organised District Co-operative conferences, the first three of which were held at Conjeeveram. The Town Bank of Big Conjeeveram (the first Town Bank in the Presidency, its number being three) was organised at his instance in 1904. He was its first President and continued as such till 1910. The number of its members having risen to 1,058 and likely to rise still, Dewan Bahadur R. Ramachandra Rao, C.S.I., the then Registrar of Co-operative Societies, was of opinion that its area of operation ought to be curtailed. The Little Conjeeveram Urban Bank was therefore started in September, 1910 and our Rao Sahib was its first President and then continued to be Director till 1918 when he removed to Big Conjeeveram. His guiding spirit was in requisition in organisations of

greater importance and responsibility and he was elected now (1918) as president of the Chingleput District Central Bank, Conjeeveram, and continues to occupy this office even to-day.

He was invited to preside over the Coimbatore District Co-operative Conference in July 1919 and delivered an inspiring and thoughtful address full of brilliant suggestions.

A man of wide culture and possessing a capacity to wield a facile pen, he has been taking a keen interest in the revival of the South Indian stage. He has been actively associated with an amateur dramatic organisation and has also tried his pen in the direction of writing Tamil dramas. He has put this ability of his into use in co-operative propaganda also by writing and publishing a drama in Tamil on "Co operator in Disguise" showing the down-trodden Adi-Dravida.

His long and informing article on "Non-Credit Work" which appeared in the Bulletin sometime ago will also be remembered by your readers.

Honours also came to him though tardily. The Government conferred on him the title of Rao Sahib. Mr. C. D. S. Perumal Mudaliar, a native of Conjeeveram, and an engineer, P.W.D., Burmah, and a great philanthropist, presented him with a gold medal in recognition of his eminent service to the public. It is fitting that this was put into the hands of the Rao Sahib by Sir P. Rajagopalachariar, K. C. S. I., on the occasion of his unveiling the portrait of the late Dewan Bahadur M. Audinarayaniah Garu, in the Central Bank buildings at Conjeeveram, but for whose constructive statesmanship and high organising talent, as the first Registrar, the co-operative edifice in the Presidency of Madras would not be the brilliant structure that it is to-day.

We can rest assured that the Rao Sahib will continue to do greater service to the public at large in all useful directions especially in co-operation.

A CO-OPERATOR.

NOTES AND NEWS.

The Training Class of the P.C.U. The P. C. U. has tried to justify its existence by conducting a training class giving instruction of an advanced nature to students of co-operation. In response to the appeal issued by the P. C. U. there were as many as 450 applications received and with great reluctance the P. C. U. has to pick and choose amongst them and admit only about 150. There were among the applicants Masters of Arts, Graduates, Bachelors of laws etc., which shows that the public at large is evincing some interest in co-operation. It is also true as a cynic remarked that the rush of applications indicates the question of unemployment amongst the so-called educated classes;

The classes are being conducted in the Kellet Hall in Triplicane and there are 3 lectures every day, 2 in the morning and one in the evening, and one period of 2 hours in the afternoon devoted for library work and tutorial classes. The course of instruction was inaugurated by the Hon'ble the Minister in charge of Development Department whose address on the occasion we hope to publish next month. It is but fair to add that the success of the whole is due to the enthusiastic and single-hearted devotion of Rao Bahadur A. Vedachala Iyer as was aptly pointed out by Sir K. V. Reddi Naidu, the President of the P. C. U., in his speech. Mr. Vedachala Iyer has been responsible for organising the course and co-ordinating the work of various lecturers and he has always been ready to take the place of any absent lecturer and fill the gap over and above, giving the course of lectures allotted to him. We hope the students who have come from all parts of the Province, from Berhampore in Ganjam in the north to Nagarcoil in Travancore in the south, will profit by the instruction imparted and will become so many missionaries to preach the gospel of co-operation in the various parts of the Presidency.

A new venture. The idea of lending to the ryot money on the surety of his crop is becoming popular and the Registrar's speech on the occasion of laying the foundation stone of the Godown of Orathanad Crop Loan Union is reproduced elsewhere. This is a first step to joint sale of the produce of members. This will eliminate the middle man who is now putting his hands deep into the pockets of the producer and taking a big slice of his legitimate profits.

In a recent number of this magazine we published an account of how a joint-sale society in the Punjab is working satisfactorily. We also drew attention in our study of the administration of co-operative department in Bombay, how some of the societies there are working the joint sale very successfully. We hope that in course of time societies for joint sale of the ryots' produce will grow in large numbers and enable them to get good price for the articles they produce. The time is still far off when we need apprehend any danger by the producers combining into a big link or trust and dictate their terms to the consumer.

Co-operators' Day celebration by the T. U. C. S. Last month the T. U. C. S. celebrated the Co-operators' Day which as usual was a great success.

It was presided over by the Hon'ble the Raja of Panagal, the Chief Minister, and a novel feature of the celebration of this year was that the address of the day was delivered by a lady, Mrs. Gowri Sankunni M. A., L.T.,. It was a remarkable pronouncement considering that the lady's acquaintance with co-operative activities in the country was not very intimate but she brought to bear on her task freshness and enthusiasm of new recruit. We hope to be able to publish her address in our Bulletin some time.

They also held a competition and called for essays on the subject of "History of Distributive Co-operation" and we are glad to state the first prize of Rs. 25 was secured by Mr. Ghulam Ahmed who was so intimately connected with the P. C. U. in former years.

A. Suggestion. The celebration of Co-operators' Day by the T. U. C. S. raises the question whether there is not a good deal of overlapping of the activity among the co-operators of the Madras City. There is the International Co-operators' Day which the co-operators of the whole City join together and celebrate. There is a District Conference in the City of Madras wherein also the Co-operators of Madras have to take a leading part. Over and above these functions that are common to all co-operators of the City, each important society celebrates its anniversary by requesting prominent gentlemen to preside on the occasion and getting another to deliver an address besides conducting socials etc., If the T. U. C. S. which has been taking a good deal of interest both in connection with the International Co-operators' Day and the District Conference has to celebrate another day of its own it strikes one as being, to a very great extent, superfluous. Being one of the most important co-operative organisations in the Province the T. U. C. S. can easily take a lead and combine its own day with the International day and

celebrate a whole co-operation week at the end of which the International day will come as a crowning success. The T. U. C. S. has got its own Common Good Fund for such Celebrations intended for propaganda and this fund cannot be better utilised than by getting various functions combined instead of frittering away the sum available for 2 or 3 celebrations. It is, however, a suggestion by the way to the authorities of the T. U. C. S. and also to the persons in charge of the International and the Dt. Conference, a suggestion which we hope will be accepted and acted upon.

What is Co-operation.

The Hon'ble the chief Minister in presiding over the Co-operators day of the T. U. C. S. is reported to have said that he was a co-operator to the extent that he was not a non-co-operator. Perhaps the Raja Saheb meant it as a joke and he belongs to a stratum of society which does not stand in need of co-operation as a new economic gospel and still that statement of his implies a misconception which is not at all uncommon. There are many members of co-operative societies who take them as institutions where money can be got at a cheaper rate than from a village sowcar and there are many members of stores that have not a higher conception of such institutions than their being self-managed grocers' shops. It is high time that propaganda work is done among members more even than among non-members that co-operation is not a mere acting together but that it is a new way of averting the economic ills of this world, and that it is a new gospel of hope and comfort especially to the poor and afflicted. Very often organisers of co-operative societies are ignorant of these high ideals of co-operation and are only convinced that co-operation is business. Hence shops are started and not stores, lending banks are started and not co-operative credit societies and many institutions flourish under the banner of co-operation that are not actuated by co-operative ideals. This ought not to continue and we hope the training class now started by the P. C. U. will give the right lead to the future workers in the field of co-operation.

The T. U. C. S. discusses future development.

The President of the T. U. C. S. recently invited the panchyatdars of the various branches and some prominent co-operators of the city for informally discussing the proposition sent by one of its branches regarding decentralisation i.e., that in course of time the T. U. C. S. do constitute itself into a great wholesale and allow its branches to become independent and autonomous units. The acting Registrar of the Co-operative Societies was also present and took part in the discussion. After a long and full discussion of the question from various

points of view, it was resolved to refer the question to a committee which was to discuss the question of separation of the credit from the sales department and of the devolution of more power to constituent branches. There were some orthodox advocates of consumers movement who stuck to the old doctrine of sale for cash down only and advocated absolute separation of the credit department from sales department while there were some who believed that each country must develop according to its own tradition, and to suit its own requirements, that the consumer in India has always been accustomed to get credit from his shopkeepers and that the credit department in T. U. C. S. has been discharging a very useful function.

We congratulate the President on the happy idea of the informal conference and the splendid success which their function was. We have been present at many a meeting of the General Body of the T. U. C. S. where as a rule there would be a good deal of talk and heated discussion and mutual recrimination for a good portion of the time allotted for the meeting and later on when everybody felt tired, all important propositions will be rushed through towards the very end of the meeting; but this conference devoted considerable attention to all aspects of the question and even though there was an animated discussion, it was all illuminating and informing. During the discussion mentioned above the sound principle was initiated by our veteran co-operator, one of the founders of the T.U.C.S., Rao Saheb T. K. Hanumantha Rao, and it was endorsed by Rao Saheb Mr. K. Vencatachariar that in non-credit branches of co-operation there should be concentration and that in credit matters especially in the matter of lending to individuals there should be decentralisation. The larger the amount of business transacted in purchase, sale and other forms of non-credit co-operation the more efficient and the more economic the organisation would be, but in the matter of lending, each member must have a personal acquaintance with every other member and hence the smaller number of members in a lending society, the better it is for the credit Institution.

Cheap satisfaction.

There are some members of the T. U. C. S. who are easily satisfied with the success so far achieved. They point out with a certain degree of satisfaction to their business extending to 12 lakhs of rupees a year or to the number of members 4,000 and odd, to the number of branches which come to 20 now and to their reserve fund and their common good fund running to some tens of thousands of rupees. They forget that the population of the City of Madras is over 5 lakhs and if we take one man as an earning member in a family of 5, there are at least 1 lakh of earning members who are

purchasers of commodities, and yet the T.U.C.S. has got only 4,000 out of 1 lakh, that means it has been able to catch only one individual out of every 25.

It is a well known thing that co-operation which strikes at the root of profit and eliminate the middlemen is a gospel of salvation mainly to the poor and even supposing that even 5 men out of 25 are rich to such an extent as not to stand in need of the help of the co-operative movement. Still the T.U.C.S. has got a big task of getting the remaining 19 out of 25. i.e., it has been able after 20 years of successful work to bring within its reach 4 per cent of real purchasers in the City of Madras.

As a contrast to this let us see what our brother co-operators in England are doing. *The Manchester Co-operative News* (dated 26-9-25) has its leading article entitled 'Are we satisfied'. It asks the question after drawing the attention of its readers to the phenomenal increase in the transaction of co-operative societies in Britain. The increase in the trade of distributive societies during last year was £23,500,000 or roughly 70 crores of rupees. 9000 persons more were employed by societies and the total savings to all the individual members who bought from the stores is estimated to be £15,500,000 or 23 crores. "Yet we must confess" adds our contemporary, "that, grateful as we are for the benefits derived from the great achievements of our organisation, we are not satisfied with this prosperity. In saying so, we are not indulging in the characteristic grumble of a shopkeeper who sees potential customers passing his door on their way to a rival. We are lamenting rather that many millions more have not participated directly in the benefits which have come to the four-and-three-quarter millions; and lamenting too, that of this latter number men have not benefited to the full extent open to them. We lament, chiefly that so many disregard this co-operative means of gaining popular control, of trade and industry.

A long felt desideratum.

A hall dedicated for co-operative activities in the City of Madras has been a long felt desideratum. As it is, those in charge of the International Co-operators Day or of the Madras City Conference or even of the T. U. C. S. Co-operators Day have to go a-begging for halls for their celebrations. The P.C.U. is housed in a rented building. The T.U.C.S. has got a library of its own; but it is not located in such a public place that all members may go and make use of the valuable books kept there. Many of the co-operative societies in the City of Madras have no offices of their own. It would be a proud day for Madras when it can put a stately pile of

buildings with a spacious hall for conference, with committee rooms and accommodation for offices of such societies as may agree to come in and with facilities for social recreation of the co-operators of the City of Madras. We hope that premier organisations like the Madras Central Bank, T.U.C.S, Christain Central Bank, M. S. M. Ry. Stores, the Government Post and Telegraphic servants co-operative society etc., will pool their resources together and help us in concretising this dream of ours.

The Hemingway Memorial Fund.

We are credibly informed that the admirers and friends of the late Mr. Hemingway started immediately after his death "The Hemingway Memorial Fund" with the laudable object of perpetuating the memory of that good friend of India. We are also informed that they were able to collect some subscriptions from the various parts of the Presidency. Their idea of constructing a co-operative hall in Madras like that of Holyoake House in Manchester or the newly erected Thackersy building in Bombay is a very laudable one, though we are afraid the money they have been able to collect hitherto is far too inadequate for the purpose. We should suggest as an alternative the formation of a library to be called "the Hemingway Library" which would contain all classics on co-operation and allied subjects and would serve as a source of inspiration to young co-operators of the province. An annual investment of about Rs. 300 would keep the library up to date. We understand that the subscription collected is enough to fetch that sum as interest if properly invested. May we hope that the organisers of the memorial fund will move in the matter and take some steps to see that this suggestion of ours is accepted and acted upon?

'Look within'
Ye Co-operators!

It is a pitiable sight to see that many of the Government Inspectors and Supervisors are engaged in actual collections of dues from members and very often we come across both in official and non-official reports that overdues in a particular area are due to slack work on the part of these officers. Even in urban areas where there is a higher level of general culture and members of co-operative societies are expected to know their duties, many of the employees societies have to depend for their regular monthly collection on the withholding of dues from members by their pay disbursing officers; in fact certain central banks, to the extent of refusing loans to the Employees' societies unless there is a provision in the bye-laws of such societies whereby every borrowing member is compelled to sign the declaration authorising officer to withhold his monthly dues and unless

such officers also agree to withhold the same. Co-operation is generally defined as "character capitalised;" but that is to be modified in the light of this experience of ours in this country. It is the duty of every non-official co-operator who agitates for more power to see that there is this moral improvement among the borrowers and that they do pay their dues of their own accord without any necessity for pressure from outside.

What Others do The foreign mail brings us every week news of some trips or excursions undertaken by bands of co-operators to neighbouring districts or countries in Europe and America. We, in this country, do not move about so rapidly nor so often as our co-operative brothers of the West do. Still when we do move we must make it a point to cultivate acquaintance with co-operators of the place we go to, and if any co-operator were to come to Madras from any part of the presidency or from other presidencies in India, the Provincial Co-operative Union will be very glad to arrange this itinerary for him during his stay in the city of Madras. We hope our offer would be availed of at least by some.

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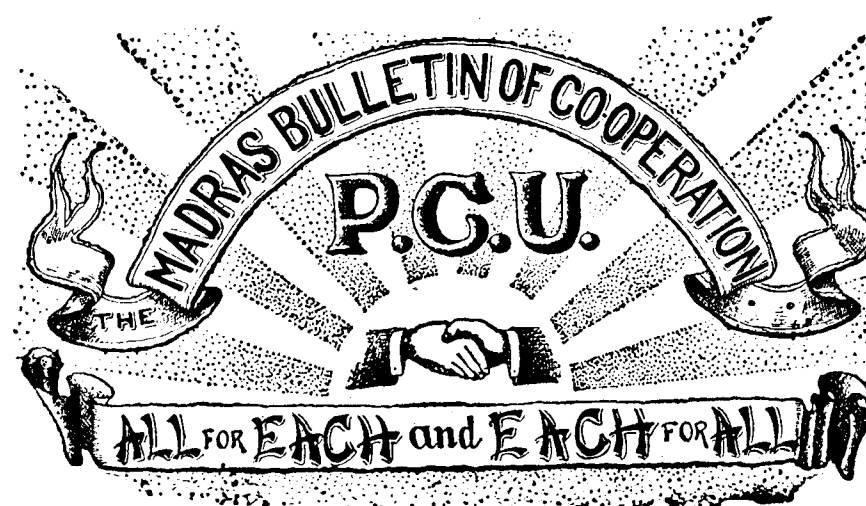
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PROGRESS IN RURAL CO-OPERATION.

Credit Societies started in rural areas in this Presidency in such large numbers were not intended to serve merely as agencies for distribution of agricultural credit to a few poor men in each locality or for the mere removal of their indebtedness. These should become regular associations of agriculturists and men of allied profession resident in a locality to secure the economic uplift of every member joining them. Credit facilities should be freely made available for any scheme of amelioration which these associations may choose for the improvement of all or any group of members. As a matter of fact it is an undoubted fact the Co-operative societies have hitherto not been helpful to the desired extent in the amelioration of the population in each rural village.

2. Enquiry will seem to be required to be made as to what the defects are in the present working of rural co-operation and how such defects should be remedied. I note below a few ideas to be thought out by all interested in the movement and some suggestions which, if acceptable, might be adopted.

3. Real economic improvement must ultimately depend on increased production. There can be no lasting improvement or real rural reconstruction if the people in the villages are not helped to produce more, spend and live a better life. The population hitherto brought under the co-operative machinery does not exceed even 2 or 3 per cent of the total. It cannot be pleaded that 98 per cent of the population are devoid of the instinct of self-advancement or are absolutely ignorant to understand the beneficent move of co-operation. It is also not correct to say that those who have joined the co-operative movement do not even now draw their credit from the money lender or from the trader. We generally bring into co-operative organisations those who are very much indebted and who seek the institution as a refuge from the money lender who pursue or are about to pursue them. Such men gravitate back to the money lenders when the Society presses them for payment. Even the most well behaved of them feel that their sole aim in joining the society was to borrow funds and repay the sum borrowed to the society. They lose interest in the society the moment they feel they have no need to borrow or when loans are refused to them owing to their unpunctuality in repayment. These people have no other conception of a rural society than a money lending shop though really the ideal is very much higher. The better classes of agriculturists are either avoided by those connected with the movement or they do not come into it because of the fact that they do not expect much help from it owing to the defect in the constitution or in the manner of working it. The standpoint from which a village society is worked appears rather narrow and the vision requires to be broadened. The more intelligent, the more enterprising and the more well-to-do people who are engaged in the agricultural industry should be allowed facilities to join the society. The point of view which should be before the co-operators is that a village rural credit society is one intended for all persons connected with the agricultural industry of the village, the improvement of the whole of which can only ensure the increase of the food products of the village. Increase in production can be secured only by better methods of agriculture and this can only be the result of the combined effort of every one connected with the agricultural industry of the village. Intensive cultivation can be attended to by well-to-do people as well as by those who have at present

come into the rural society and such well-to-do people can better appreciate the improved methods of agriculture. Once these people come into the society, and follow up such intensive methods of cultivation, others will follow them up. Hence the organisation of rural societies must include all the persons interested in the village in regard to agricultural industry, leaving out only those who are ineligible by virtue of their bad character to become members and those who are inimical to the interests of co-operation. Poor men are not to be excluded on the ground that they have no assets. Richer men should not be excluded on the ground that they can command credit elsewhere from money lenders and traders. The method hitherto followed of confining Co-operative activities to a few persons being redeemed temporarily from the money lenders must be given up and a higher ideal should be aimed at. What has to be done to better the rural village is to create a real rural civilisation under which the ryots will not feel that their end of existence is to lead a miserable life of poverty and drudgery. They should feel that they are members of the biggest industry in the country, that they possess honesty, courage self-reliance and self-sacrifice and that they by their own organisation are able to protect themselves from the parasites of sowcars and traders and from the ravages of famine, pestilence etc. and that they can successfully promote the agricultural industry to the fullest possible extent with advantage to themselves and to others. Such a rural life must secure as its goal simplicity of life, sincerity of character and faith in the merging of one's self with the village community and the country at large. Such a potentiality the Co-operative movement has and no other agency can be invoked to secure the object in view. Better agriculture, better business, better living can only be secured by bringing into the fold of the movement, everyone connected with the agricultural industry in each village. Supposing for instance all the lands in a village are brought into the society and each pattadar is asked to work under the direction of the society the lands which he now owns, the agricultural industry of the village will advance by leaps and bounds and the solidarity of the industry will be assured. Produce of the village will be distributed to the members suitable to their requirements and the surplus sold to the best advantage, crediting the sale proceeds in proportion to the outturn by each member after deducting his expenses. This hypothetical working of a rural co-operative organisation will be an ideal one but the result due from such organisation can even better be realised by every one connected with the industry in the village becoming members of the society and by the society providing for all services being rendered to the members and at all times as can be expected to be done by the hypothetical rural

society described above. In the latter arrangement individual exertions will be stimulated to a high pitch. Such a step in the reorganisation of village rural societies will not only lead to a defined rural progress but it will also give scope for economic progress to the fullest extent in the direction of increased production, reduction of expenditure, and realisation of better prices for the produce sold. The whole village has to be organised into the co-operative movement, a village being treated as a unit for a rural society. But where the village is a populous one and membership becomes unduly large, the remedy will be not in the direction of restricting the number of members or forming communal societies to the detriment of village solidarity but in the direction of sub-dividing the jurisdiction of a society by territorial limits. The division can conveniently be made by bringing together all who are connected with lands in a particular portion of a village owned, leased or cultivated by the members of that part. They are resident in the village. Each group will represent the people cultivating a definite block of lands in the village. For example, all persons who cultivate or own wet lands may get into one group and those who own garden lands getting into another group. Splitting of the jurisdiction of each organisation in the village can be judiciously made with reference to the local conditions of each locality.

4. Emphasis should not be laid too much on mere financing operation. The society should become one for securing an organised effort to improve the agricultural industry, to secure better amenities of life, to bring about people to work together for common ends and to make the rural population feel their responsibility in regard to their obligations to their village community and to the outside world. The object of the co-operative rural society should be the rural and economic welfare of the members by joint effort and common counsel and the reconstruction of the agricultural industry of the village on well approved and safe lines. The society should be expected to do the following.

- I. To introduce all agricultural improvements by arranging for better seeds, manures and implements, by introducing more profitable crops, where possible, to improve facilities of irrigation and to secure better breed of cattle and to take such steps as may produce intensive cultivation and increased production.
- II. To introduce suitable cottage industries to give scope for labour when not required in agriculture.
- III. To encourage thrift and securing deposits from members.
- IV. To secure the establishment of schools with the aid of subscriptions, donations and grants-in-aid.

V. To secure improved village sanitation and to arrange for protection from epidemics.

VI. To undertake joint work for common village needs such as construction of village road or the excavation of a tank or drinking water well.

VII. To arrange for the purchase of the domestic requirements of the village inhabitants by organising within the society a village store or other suitable arrangement.

VIII. To arrange for the disposal of the surplus produce by bulking them and selling them at favourable rates at the most suitable opportunity.

IX. To secure funds by offering the joint and several liability of the members as security to be utilised for productive and necessary purposes or to facilitate the carrying out of any of the purposes above specified.

In short, the idea is to organise and bring together all people connected with agricultural industry in a village so that the persons connected with it may make a bold stand against capitalistic money lenders and traders.

5. The first objection that will be raised to this suggestion is that the co-operative credit movement in villages in this Presidency has never put any obstacle to secure these objects in view, and that the people who did not come into the movement could not be forced to do so.

I do not blame the Department and the non-officials connected with the movement by stating that they introduced real obstacles to progress in the direction indicated. The desire for expansion of the movement in every part of the Presidency and the limited finance available in the early stages of the movement appear to have contributed a great deal to limit the scope of the activity of a village rural society. The departmental officials who were running the show directly till 1916 (when alone supervision by Local Union was attempted in a growing scale) were apparently nervous to extend the transaction in each village as naturally they felt that they should not be made responsible for any failure in big institutions with heavy transactions. They felt that more well-to-do people when allowed to get in large numbers will deprive the poor man of the advantage of the movement. There was this wane about poor men between the years 1918 and 1920, but the evil has been very much exaggerated. The agricultural industry as a whole must get improved even if the poorer men are to be benefited. Except in the matter of credit accommodation in the village rural society at present, the rich and poor have to get on amicably. It is not contended that a friction will not arise between the richer and the poorer men but such

frictions can be avoided or controlled by wisely regulated bye-laws and by frequent inspection. For example, long term loans might be restricted to Rs. 1000 and short term loans might be given up to Rs. 3000 or even 5000 according to the necessity of members in each village. It is not beyond the possibility of practical minds to solve this problem. If loans are distributed with due regard to the repayment power of each individual member and if adequate extensions are given to cases of default due to causes beyond the control of borrowers the difficulties in running the society on sound financial lines will disappear. If the Department will only emphasise the higher ideal for a village rural society of bettering the agricultural industry of the village and of a regular reconstruction of the rural life in the village and if the borrowing power of each society be not restricted to a figure fixed and regulated by the registering officer from time to time a new angle of vision will be felt by the rural folk and by those interested in the co-operative movement for the benefit of agricultural industry,

5. The advent of the well-to-do people into the rural movement will secure better personnel in management, and credit transactions must invariably be carried on a large scale to leave a sufficient amount for establishment and supervision charges. At present the sum available for such purposes is so small that supervision of societies and management of societies are found difficult of accomplishment owing to want of adequate funds and the consequent inability to maintain efficient and equipped staff. Really competent and expert advice to conduct non-credit activities (such as supply of requisites and sale of produce) cannot be secured in very many areas even by a combination of a number of rural societies. The advent of the well-to-do people in each village will also secure more honorary workers in the villages themselves. Both the officials in charge of the movement and the non-official organisations entrusted with the working of the movement should take a bolder step than till now in the direction of enlarging the scope of the working of rural societies by admitting every one connected with the agricultural industry in each village and by fully satisfying the credit needs of each member at all times in sufficient volume without any delay excepting of course the removal of prior indebtedness on a large scale. That the people who are now outside the movement in each village have not yet realised the advantages of the society and have not joined them will not be applicable everywhere. There have been difficulties in the way and these should be removed as early as possible if progress is to be made and if we wish to avoid a setback. It is pertinent to enquire why in spite of the working of a rural society in a village for

more than 10 years, a large number of people have not joined it. The village society has not been useful all round and at all times and to all people. Remove all these impediments. You will find then in the village there are practically none outside the movement. The usual argument urged as to why well-to-do people did not join the rural credit society is the fear of unlimited liability. As a matter of fact in this Presidency this fear was short-lived, though it might have been experienced in the early stages of the movement. This argument will not hold good for 98 per cent of the population standing out. Even if there is any small portion of such people, propaganda and education of the safeguards available in the working of the unlimited liability concern will set matters right. At the most we can arrange for unlimited liability to operate with contribution by each regulated with reference to his credit accommodation, say 4 times the amount of credit accommodation or by fixing a specified figure of Rs. 2000 or 3000. Such difficulties are capable of solution by well-thought-out adjustment.

8. A co-operative village organisation should be thrown open to every human being in the village with good character and should devise various methods to secure the uplift of every one of them, the only persons to be excluded should be the parasites of rural life, moneylenders and traders who charge abnormal profits for dealing with them.

9. The Local Union should become the association which should employ expert staff to supervise the societies on adequate remuneration instead of the existing staff whose knowledge of rural economics is absolutely *nil* and who are but imitations of auditors. The governing body members will be available from a large field of selection and from among people whose sole profession is agriculture and who can be expected to help themselves by improving the status of every one connected with the industry. The Local Union will then become a centre of co-operative education with adequate funds for carrying on its duties efficiently. It is not enough that the local unions are keeping up a tolerable state of efficiency in account keeping and office routine.

10. The Dt. Bank, being a central organisation in the district for all co-operative societies, must be made to realise by suitable proposals for expansion so as to afford credit facilities for the progress of agricultural industry in each district. It should be able to finance rural societies connected with agriculture to the fullest extent so that all the labour connected with agriculture and other rural industries may join the movement.

11. The last objection that may be urged towards this policy will be the question of finance. This contention cannot hold support in the face of the fact that the Provincial Bank had to find outlet for about 15 to 20 lakhs in other Presidencies or provinces and that the overdraft with the Imperial Bank of India (Madras Branch) which amounted to about 50 lakhs was not utilised to the extent of even a half. It is a plain truth to say that it is only when a need is created for the use of credit, supply of funds will be forthcoming and the financing agencies will be stimulated to secure ways and means for the required finance. If in working up the suggested improvements, difficulties in the finance are felt, I believe, it will be the day when every co-operator from the rural village up to the Provincial Bank will put forth his best energy to secure the funds required. As a matter of fact funds are really forthcoming to carry on co-operative supply and co-operative trade as the overdraft with Imperial Bank can be utilised twice in a year to the extent of one crore of rupees.

12. I am alive to the fact that the Registrar has issued circular instruction to the co-operative banks to be more liberal in the financing of rural co-operative societies. This is a welcome suggestion but the evil of stagnation has to be traced to a variety of causes which should be ascertained and suitable remedies should be supplied.

13. The suggestions made are put up for the consideration of the departmental officers and the non-officials connected with Local Unions, District Federations and Central Banks so that both might devise suitable arrangements in each District for securing a substantial progress in the agricultural industry and for the reconstruction of rural life on a sound basis. The Department is one in charge of applied rural economics and there is very little difference between the official and non-official agency as both work out the same ideal. I therefore appeal to both the wings of the movement to consult and devise suitable arrangements for securing the object in view.

A. VEDACHALAM.

CO-OPERATIVE STORES IN INDIA—IDEAL AND ACTUAL.

BY MR. T. K. HANUMANTHA ROW, B.A., L.T.

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CO-OPERATIVE STORES IN INDIA—ACTUAL AND IDEAL

I. "Co-operative Stores."—"Co-operative Stores" are associations of Consumers mainly of the poorer and middle classes who seek to attain by such association immunity from certain economic and social evils to which they are subjected in the ordinary institutions for buying and selling known as "shops" owned and managed by private individuals or groups of individuals solely for their private gain.

II. The Evils of dealing in shops.—Among the evils of dealing in shops may be mentioned the following:—

1. Haggling for getting the best quality and lowest cost
2. High Prices.
3. Low quality of goods.
4. Adulteration.
5. Short weight and measure,
6. Others frauds the extent of which depends upon the cupidity of the seller or the ignorance of the buyer or both combined.
7. And last not least, the pitfall of Indebtedness which ever awaits with a yawning mouth the needy customer of the private shops who is thereby (eternally) dragged farther and farther away from the path of "Thrift" the only road to Salvation from Poverty for an honest labourer.

III. The moral effect of the Competitive or shop-system on the Consumer.—In an ordinary profit-seeking shop (for profit-making is not always certain even for a shopkeeper) between the Consumer who stands in front of the Counter and the shopkeeper who stands at the back of it, there is no mutuality of interest. Indeed their interests are mainly antagonistic. As the profit rises, the Consumer loses and the shopkeeper gains and vice versa. Profits are secret and largest on goods of which the Consumer knows least. The suspicion with which the Consumer deals with the shopkeeper and the consciousness of that suspicion on the

part of the shopkeeper are not conducive to an atmosphere morally elevating or otherwise wholesome. Holyoake, the historian of the English Co-operative movement, comments thus on the effect of competition upon the consumer:—If social truths found their way to tombstones, we should read many inscriptions to the following effect—

"Here lies

A practical man of business who had an eye to the main chance which was always open

His heroic life was an incessant contest with
His Butcher and his Buttermilk, his Baker and Draper

He died through premature exhaustion
In trying to avoid being poisoned or cheated.

Like so many others
He perished ingloriously
This vigilant fool of competition."

Elsewhere he says—

"Every individual is a consumer and how his world deals with him as a consumer may make or break him and is sure to mould him."

IV. The Ideals of a Co-operative Store. When a student of "Store" co-operation seeks for its aims and ideals, he is irresistably driven to find them in the historic "Toad Lane Store" whose founders have been immortalised in history as—

"The Rochdale Equitable Pioneers"

the name given to the twenty eight poor flannel weavers who were the disciples of Robert Owen, that angerless social philosopher whose sympathy for suffering humanity led him to seek at considerable cost for "A new moral world" which would replace the old morally pernicious competitive world of Industry as he found it. When one talks of a Co-operative Store, it is generally to an institution of the Rochdale type that reference is made. And a very large number of the existing co-operative stores of Europe, America and the rest of the world are modelled after the Rochdale plan and are striving however imperfectly to bring about that social amelioration of the workers which the Rochdale Pioneers had in their view to bring about through their "Toad Lane Store."

V. The aims of the Rochdale Equitable Pioneers. The following were the prominent among the aims of the Pioneers of Co-operation:—

1. The establishment of a Store for the sale of Provisions Clothing etc.
2. The building, purchasing or erecting of a number of houses in which those members who are desirous of assisting each other in improving their domestic and social condition may reside.

3. To commence manufacturing of such articles as the Society may determine upon for the employment of such members as may be without employment or who may be suffering in consequence of repeated reductions of their wages, i.e.,

The solution of the problem of unemployment and low wages.

4. As a further benefit and security of the members of this society, the society shall purchase or rent an estate or estates of land which shall be cultivated by its members who may be out of employment or whose labour may be badly remunerated.

5. Then follows another project which no nation has ever attempted and no enthusiasts have ever yet carried out, i.e., "That as soon as possible this society shall proceed to arrange the powers of Production, Distribution and Government or in other words, to establish a home colony of united interests or assist other societies in establishing such colonies Mark!!! Who are the people to accomplish this grand scheme? Twenty-eight penniless paupers out of employment; and yet in about eighty years after the formation of this society, the labouring classes of Great Britain are very high up in their advance towards their ideal and they have a glorious future before them.

VI. The fourteen principal features of the Rochdale system.

1. The Pioneers set the example of beginning a Store with *funds of their own providing mainly*.
2. Supplying the purest provisions they could get.
3. Giving full weight and measure.
4. Charging market prices and not underselling or competing with shopkeepers.
5. Taking no credit or giving any thus discouraging debt among working people.
6. Giving the profit made to members in proportion to their purchases, acknowledging the equitable principle that they who made the profit shall share it.
7. Fixing interest (on share capital) at 5 per cent-so low that Employees and Consumers who alone make capital fruitful may have a fair chance of gain.
8. Inducing their members to leave their profits in the Society itself to accumulate, thus teaching them thrift.
9. Dividing in the workshop (if they happen to have productive departments in the Store) the profits among those who earned them in proportion to their wages.

10. Devoting $2\frac{1}{2}$ per cent of all profits to education, to promote the efficiency of the members.

11. According to all members the democratic right of voting (one person one vote) upon all appointments and propositions.

12. The extending of Co-operative Commerce and manufacture by the establishment of an Industrial city in which crime and competition should cease.

13. The originating of the Wholesale Society by which they created the means of fulfilling their own professions which otherwise would have been impossible for them.

14. The institution of the Store as the germ of a new social life which should by well-directed self-help ensure morality and competence to all the industrious.

The above fourteen points enunciated by the founders of the Toad Lane Store so long ago as 1844 are to be very carefully studied and borne in mind, for they best indicate the germs of success that led the Pioneers onwards and they will serve even to-day as the guiding principles of every Co-operative Store.

VII. The chief among the above fourteen points discussed.

(A) The chief of the above rules and the one which established the Co-operative movement on a democratic basis and justified the title of "*Equitable Pioneers*" was that relating to the DIVISION OF PROFITS i.e., Division of Profits according to purchases. This rule is a unique discovery and forms the backbone of the Co-operative Store movement. It may not be out of place to quote here the remarks of the late Prof. Marshall on this point in his book on Industry and Trade. He says:—

"The policy of charging the full market rate and then returning part of it as a share of the profits at the end of the year was adopted with the purpose which had been accomplished of attaining the following among several ends:—

1. The policy moderated though it did not quench the opposition of the local shopkeepers.
2. It avoided discussion as to the prices which could be safely charged and in so doing—
3. It diminished the strain on the simple working men who were serving an apprenticeship to a very difficult business.
4. It further afforded a small inducement to continue purchasing at the store and persuade others to join it. Because everything that

quickened the turnover of the Store added to the profits which (after deducting interest on capital subscribed and borrowed) would be available for paying dividends.

5. And there was yet another higher motive. The working classes then, even more than now, were apt to getting into the habit of living from hand to mouth so that they lacked the power to buy outright a solid piece of furniture or a useful implement. The dividend has taught hundreds of thousands to know the pleasure of possessing two or three sovereigns free from any mortgage. This motive operates still, though in this richer age the dividend is often applied to defray the expenses direct and indirect of a summer holiday at the seaside.

6. The dividend relieves many anxieties of the sick-room and nearly £ 100,000 are spent every year on education.

7. The Co-operators' system of dividend on Purchases was itself accumulating sums of capital in their societies which gave them the opportunity of putting into practice the several items of their original programme viz *organising their members in producing commodities for their own consumption.*"

(b) The only other rule which is specially worthy of note as a very beneficial one is rule No. 5—

"Taking no Credit nor Giving any."

thus discouraging debt among working people. As Mr. Holyoake has well said—

"He who is in debt is owned by others; the shoes upon the feet, the garments on the back of the children of the indebted workman 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 shops might more reasonably than the Jew of Venice claim their pound of flesh at his hauds. No one is independent who is in debt."

"Many people hardly realise how fatal an evil is the credit system. Many speak lightly of debt who have a horror of drink, but it has been said with much truth that 'The Credit System of the Country is only second in its demoralising influence to the drinking habits of the people. (In India it may be said to occupy the first rank). The Philanthropy which does not really like the independence or the self-respect of the well-fed and well-clothed working man will not be anxious to forward co-operation with its horror of credit trading, but the true benevolence which does not wish to wait till suffering arises and then steps down and help it, but would prevent the suffering if it could, will make war upon the Demon of Debt which has slowly crushed many a working man and

woman and will by direct and indirect means in its power help to further a movement so full of benefit to the working people."

VIII. Summary of aims and achievements of Distributive or Store Co-operation of the Rochdale type outside India.

The writer of the article on Co-operation in the Encyclopædia Britannica has summarised the achievements of the Co-operative (distributive) Societies in the following words:—"Co-operation has succeeded in vastly improving the position of millions of the working classes by enabling them to obtain their provisions cheap and pure, to avoid the millstone of debt, to save money, to pass from retail to wholesale trade and from distribution to manufacturing, building, house-owning and banking and above all to educate themselves and to live with an ideal."

There is not the slightest doubt that the practical education and experience by the working men and women in England by taking part in the working of their Co-operative Stores rendered them fit for the task of self-government and have raised many of its leaders to the rank of administrators.

A successful Co-operative Store of the Rochdale type commencing its business with a capital so small that at first its members do not know where to find it or how to raise it, soon finds that it has more money than it knows what to do with, and when many neighbouring societies so circumstanced federate themselves by extending the principle of democratic association with which they started, their organised and assured market, and their superfluous capital lead them on to the next higher stage of Productive Co-operation which easily solves for many of their members the problem of unemployment or precarious employment. Thus they get into their own hands a power for securing their own economic salvation. Thus the British Co-operators have established beyond all doubt that "*Co-operation is a new force of Industry whose inspiration is Fraternity, whose Method is Economy, whose principle is Equity.*"

Like the tortoise of the fable, Store Co-operation, starting from the Toad Lane Store, its humble Lancashire home in England, has slowly but steadily travelled far and wide and entered into the remotest parts of the earth and last not least into India. Like a good Chronometer, it keeps well in every land irrespective of creed, colour or climate and heralds the peaceful progress of its votaries to a better lot economically, socially and morally and like the sacred "Kalpa" tree showers its beneficent influence upon all those who correctly appreciate its principles and follow its methods.

IX. Co-operation in India: Co-operative Credit Societies Act X of 1904: The Co-operative Societies Act II of 1912. Co-operative Stores. The Triplicane Co-operative Store.

In the year 1904, the Government of India passed "the Co-operative Credit Societies Act X of 1904; and it is justly recognised that by means of this Act the Government pioneered into India Co-operative Credit Societies of the Raiffeisen and Schulze Delitsch types with a view to relieve Agricultural Indebtedness in India which was felt to be a heavy burden upon Agriculture, the mainstay of its people and their government. But this Act did not contemplate, recognise and much less encourage "Co-operative Distributive Societies" of the Rochdale type through organising the process of "buying" which had hitherto been regarded as an Act of no social significance. But the amended Act II of 1912 filled up this omission and thenceforward the formation and fostering of "Co-operative Stores" became the concern of Government. It is, however, a surprising fact that even before the amended Act came into operation a few Co-operative Stores made their appearance and struggled with success to secure a place side by side with the credit societies which were organised everywhere and in large numbers by the officials of Government whose chief aim is social betterment of the people. The first and foremost of such 'Co-operative Store' is the "Triplicane Stores" now known the "*The Triplicane Urban Co-operative Society*".

X. A brief history of the "Triplicane Store":—Its origin, its present position; what people think of it.

It was established on the 9th April 1904 in a humble cowshed (forming an outhouse of No. 145-146, then known as Mecca Medina) in Big Street, Triplicane, Madras. Its monthly rent was Rs. 2-8-0. The number of members on the opening day was *fourteen* and the withdrawable share capital was 310 Rs. It had on the opening day two employees, one being a salesman and the other accountant, on a monthly allowance of Rs. 8 each. It was modelled after the Rochdale Store in its aims, methods and regulations. The present position of the Society is indicated fairly accurately by the following figures:—

Number of Members	...	4,200
Share Capital (fully paid up)	...Rs.	60,000
Reserve Fund	...	62,000
Common Good Fund	...	27,000
Number of Branches or places business	...	21
Number of Employees	...	Above 120

Number of buildings owned by the Society	...	3 valued at 30,000
Number of buildings occupied on rental, 19 (yearly rental near)	Rs.	10,000.
Annual Sales.	Between 9 and 10 lakhs of Rupees.	
Library of 500 volumes.	Reading Rooms for members in almost all the branches.	

It was this Society which was referred to by the Madras Registrar of Co-operative Societies while observing in the annual report (1910 or 11?). "The History of Distributive Co-operation in this Presidency with the brilliant exception of the Triplicane Store has been such that its results far from encouraging tend actually to discourage and prevent the rapid spread of distributive and productive work". It is also with reference to this Society that the Co-operative Registrar of another province while on a visit to this Society enquired of a Madras co-operative Official as follows:—"Will you please explain why, when Co-operative stores are a failure everywhere else in India, this particular society is so successful".

XI. Triplicane Stores taken as a type for a critical study of the merits, difficulties, and defects incidental to Co-operative Stores in India as they actually are at present.

Just as it was found convenient in treating of the ideals of a Co-operative Store to confine detailed attention to a single typical store i.e., that of the Rochdale Pioneers; so it might be well to single out this Triplicane Store as a type for our study, directing attention first to those features in its working which have contributed to the success it has achieved in the past and then to the difficulties and defects in its present working which not only hamper its rapid progress to a higher stage but which in the opinion of its best well wishers seem to indicate the possibility of retrogression and falling off from the ideal of its originators, in the near future.

XII. The Triplicane Store and the causes of its early success.

(1) *Knowledge, Faith, Leadership, Propaganda, as result.* The Originators of the Triplicane Store recognised that their first duty was to get their neighbours roused, to carry *Knowledge* to them, not only knowledge, but inspiration and a *Faith* as well. After a good deal of preliminary talking and discussion, they arranged for two public lectures in the Literary Society* situated in the neighbourhood, one on the "*History of the Rochdale Pioneers*" and the other on "*Some aspects of Co-opera-*

* This society has since been incorporated with the Triplicane Urban Co-operative Society with all its funds and appurtenances.

tion" explaining the principles and methods of the Pioneers, and the formation of the Triplicane Co-operative Store was the result. It is but just that some reference must be made to some of the methods adopted by them to keep their members who were daily pouring in acquainted with the essential principles of the Co-operative Store. (1). In the third half-yearly report of the Society we find the following:— Since 9th February this year, the society has been subscribing for the "Co-operative News" of Manchester which lies on the table at the Headquarters of the Society and is read by a fairly large number of members. The Society itself reprinted a tract entitled 'Five reasons why I am a Co-operator' and distributed copies on the occasion of the opening of the Mylapore Branch. It is hoped that more work of this kind will be done in future so as to realise in some measure the third object of our Society, viz., the dissemination of Co-operative knowledge". In their fourth half-yearly report, we find the following.—In addition to the *Co-operative News* which was subscribed for during the last half-year, the Mill-gate monthly has been ordered for our Society and the following books have been purchased:—1. The Industrial Co-operation. 2. The Co-operative Managers' Text-Book. 3. The Co-operative Book-keeping. The following extract is noteworthy:—"The Directors take this opportunity to report a vacancy in the Advisory Board by the unhappy death of one of our enthusiastic and much esteemed members of the Advisory Board, Mr. Pandit S. Y. Natesa Sastriar, who had undertaken to translate in Tamil for the benefit of our Society the famous history of the Rochdale Pioneers by the Grand Old Man of Co-operation, Mr. Holyoake, whose death at the good old age of 83 is lamented by the whole Co-operative world". The institution of a central Library and Reading Rooms in each of the branches where Co-operative Literature formed the chief food of the readers point to the necessity felt by the originators for a regular supply of Co-operative Knowledge to its members. Last not least must be mentioned the wisdom of the Originators of the Triplicane Store in organising what is known as "The Co-operators' Day" apparently to celebrate the Day of the foundation of the Society, but really to serve as a method of Propaganda. The expenses of this function were met from a "Common Good Fund" instituted mainly for carrying on the work of propaganda. The "proceedings" of these annual celebrations had been printed up to the year 1914 and they form an excellent contribution to the literature on Co-operation by members of the Society and their friends; and the need for co-operative education is thus emphasised by one of the Society's propagandists in the following words on the occasion of the celebration of the 5th Co-operators' Day: "The number of members finding entrance into your movement is to be counted by hundreds if not by thousands—they come into it, become

possessed of enormous powers in its management. If you will allow them to remain unconverted to the co-operative faith and co-operative methods, there is a great danger of the movement being converted by them into a capitalists' movement for private aggrandisements not for human betterment at large."

"Yours is the pioneer Co-operative Store in the Presidency. Your membership consists of some of the most enthusiastic students of co-operation with a firm faith in the principles and a grasp of the ideals of the movement. On you must rest the glory of the faithful accomplishment of these ideals. To no others can be allotted the duty of carrying the cause of co-operation forward manfully, hopefully, and with good cheer."

Clarence Poe in his "How farmers co-operate and double profits" remarks:—"Knowledge, Faith and Leadership, this is the Trinity of essentials of co-operation, Give us leadership and all the other things will be added to us" and asks every reader of his book "Why not make yourself a leader of progress in your neighbourhood, a leader in bringing about the co-operative spirit and co-operative effort?"

"For these and other reasons, the Government of Madras thought it fit to entrust the publication of the *Bulletin* to this society. Now it is transferred to a "Union".

XIII. The Triplicane Store and how it secured the means to carry on its business.

1. Each member had to pay a minimum share capital of five rupees besides an entrance fee of annas four which was invariably added to the Reserve Fund. The largest number of shares any member could take is fifty. Even this small share capital could be paid in such small instalments as the Directors may think fit, this rule being made with a view to enable even very poor members to avail themselves of the benefits of the Store. This small capital and the profits fast accruing with a rapidity proportionate to the rapidity of the turn-over formed the working capital of the Society.

2. At the end of the year, the members were encouraged to convert their dividends on purchase into additional shares; and in the half-yearly report "the Directors note with pleasure that the number of members who convert their dividends into share capital is gradually increasing."

3. A third source of working capital was the system known as the T. D. A., i.e., "Trade Deposit Accounts" which, according to the 5th half-yearly report of the Society meant pre-payment for goods to be purchased and "was introduced to supplement the small working capital of the Society by advances from members who could conveniently do so. It is satisfactory to note that this system is being more and more

largely availed of by members and has afforded considerable facilities in the purchase of goods in larger quantities than we could otherwise afford". This system was possible because there was a constant touch between the members and the directors who made no secret of the wants and difficulties experienced by them in the management of the Store. The management did not rely on any interest-bearing loans or deposits for their working capital.

XIV. The Triplicane Store and the indivisible Foundation Funds created for its stability and strength.

Early enough in their career, the Originators saw that it would be precarious to build an "Institution for all time" on a foundation of withdrawable shares, and provided for the permanent foundation of two funds known as the *Reserve Fund and the Common Good Fund*. Any one that doubts the utility of these two funds must contemplate upon where the Triplicane Store will be to-day if the interest on the Common Good Fund and Reserve Fund be deducted from their annual profits. The utility of these funds is not properly understood by the present day members and steps are being proposed to reduce the size of these two funds if not to wipe them off altogether. Originally each of these two Funds drew a fourth of the net profits of the Society. The Library, Reading Rooms and the expenses of the "Co-operators' Day celebration," a function invented for propaganda purposes, are all still being met from the Common Fund which is daily dwindling to a smaller and smaller bulk by the eating away by members of the corpus of the Fund and by devising all sorts of expenditures for the benefit of those who have nothing to do with the Society. The Reserve Fund stands answerable for the magnificent buildings owned by the Society. In spite of these patent advantages accruing to the Society from the Common Good Fund and Reserve Fund, they are looked upon as useless drags on the Dividend paying capacity of the profits, and now only 10 per cent and 7½ per cent of the profits every year are added to the Reserve and Common Good Funds, thus, weakening the foundation of the whole edifice of the Store as a permanent institution.

XV. The Triplicane Store and personnel of its management.

The human element in a Co-operative Store falls under three heads:—
1. The General Body of members. 2. The Honorary Directors who form the Board of Management. 3. The paid employees.

In all stages of the progress of a Co-operative Store towards its destined goal, the general body of members form the chief support and strength to the cause of co-operation. Their ignorance and apathy may at any moment make the institution tumble down like a heap of powder. The extent to which they are taken into confidence by the governing body

and the employees is also the extent to which the Store will be successful in achieving its objects.

*"It is desirable to keep members as intimately in touch as possible with what the Store is doing. A co-operative Store has no secret from its members. In fact one of the first conditions of success in co-operation is mutual kindly frankness. Members should be told all about what the Store is doing before they ask for information. Members should be told how they can serve the Store and thus serve themselves. If useless things are done and expense incurred in private shops, they can be successfully eliminated in the Co-operative Store only with the intelligent co-operation of the members." *Hence a powerful propaganda work is absolutely essential not only devising the formative stages of its career but also in the whole course of its progress onward towards the destined goal. The propaganda, though it may in its earlier stages, appeal to the power of the purse and the dividend in money, it will very soon have to appeal to the power of the soul and the dividend in brotherhood which are both the means and the end of the co-operative movement.*

When propaganda work is successful, the members of the Society increase and so does the business in bulk and complexity and the Honorary Board of Directors who take up their work for the love of the game soon find themselves unequal to the task of management or administration; and the following are the words spoken by the then President of the Triplicane Store in the welcome address delivered by him on the occasion of the Second Co-operators' Day celebration of the Store (11th April 1909). "With the addition to the business area of the Society and to the number of its constituents the responsibility of management has grown immensely and to put the Directorate in closer touch with the members Local Committees have been formed. They will represent to the Directors the local needs and local grievances and help to redress them too. At the rate the concern is growing, we shall have the need of an expert staff and an expert Board of Management..

And if we work in the true spirit that is expected of us all that celebrate this day, we should be able in time to get the needed men replacing the amateurs among us like myself by business men (Experts)." Enthusiastic spirits with selfless devotion to the cause of co-operation will have to be in the Board of Management for a long time to come for the success of the movement, but the enthusiasm will supply neither the business capacity and knowledge nor the leisure necessary to tackle huge business problems. This deficiency must be made good by the appoint-

* On one occasion when the Secretary informed members of the enormous cost of waste paper for packing grocery articles supplied to the members, several bundles of old newspapers and old twine used for packing were flowing in without asking for them,

ment as soon as finances permit of scientifically trained experts in the several branches of business who must be attracted into the service by wages sufficient to maintain one decently. In the beginning, no doubt, the financial position of the Society cannot admit of much paid assistance in the work of management, but as business and consequently finance improve, it must be possible and it is absolutely necessary in the interests of progress to get an expert staff of employees. The existing staff might be trained to a higher standard of efficiency and if it is not possible, they must be gradually replaced by qualified men who alone can cope with the increased demand for efficiency with the rapid growth of business. But what we generally find is that the emoluments of the staff have increased with the growth of business, but not their efficiency. False considerations of past service and communal sentiments overrule considerations of efficiency and the well-being and progress of the Institution. A big co-operative Society like the Triplicane, one ought to be proud to count on its staff some of the best experts in each line of business such as accountancy, banking, business organisation, salesmanship, co-operation and the like. Before all, the employees must be more than even the general body of members, imbued with co-operative knowledge and a co-operative spirit. Enthusiastic and loyal members with requisite knowledge may take pride in enlisting themselves in the service of their store which with their generously rendered service might be instrumental in raising the economic, social and moral standard of the community it serves. The propaganda work of the Society must conduce to the unity in aim of the members, the Directorate and the Staff, "and the frictionless working together of the management and the members. The more perfect this relation becomes, the more fully does each member become an influential missionary to attract others into the movement thus recognising the true co-operative spirit which makes one feel that "the only way one can really help himself is by helping his neighbour".

More frequent meetings, conferences and social gatherings are therefore desirable to foster the spirit of unity among the various constituents to success.

XVI. The Co-operative Store and the Credit Department attached to it.

"Credit to the Producer leads to Prosperity
Credit to the Consumer leads to Poverty."

When the Triplicane Co-operative Store was founded, its originators never contemplated attaching a Credit Department to it. Tempted by certain privileges conferred on co-operative credit societies registered

under the Co-operative Credit Societies Act X of 1904, the Triplicane Store applied for registration under the Act. The Registrar who first objected to register the Store which wanted *cash down* from its members on each transaction, under an Act meant to foster co-operative *Credit* societies, was readily convinced of the contention of the Store Directors that the Store saved its members from profiteers just in the same manner as a Credit Society was intended to save its members from the rapacity of usurers, and secured the registration of the Society on condition that a credit department must be attached to it. It may be established in theory and in practice such a combination of Stores and Credit work in one and the same society is not conducive to the progress of the movement. Fortunately, government has recognised the evil and has already decided not to permit the registration of the same society for credit and distribution work; but this government order did not have any retrospective effect and so the Triplicane Store suffers from the evils of this combination of Distribution and Credit work, and it is hoped earnestly by all the well-wishers of the Institution that the two branches of work will be separated with advantage to both in the near future. The Madura Store which originally was a Combination of a Store and a Credit Society has been split up into two separate societies—Vide Registrar's Circular on page—

XVII. Co-operative Store and State Help.

Societies which are worked on the principle of self-help and mutual help must not look to state help for their support. But the principles of co-operation which are identical with self-help and mutual help are hardly realised at first and co-operative propaganda is absolutely necessary. It means lecturers, libraries, and such like devices. These involve expenditure of more or less money which the co-operative societies in their earlier stages cannot undertake. The Government may help in such educational work. It is really a species of moral education. If schools, colleges and universities are encouraged to undertake this work, there will be no need for a separate scheme for co-operative education, but as it is, co-operation is a neglected subject even by the co-operative societies themselves. Propaganda work may well be paid for by Government if it is keen on the spread of co-operation in this country.

XVIII. Co-operative Stores and Conferences.

It is the conviction of the present writer that the Periodical Conferences that are held by the Co-operative Societies are not productive of an amount of good commensurate with the expenditure of money and energy, official and non-official, involved in bringing them about. They have no definite aim, there is no pre-arranged programme of work to be

done at the Conferences, very little of propaganda work is or could be done in them. The speakers chosen are not always those who know much about the subject on which they talk. It is more a vanity fair of co-operation than a business conference of experts with either theoretical knowledge or practical experience. Presidents are chosen to guide the conference who have no claim to co-operative knowledge, faith or experience but simply because they hold high positions in life. The writer has gone carefully through the presidential addresses of many a conference where nothing could be found beyond a tall-talk and pious wishes to be fulfilled by all but themselves. (1) So far as distributive societies are concerned, it would be conducive to their growth and development to have separate conferences of these societies for taking united action where necessary or for comparing notes merely of each other's trials, difficulties and experiences. 2. The transactions of these conferences ought to be in the vernacular of the area in which they are held. (3) The area covered by the societies meeting in conferences must be small so that the travelling cost of the members may not be high. (4) The method of electing delegates or representatives must be considerably improved so as to secure the best talent in the area for service in the cause of co-operation. The aim should not be to gather a large crowd or a showy procession, but to get together a small body of men with knowledge and experience who can guide the movement. In the absence of proper men to lead, the officials must lead by putting sound ideas into the heads of those who confer. It is indeed very strange that while the official talent has been successful in organising or rather bringing into existence several thousands of credit societies, has not been equal to the task of organising distributive societies. It will not be out of place here to suggest for the consideration of Government the desirability of setting aside one or more co-operative officials to specialise in the distributive side of co-operation and to be responsible to Government for the propaganda, advice and organisation with special reference to such distributive societies. "Credit Work" and "Distributive Store work" should on no account be combined in a single society, under a single official or in one and the same conference.

XIX. Co-operative Store as a stepping stone to Production.

The principal charm of a co-operative store from the Industrial point of view is the facility with which it leads to the Industrial development in a community by the formation of organisation for production. Hence store co-operation is also termed Industrial Co-operation. A single co-operative store starting with almost no capital soon creates capital by organising the consumers and by pooling together as it were the profit on

their custom which otherwise would go into the pockets of the profiteers. This accumulation of capital goes on gradually increasing soon reaching a point at which the members are at a loss to know what to do with their superfluous capital. The demand for commodities which the Store supplies to its members also increases in bulk and variety, and the difficulty of obtaining them on favourable conditions of quality and price, naturally leads them to utilise their surplus capital in their hands for the production of such commodities as can profitably be sold to their own members. Tailoring, flour-milling, oil-milling, boot and shoe-making, cabinet making, bakery, can all be attempted by a simple store of a big size with about 10,000 members who understand that loyalty to their own stores means mastery over production and capturing the profits of production also for their members. But just as one swallow cannot make a summer, so one store cannot organise productive industries so easily as a number of them working together. Thus in order that the store movement may effectively lead to production, a number of big co-operative stores must rise up in all large centres of population with identical aims and methods, and these effect a further co-operation among themselves (with an eye to production) into wholesale societies. Their combined resources and their combined market which is more assured and steady than the slippery and treacherous competitive market will form two of the most favourable conditions for a productive enterprise being successfully launched. It may also lead to organisations of producers or copartnership associations to take advantage of and benefit by an assured and steady market organised by the consumers. These producers and artisan classes may with their own capital or the capital borrowed from the co-operative societies or from co-operative credit societies of the Schulze-Delitsch type (established for the sole purpose of financing them) may form their own organisations and thus bring their problems of unemployment and low-wages nearer being solved by themselves than ever before. Therefore it behoves all who love this country, officials and non-officials alike, to work together by means of effective propaganda for the growth and development of a large number of Distributive Co-operative societies in this country. And the co-operative credit societies in towns will find their appropriate clientele in the producing classes or artisans instead of in mere consumers to whom credit means ruin.

XX: Conclusion. "The besetting sins of the Store movement in the words of Mr. Alfred O'Neill—are fostered by the apathy and indifference of the membership. It tempts the executive to slackness, makes it possible for corruption to creep in, tends to commercialism entirely, and at best fosters a bureaucracy which may or may not be efficient but which cannot have good effect upon the members' 'Eternal vigilance is the price

of liberty'. There is too much talk among the members as if their society belonged to the Committee or Manager and that they had no part in it beyond drawing the dividend and complaining if it is not as large as this, that or the other societies. The members have to be taught and trained in season and out of season to understand that every one is an integral part of the movement and that each has a share in promoting the success or failure of it. It is of utmost importance to our future that the percentage of indifferents be reduced, and their co-operative intelligence and faith increased. Every member of the co-operative movement should be put in the way of knowing in some degree its aims and objects, and aspiring Committee men would then be more plentiful than they are to-day". To bring about all this knowledge and faith, what we want is.—*Leadership*.

"THE HOUR IS COME BUT NOT THE MAN".

APPENDIX.

Note by the Registrar of Co-operative Societies Re: splitting the Credit branch from the Stores branch and forming them into two independent societies and also splitting the credit branch into smaller societies for consideration by the Madura Urban Co-operative Society and Stores Limited on 24th March 1923.

At the time when the Madura Urban Co-operative Society and Stores was started the earlier Act of 1904 was in force, and it was considered that a purely distributive society could not legally be registered under that Act, so that to make it possible to register the Society credit functions had to be included. It was not with any idea of making an experiment in the combination of credit and distributive functions that the two were combined in one and the same society. Most Co-operators, not only in India but also in Europe, are agreed that it is not desirable that a credit society should ordinarily undertake other functions. This view has been consistently held by Government and the department and in few cases where a departure from the accepted policy has been allowed and societies combining credit and non-credit functions have been started, certain safeguards have as a rule been provided. Distributive societies which came into existence after the introductions of the New Act have not been permitted to undertake credit work.

The combination of functions probably does little harm in the initial stages, while it is still possible to conduct the business strictly in accordance with true co-operative principles. But a society in which credit and distributive functions are combined inevitably grows unwieldy an unco-operative

more rapidly than a society with only one function. And when a society becomes unwieldy, the management must necessarily become weak and inefficient to the detriment of the business of the society. Although I do not urge this as an argument for the changes I propose that your society has already actually suffered serious deterioration, there are undoubtedly signs that such deterioration will take place unless remedial measures are adopted soon. In his audit order the Assistant Registrar has pointed out these signs of deterioration and I shall only briefly refer to them.

1. The number of members on the rolls of the society on 30th June 1922 was 1,422, of these something like 633 members have defaulted in the payment of the annual instalments of their shares, to the extent of Rs. 3,987, an amount which exceeds 10% of the paid up share capital. Of this a sum of Rs. 2,603 has been overdue for two years or more and Rs. 1,384 for a year or more. The real reason why so many members have become defaulters is apparently that they have lost all touch with the society. With so many defaulters it is hardly to be expected that the Board of Directors can apply wholesale the penal provisions provided in the by-laws. It is utterly impossible for the directors to ascertain why all these members defaulted and whether they still possess the qualifications prescribed for membership. Members lose touch with the society either because they live at a distance, and after a time find it inconvenient to go to a society so far away from their homes or because the membership is so large that they do not know one another and frequent meetings at the premises of the society are impossible.

2. The society has created public confidence and has attracted large sums in the shape of deposits. This in itself is an excellent thing (always provided that proper arrangements are made for fluid resource) but owing to the fact that the members are not sufficiently in touch with the society, it is not possible to utilise all this money for the benefit of the members themselves. I do not of course urge that deposits should be refused. Deposits tendered by my members must in any case be accepted at reasonable rates of interest. But unless the society is able to utilise the money for the benefit of the members (and this is possible only if the directors are in close touch with the members) one of its primary objects is defeated.

But leaving theoretical considerations out of account I may explain what actual experience in the matter of splitting unduly large and unwieldy societies shows. When the area of operations of a society consists of a number of villages or the whole of a town; the number of members from each village or ward is generally *comparatively* small. But we have repeatedly found that when such a society is split up into two or more

societies a much larger number of members come in from the various villages or wards, than the larger society could attract.

The reason for this is fairly obvious. For with the reduction in area the society becomes known to a far large number of those residing in the area and the Directors know and are known by the residents much more intimately than is possible in the case of the larger area. The regulation of admission to membership, the restriction of membership to the really suitable, the granting of loans and the necessary watch over the way in which they are utilized, as also the punctual collection of dues, all become much easier with the reduction in the area of operation.

3. Perhaps the most disquieting and dangerous feature in the Madura Urban Co-operative Society and Stores is the extraordinarily large amount overdue by members. Of Rs. 76,507 outstanding against members on June 30th 1922 a sum of Rs. 19,377 or more than 25 per cent was overdue. It will be observed from the figures noted in the margin that the overdues are rapidly increasing as the Society becomes year by year

1916—17,	17—18,	18—19,	19—20,	20—21,	21—22	} more and unwieldy.
Rs. 1,962	2,971	3,409	5,850	12,672	19,377	

The reason is of course that the collection of dues from members has become entirely mechanical and that the co-operative idea has been very largely obscured. This is inevitable when the borrower is living in one corner of the city and his surety most probably in another distant corner and where the borrower and his surety have had a few or no opportunities of meeting since the loan was taken. It was probable also that in many cases the office establishment is unable to identify the members. Indeed it is admitted that the whereabouts of certain borrowers are not known.

4. The chit funds are not run in the manner originally contemplated. The general funds are utilised to a large extent to pay the winners. Arrear subscriptions are left uncollected for a long time. There was a sum of Rs. 19,298 remaining uncollected at the end of the previous year 1921—22, as against Rs. 13,660 at the end of the previous year. The reason given for the heavy overdues under loans apply with even greater force to the arrears under this head.

5. As regards the stores branch I very much doubt if the development can be regarded as really satisfactory. During 1921—22 stores were purchased to the value of Rs. 58,118 and sold to the value of Rs. 63,478 and a gross profit was earned amounting to Rs. 3,939. Deducting the charges the net profit amounted to Rs. 963 only. This sum would only be sufficient to pay a dividend on the share capital if there were a separate capital for

the stores branch and there would be nothing to go towards bonus on purchases. Apart from the fact that the society supplied articles of good quality and correct weight and measures the economic benefit for which members joined the stores was absent. Out of 1,422 members only 256 bought from the stores. The reason why the majority of the members have not made use of the stores is probably to be found in the fact that the stores branch does not cater for their needs. It is generally the case in an urban credit society that a certain number of members do not take any loans for it is necessary to admit some people who do not require loans but who will put their savings in the society in the form of share capital and deposits. But in a stores society especially in a place like Madura all the members should purchase stores from the society, otherwise it has failed in its primary object. The only possible conclusion therefore is that the directors are not at present in a position to give the very special attention which a consumers society needs. It is not merely a question of effective supervision of the establishment. There are other and even more important factors to which they must devote attention if the stores is to be a success, such as for example the study of trade, the formation of correct estimates of the requirements of members, the constant education of the members and propaganda amongst the people who ought to be brought into the society. Here also local knowledge is to some extent essential.

For all these reasons I think something ought to be done without delay to improve the working of the society. It has already been suggested that the stores branch should be separated from the credit branch as this will relieve the directors of much of their work and enable them to improve the credit branch. But I do not think that it will be sufficient merely to separate the stores from the credit side. The credit branch will still be unwieldy and most of the evils which I have pointed out will still remain. I would therefore suggest the following solution. The stores society should be separated and registered as a new society. The existing society would then undertake credit work only and its area of operations would be divided into as many sections as is convenient and a sub-society or branch established in each section. Each sub-society or branch would have a separate list of members and a local panchayat elected from among them. The local panchayat would have power to admit members and to sanction loans to them but no power to take deposits. The local panchayat would be responsible for collection. All deposits tendered at the sub-society should be transferred to the parent society. The function of the parent society would be to get deposits and to finance the sub-societies and supervise them. The members of all sub-societies would form the general body of the parent society and would elect the Board of Management. Decentralisation

on these or similar lines would not retard the progress of the present society and it has the advantage of retaining the present deposits. The Board of Management would of course have power to inspect all sub-societies and, if necessary, may retain in its own hands the power to sanction loans to members recommended by the local panchayat. It should however have no power to give loans to a member except on the recommendation of a local panchayat.

The stores branch might ultimately have similar branches or sub-societies but from the present state of development it does not seem likely that this question need be considered for some time to come.

A possible alternative to the starting of sub-societies or branches of the credit society would be to create a number of new credit societies for smaller areas within the jurisdiction of the existing society. One of the bylaws of these new societies would be that no one could become a member who is already a member of an existing credit society. As these societies develop they would gradually draw away the local men from the existing society. On the whole I consider the formation of sub-societies a much better method of dealing with the situation.

I shall now proceed to answer some of the arguments urged against the separation of the stores branch by the members of the committee appointed to consider the question. In regard to the objection raised as the unwieldy character of the society the committee say that the size of the society will be reduced by removing from the list the names of the defaulting members. This is not a real remedy. For I presume it is not the intention to refuse admission to new and good men merely because the society has become unwieldy. The society must continue to grow and to admit new members but development should not involve the sacrifice of co-operative principles. The remedy as I have already suggested lies elsewhere.

Again it is urged that the society is one of the very few societies in the Presidency in which both credit and non-credit functions are combined and that its working will be an interesting object of study to co-operators. I have in the opening lines of this note related the circumstances under which both the functions came to be combined in one and the same society.

It is also urged that taking into consideration the urban character of the society it is not too unwieldy and that it is too much to expect in an urban society that intimate mutual knowledge which is essential in a rural society. With the latter part of the argument, I agree, but even in an urban area it is possible to secure some amount of mutual knowledge if the area is a small one. If the area of operations of a society is restricted to one or two streets, members will always be in a position to know

something of each other's movements. And if a member changes his residence it will at once be brought to the notice of at least one of the directors. In the Madura society the whereabouts of certain borrowers are not known. This would scarcely be possible if sub-societies were formed on the lines I have indicated.

Another argument adduced against the splitting of the society is that it presents practical difficulties. These difficulties are not however stated. If they relate to the dividing of the share capital and reserve fund they are more imaginary than real. The present shares are rather high. The value of a share may be reduced so that a member may take shares in both the credit and the store societies but the share capital of the credit society should not be reduced below the prescribed proportion of liabilities. Members may exercise their discretion as to the number of shares they wish to take in the stores society provided that their share capital in the credit society is not unduly reduced. The deposits will remain with the credit society unless the depositors specially request their transfer to the stores. As for the division of the reserve fund it is a simple affair since we know what portion of the profits of the stores branch was added to the reserve fund year after year. But the reserve fund may be divided in any manner thought desirable by the general body and approved by the Registrar.

Co-operative Registrar's
Office, Madras.
Dated 30—11—22.

(Sd.) J. GRAY,
Registrar.

CO-OPERATIVE CREDIT SOCIETIES.

Question of Management: Applicability of Gandhiji's views in regard to Management of Public Trusts.

BY RAO SAHIB T. SRINVASA RAU.

I beg leave to invite the attention of panchayats and boards of management of Co-operative institutions, especially credit institutions, to what Mahatma Gandhi has to say on the subject of the management of public trusts. In an article written by him in "Young India" and reproduced in the issue of "The Hindu" of Oct. 12, referring to a list of 70 debtors to the Bihar Provincial Khadi board, owing long standing debts of over Rs. 20,000 to the said board, being the value of khadar sold to them, Mahatma Gandhi says :—

"It is a matter of shame and sorrow that there should be so many debts outstanding. The khadi board has in my opinion been over lenient. All public institutions are public trusts and those who are in charge of them

have oftentimes to harden their hearts and rigorously collect all debts owing to the trust under their charge. Leniency in the management of public trust is a misplaced virtue and may often amount to an unpardonable breach."

How true and appropriate these remarks as applied to panchayats and boards of management of co-operative credit institutions not excluding central banks. By-laws and subsidiary rules and regulations exist which lay down instructions for observance in the grant of loans and the recovery thereof as well as for subsequent examination of the debts remaining unpaid after the due date and grant of further time for payment when such a concession is called for for reasons beyond the control of the defaulter such as bad season, failure of crop, damage due to flood &c. The bylaws and subsidiary rules and regulations further provide for resort and arbitration or the law court when the debt is otherwise unrecoverable. The pity is that in the majority of cases the bylaws and regulations are more honoured in the breach than in observance. As to this Mahatma Gandhi writes :

"I know that a false notion of non-co-operation (for the word "non-co-operation" let us substitute "co operation") has often come in the way of proceedings being taken against defaulters. But as I have so often pointed out laws (for "laws" substitute "bylaws and subsidiary rules and regulations") are made by institutions for self-preservation, not for suicide."

How true these words again in their application to co-operators ! As observed by Dr. John Mathai the co-operative movement "is a movement which has grown out of circumstances, and is even now shaped by circumstances." In the light of the circumstances, and suitably to them, co-operators, under the guidance and advice of the Registrar, frame their bylaws and subsidiary rules and regulations, for the purpose, as the Mahatma so pointedly puts it, of self-preservation and not suicide. How very necessary therefore that the bylaws and rules should be scrupulously observed. There can be no duty more sacred than this. If, however, any such by-laws or rules are found unsuitable and to hamper, instead of help the growth of the institutions, such by-laws and rules are, as observed by the Mahatma, "worse than useless and must be set aside." It is only by faithful observance that any impracticability in the practical working of any rules will manifest itself : and when this happens, no time should be lost in amending or even rescinding the bylaw or rule. Action in this direction is rarely taken. There is a heavy responsibility in this respect bearing upon institutions and authorities charged with supervisory powers.

In the course of the same article the Mahatma states further :

"Boycott of Law Courts was undertaken in order to invigorate the nation, to wean the people from running on the slightest pretext to Law Courts, to popularize private arbitration, never to bolster up fraud or cover defaulters" Substituting, in application to the co-operative movement, the words "Non-resort to Law Courts is preferred" for the first six words in the above quotation and also the word "co-operators" for "the nation" and "the people," how well these observations apply to co-operators ? The Mahatma concluded his article as follows : "It (non-resort to Law Courts) proceeded upon the assumption that congressmen (co-operators) would at least carry out their obligations to one another and to the Congress (the Society of which they are members) without the necessity of resort even to arbitration, much less to Law Courts. I hope, therefore that those gentlemen (co-operators) who owe anything to the Khadiboard (any co-operative Society) will hasten to discharge their debts and will not put the board (the Society) to the painful necessity of taking proceedings against them."

Will defaulting members of all kinds of co-operative credit institutions and the panchayats and boards of management there heed to the council of the Mahatma and act accordingly ?

Co-operators will, I trust, not misunderstand me as suggesting, still less, meaning that the Mahatma is the first to offer this counsel. It has been given times without number by officers of the co-operative department and also by some co-operators themselves. Only, it is rarely observed. Instructions such as these bear repetition any number of times. Each repetition adds to their force and the more so when they come from the mouth of the Mahatma who has his own, peculiar, thrilling manner of saying things.

DISTRICT COUNCILS OF SUPERVISION.

None disputes the fact that the Unions in general are not working satisfactorily. It is as regards the measures for improving them that there is trouble. District federations if properly constituted and worked in the proper way would undoubtedly be the best agency for improving the Unions. But, you see how slow they are in coming into existence and where one exists as in this district how lifeless it is and what little practical good it has done so far by way of bettering the Unions in their work. Our federation meets perhaps once a quarter whenever the Assistant Registrar who is virtually though not constitutionally its President, can make a convenient halt in Conjeevaram ; and practically it is he who prepares and brings with him matters for its consideration. The governing

body does not think or do anything independently of him and no signs of its existence are visible after the Assistant Registrar has held the meeting and returned. Though the constitution provides for the election of a President, one has not been elected since the formation of the Federation in 1922. The presence of a local President, ought to materially influence the working of the Federation. The governing body is unwieldy and cannot meet, for financial reasons, as often as it should. There is no provision for an Executive Committee which is essential for the performance of the various duties of the Federation in carrying out its objects. For instance, there should be a monthly Review of the collection work in the societies affiliated to each Union and as to how far each society has kept up its obligations to the financing bank and how far its own members have been regular in the payment of their dues. This Review will bring to light most of the defects in the working of societies. Such Reviews which may be issued by the Executive Committee may be placed before the governing body at its periodical meetings which should be held not less than once a quarter. The Executive Committee may also review periodically how far defects noticed in societies in the departmental audit have been rectified and what special measures are necessary to set right any particularly bad societies. The Executive Committee may also carry out the policy dictated by the governing body with regard to various other matters coming under the 'objects' of the federation. The Committee should be of a small size and consist mostly of the members in the vicinity of the federation Headquarters so as to minimize the expenses of travelling of the members.

A federation working on the above lines would, in my humble view, render a most useful service to the movement and help to remove rapidly most of the existing defects in it. One great obstacle in the way of working a District Federation on proper lines is the want of funds. The representatives of the Unions who attend the meetings of the governing body and of the Executive Committee must be paid their travelling expenses, and an establishment should be provided for the Executive Committee. While the Unions themselves are in need of funds to enable their governing body members to inspect their societies they cannot be reasonably expected to bear the charges of the federation. In my humble view, Government cannot help the movement better than by subsidising the federations adequately to enable their governing bodies and Executive Committees to meet as often as necessary. What money is spent in this direction by Government is sure to be productive of the best results, if the Assistant Registrar while guiding the Federation and closely watching its working gives it a life of activity independent of his presence, taking care to see that it functions properly.

While Government has been incessantly declaring its policy of transferring to the Non-official shoulders the responsibility for all work connected with the movement excepting audit, and has also been gradually withdrawing from its function of supervision of societies by curtailing its inspecting staff intended for such purpose, it has, I fear, not helped the Non-official bodies sufficiently to fit them for bearing the responsibility well. If District Federations are nursed properly by the department and trained to do their functions in the proper way they should in course of time be able to relieve the official agency of what it has been doing in matters of organisation and supervision.

The Federation may well be entrusted with the selection of Honorary Assistant Registrars whom the Government is willing to appoint where the Unions want them, and the men so appointed may be kept in touch with the federation by all important reports from them to the official Assistant Registrar being required to pass through the federation and similarly all orders and instructions from the latter to the former may pass through the federation which will thereby acquire a training for its own future work.

If you agree in the above views may I venture to suggest that the provincial Union may keep pressing on Government the urgent importance of forming District Federations with proper constitution for useful working, and liberally subsidising them till they are able to stand on their own legs. When such Federations have been formed and put on proper lines of work all other improvements in the movement are bound to follow.

P.S. I omitted to mention that the Central Bank gives a contribution to the Federation. The subsidy of Government may be equal to what the Unions and the Central Bank jointly contribute to the Federation. I don't know if the Bombay plan of having His Excellency the Governor as the President of the Non-official Provincial Co-operative Institution may not be adopted here. That would facilitate a large financial support from Government. Since writing the above in June last, the local Federation amended its bye-laws last month (Sept.) so as to provide an Executive Committee and a paid Secretary. It has also elected a President though with regard to the elections held for the Executive Committee there is a grievance that they were held without previous notice. The newly constituted Executive Committee has not commenced its work and it remains to be seen, what life it is going to have which the Federation hitherto has not had independently of the Department. The paid Secretary is to be a subordinate of the Department. I see no objections to this. But I understand he is to work in the Assistant Registrar's Office

apparently under his control and guidance with the President probably as the figure-head. This will only tend to continue the Federation nominally as a non-official institution and virtually as a branch of the Department which can have no independent action without Departmental initiative. It may be imagined what real training for independent work such an arrangement would give to the Federation and what prospect one may look to for its acquiring the capacity to relieve the official agency of its present work of organization and supervision in a reasonable length of time. As I have said above, the Department, while guiding the Federation and closely watching its working, should give it a life of independent activity taking care to see that it functions properly and, if I may add, taking care also to see that the best available men who are likely to assist in the rapid and healthy growth of the Institution are brought into the Executive Committee regardless of any considerations other than the best interests of the movement.

A. RAJABADAR MUDALIAR.

Special Types of Societies, Audit Orders for 24-25.

Audit Order of M.R.Ry. O. N. Ramaswamy Ayyar Avl. M. A., Deputy Registrar of Co-operative Societies, Trichinopoly Circle, on the accounts of 4072, Shiyali Agricultural and Industrial Society for the Co-operative year ended 30th June, 1925.

This is the sixth year of the working of the Society. Six Society members and one individual member were admitted during the year under review and there was a slight increase in both the membership and share capital, the figures under these heads at the end of the year being 175 and Rs. 20,803-8-0 respectively.

The activities of the society were considerably reduced during the year and there was a great fall in the transactions. The society mainly restricted its activities to the collection of bones and the distribution of fish guano and oil cakes. The gross profit under these transactions during the year was Rs. 724-7-1 while the figure under this head was Rs. 1,538-12-5 at the end of the previous year. During this year the society did not make any attempt for the grinding of the phosphatic nodules and the hand mill hired from the Industries Department was kept idle. The amounts of credit sales mentioned in last year are still left uncollected and there are many other items in the adjusting heads which are pending recovery for a long time. The attention of the Board of Directors is once again invited to this point and they are requested to see that they are recovered at once.

During the year under review the society worked at a loss of Rs. 5533-11-2. This amount added to the last year's loss has brought up the net loss to Rs. 13,952-6-10. Unless the Board of Directors take vigorous steps to develop the transactions of the society and strengthen its financial condition, there is no prospect of its continuing its existence.

As suggested in the last year's audit order the society has not raised enough to reduce the borrowings from the District Bank, but on the other hand the borrowings from the District Bank, at the end of the year were Rs. 28,429 as against Rs. 24,523-9-10 at the end of the previous year.

The society convened five meetings of the Board of Directors of which two had to be adjourned for want of quorum. No General Meeting was held in the year under review.

The society is requested to pay Re. 1 towards supervision fund to Shiyali Supervising Union Limited.

Audit Order of M.R.Ry. O. N. Ramaswamy Ayyar Avl., M. A., on the Accounts of No. 11032, the Vernon Land Reclamation Co-operative Society Ltd., Edayathamangalam, in Lalgudi Taluk of Trichinopoly District for the Co-operative year ending 30th June 1925.

The Society is only three months old, having been started work on 20-3-1925.

There were 29 members on the roll at the end of the year with a paid up share capital of Rs. 388-12-0.

The society whose sole object is to clear the heavily silted lands with the help of improved machinery was supplied by the Government with 181 tipping waggons together with $1\frac{1}{2}$ miles length of rails with necessary accessories free of cost. The sand clearance work was commenced on 11-5-1925 and by the close of the year the society was able to remove only 163 units in $2\frac{1}{2}$ acres at a cost of Rs. 1112-7-0. The work could not be pushed through more vigorously as was expected for want of adequate labour. To add to this, the villagers at first were very doubtful as to the successful working of the society. It is however gratifying to note that the society has recently discovered a method by which hauling of trucks is being done more successfully and profitably by Bullock power which has eventually attracted the attention of every affected Pattadar of the village with the result that admissions into the society are steadily pouring in. The society should strive its best to put into use all available materials supplied so far.

During the year under review the society was mostly helped with funds of the Madras Flood Committee. A sum of Rs. 1,720 was outstanding at the close of the year under this head.

The work of the society can be characterised as satisfactory. Much credit is due to M. R. Ry. B. N. Surya-Narayana Sastri Ayl, the President who in the midst of suspicions and fears, as to the future progress of the society readily came forward by lending his whole-hearted support in allowing his lands to be experimented upon in the first instance. The Society's thanks are also due to M. R. Ry. K. G. Sivaswami Ayl., B.A., for the great help rendered at its inception and for the successful working of the society.

**Audit Certificate of Andhra Sahara Sammelanam Ltd. No. 4331
for 1924-1925 issued by M.R.Ry. Rao Sahib V. L. Laksh-
minarasimha Rao Pantulu Garu, Deputy Registrar of Co-
operative Societies, II Circle, Bezwada.**

The Sammelanam was registered on 11-12-19 and has been in existence for the last 6 years. There were no fresh admissions of members during the year, the number of affiliated societies remain at 56 as in the previous year. The paid up share capital also remained as before viz. Rs. 4900. Societies from only three Districts in the Andhra Country have become members, the majority being from Kistna.

The Union has been publishing regularly the monthly bulletins in Telugu called the "Sahakari" and doing useful propagandawork. The total number of subscribers is 470 out of which the societies which contribute number 335.

The institution sustained a net loss of Rs. 67-14-2 for the year under report which makes the total net loss, Rs. 461-0-4 up to date. No Governing body meetings were held during the year while attempts to convene a general meeting proved unsuccessful.

The Directors held a general meeting to take early steps to fulfil the objects of the Sammelanam and to popularise the Sahakari.

EXTRACTS

I. CHANGING STANDARD.

Change is the universal law of continued existence. Even when a political organisation, a social movement can boast a continuous life, its own moral standards have changed from age to age, its own policy has altered with every generation and the living who now adhere to it support it for reason totally unlike those which prompted their forefathers to establish it. The State was founded for one reason and is continued for another. The church sprang out of one kind of teaching and now exists to teach different doctrines. Political parties are started to maintain public rights and invariably end by protecting private property. The man who asserts that an institution has pursued an unchanging policy and who boasts his own consistency proclaims himself a fool.

These general remarks will bear a co-operative interpretation. The co-operative movement provides no exception to the universal law of change. In Great Britain its life has now continued for nearly a century but the co-operative movement of to-day is not identical with the movement that Owen established in Toad-lane. The first co-operators were revolutionary thinkers; their successors are social reformers. The pioneers desired to promote economic betterment and quicken moral progress. The modern co-operators' one desire is to cheapen the cost of living. The further the movement advances the more distant are its ideals. The more rapidly it grows the more frequently does it change.

During the past half a century the co-operative movement has changed in countless ways sometimes for the better, often for the worse. It has altered in the form of its organisations in the relation of its parts, and in its attitude towards other social movements and the political institutions of the country. These changes are important and are often a revelation of the instinctive but wholly irrational craving of democratic bodies to become like the institutions they were originally established to destroy; but none of them are as important as the unseen changes that have taken place and are still taking place in the thought of the movement in its moral atmosphere and in its spiritual life.

No man who has spent his life in the service of the co-operative movement will deny that its moral standards have changed and changed for the worse in recent years. A generation ago leading co-operators had a firm hold on great principles and were able to distinguish between right and wrong without difficulty. They knew that the foundations of the movement are spiritual foundations and they were too wise to think Co-operation could be strengthened by lowering its moral standards. They never attempted to increase trade by adopting advertising methods borrowed from competitors and they have always remembered that every man who fills a responsible position in the co-operative movement is a public trustee, a democratic leader whose own character and conduct should be as spotless as the reputation of Caesar's wife. In every situation their own sense of duty, their own conscience made it impossible for them to lower co-operative standards or set others a bad example.

Until recently every co-operative spokesman agreed that the grand purpose of the co-operative movement is to moralise commerce and ennoble men. All praised self-help condemned speculation, and denounced because it tempts people to run into debt and exchange their independance for any passing fancy. The standard they preached were high standards co-operative standards, valuable because in rising to them men and women co-operators alike become prudent, thrifty, and industrious, and develop character as they gain power to resist temptations offered by the cheap-jack and the tallyman, the dishonest huckster and the profiteering trader.

To-day some co-operative societies seem as ready as any private trader to give credit to customers who are unwilling to pay cash, and in the name of "mutuality" a few now show their members how to become prosperous by paying each other's debts. The great Wholesale Society itself has enlisted every man's desire to secure "some thing for nothing" in its service as a new method

of selling soap and other events prove that its recent prize competition was an outward sign of deeper changes within. John Mitchell has been dead these thirty years but none who knew him need consult a medium to discover his opinion on changes that have taken place in the movement and the Wholesale since his plain and honest day.

Perhaps it is ordained that the co-operative movement also must be transformed into something less noble than it once aspired to be. Perhaps co-operators like those who have built other institutions and founded other movements are destined to learn how wealth corrupts, how rare are men, as incorruptible as Mitchell, as disinterested as Neale. Perhaps the movement will one day cease its efforts to establish higher standards and at last accept the lower standards of the outer world; but the struggle is not ended yet. Every manager, every secretary who sets his fellows an example of devotion and disinterestedness of honesty in small things and diligence in the performance of daily duties is keeping cooperative standards high. Each honest official helps to make the movement noble. Each man who resists temptation helps to keep Co operation clean.

(Co-operative official page 213)

2. CO-OPERATIVE LAND SETTLEMENT IN AUSTRIA.

On 20th April last Dr. Rudolf Schwarz gave, under the auspices of the Friends International Centre (a body which has played an important part in the economic reconstruction of Austria) a lecture intended to attract public attention to the importance of the Co-operative movement for the creation of suburban garden cities as a factor in the restoration of the country and to emphasise the difficulties by which these efforts are at present hampered, and which even threaten to destroy the results already achieved.

The housing shortage, the deficit in the internal production of food stuffs and unemployment (said the lecturer) are among the most serious problems which Austria has had to face during the post-war reconstruction period. The activity of land settlement co-operative societies set up for the purpose of building suburban garden cities deals with all these three aspects of the crisis in order to solve these problems of at least to endeavour to attenuate their consequences.

The main purpose of these cities which combine the methods used by building societies with the experience gained by the Scherber Garten is the erection of houses with gardens particularly in the suburbs of Vienna.

So far they have been able to build 2,576 dwellings thus contributing to an appreciable extent to remedy the housing shortage to provide work for numerous unemployed workers in the building trade, and even to stimulate other industries connected with it which benefit from its increased activity.

The erection of garden cities has also contributed to increase the food production of Austria: it is estimated that a family of four or five persons can

raise all the vegetables required for their own consumption on a plot of land of 300 square meters and by keeping poultry can even produce a surplus of food-stuffs for sale. It has been pointed out in this connection that there are at present 750,000 hectares of uncultivated land in Austria and that more than two-thirds of the food-stuffs required for internal consumption are imported.

The land settlement movement has therefore contributed appreciably to develop two sources of latent wealth on which the economic prosperity of Austria to a great extent depends namely: the labour power of the population and the uncultivated portions of the soil.

These reasons have induced the Government and the Municipalities particularly the Municipality of Vienna to encourage and to assist the movement which is incidentally of importance from a hygienic and educational point of view.

(Industrial and Labour Information, page 43)

3. THE PSALM OF LABOR.

For centuries I have served mankind. For ages I have borne the burdens of the world.

I have stirred the earth, I have made it bring forth increase.

I have caused the desert to bloom, and changed the wilderness into a garden.

I have garnered the grain. I have gathered the fruit.

I have fed the world. I have provided food for all the people.

I have tamed wild beasts and made them the servants of man.

I have woven fibres into cloth, and fashioned garments. I have clothed the people.

I have hewn down mountains and transformed the rock into human habitation.

I have felled the giants of the forest and made them furnish comfort and protection to man.

I have gone down into the bowels of the earth and forced her to give up her treasure.

I have wrought in the glare of the furnace, undaunted by the hissing steam and the clanging of steel.

I have enriched the nations. I have produced the wealth of the world.

But my eyes have been blinded and my hands have been shackled.

I did not see that the wealth I created was mine; nor that the good things of life belonged to me.

But the scales are falling from my eyes; I am beginning to see.

I will arise in my strength. I will break chains.

I will take what belongs to me. I will lay hold of my own.

I will bring abundance and comfort to all. I will bring peace and joy to the multitude.

All mankind will be blessed. All the inhabitants of the earth made glad.

For I am greater than greed. I am mightier than Mammon. I am LABOUR.

ADAM SIMSON.

(From Llano Colonist, June 13th 1925)

4. "BACK TO ADAM"

Cult Springing up over Europe.

In Europe there is springing up a movement for discarding all clothing, and having man return to a state of primitive nakedness, says an article in a current issue of *Cosmopolitan*. The cults already number thousands of men and women and they have magazines with circulations of 200,000.

In Germany alone, there are 3,000,000 in the "back to Adam" movement, while France, Austria and England are well represented. The purposes of the order includes simplification of life through a plain diet; the fostering of cleanliness by fresh air for the lungs, and sunshine for the skin; sexual purity through the teaching of sexual matters to children when they are young.

The writer says: "On Christmas day of 1924, I watched a crowd of the cultists dance the old folk dances and run fleet-footed and sure along the sandy beach. All were naked in the face of a chill east wind. The woods rang with song and the tinkling of guitars. Rearing campfires sent red flames licking up into the air. To one side, the lake whipped tiny white-crested waves over the land. Hardy young swimmers took their dives and came up puffing out of the cold water.

"A motley group--men and women, gray-haired and young alike--they were gathered from every rank of the society. It was the older ones who made the losing fight against the cold. Girls of high school and college age stood up to the test with all the strength of their youth.

5. WHEN WE HAVE TIME TO THINK
Better Communities.

BY MRS. LOTTA WORK.

I was reading in the paper the other day about a motor caravan that will make weekly tours through the state in the interest of the Better Community movement conducted by an extension department of the University of Illinois. Here is the purpose of these tours as outlined by one of the leaders.

"To see and enjoy and be profited by parks and playgrounds, gardens and country clubs; libraries and school buildings; examples of landscaping, both public and private; distinctive buildings, historic and scenic places; collections of paintings, sculpture and other forms of art; to listen to good music, to hear constructive addresses and take part in worthwhile discussions that have a direct bearing on making both better and more beautiful the communities in which we live."

"Illinois Miner," June 20th 1925.

6. NO MAGIC IN CO-OPERATION

BY G. G. NEICK

There is no magic in co-operation--it is merely one method of doing business and in adopting that method it must be clearly understood that good business practices must be followed. There is nothing in co-operative marketing for instance, that will enable a bad farmer to make as much money as a

good farmer; but by co-operation a bad farmer may be brought to realise that he will get better returns if he improves his methods, and a good farmer will learn that it pays to have all good farmers in his district, in order that the reputation of his district's products may be enhanced.

Information Officer, Registry of Co-operative societies, at the Tumut Bureau Conference.

7. MILK YIELD AS AFFECTED BY TIMES OF MILKING.

Much discussion always arises when the subject of the advantages of frequent milking is mentioned to dairy-farmers, writes E. T. Halnan, in the *Journal of the English Ministry of Agriculture*. An interesting study on this subject has been carried out at Missouri University by Ragsdale, Turner and Brody who, as the results of experiments extending over three months arrived at the conclusion that a cow that is milked three times daily will give 110 per cent of the milk that is given by the cow milked twice daily. If the number of times of milking is increased to four times a day, the yield will be increased to 116 per cent. Thus, on this basis, a cow giving ten quarts of milk a day when milked twice daily will give 11 quarts if milked three times a day and 11.6 quarts if milked four times a day. The results of this experiment indicate that where labour conditions can be adjusted to the new routine, milking three or even four times a day will be followed by beneficial results. In a herd giving 100 gallons of milk a day an extra 10 gallons a day is worth striving for.

Agricultural Gazette of New South Wales, June 1925.

I. DISTRICT NEWS.

The President Co-operative Union, Adoni, writes:

A Welcome address on behalf of the Adoni Co-operative Supervising Union Ltd., was presented to the Hon'ble the Minister for Development, Government of Madras, on the occasion of his visit, to Adoni on Wednesday, the 23rd September, 1925, at 3 P. M. in the Adoni Municipal Council Hall. The elite of the town was invited including many local officials. Among those prominent present from outside were Messrs. T. C. Tangavelu Pillai, M.L.C., A. Ranganatha Mudaliar, B.A., B.L., M.L.C., Dewan Bahadur M. Gopalaswami Mudaliar, B.A., B.L., President, Dist. Bd., P.H. Rama Reddi, Dy. Director of Agriculture, III Circle, Sampathiengar, Supdt., Vety. Dept., Rao Saheb J. Venkatesam Chauduri, Dy. Reg. of C.S. III Circle, Sullivan, Dist. Bd. Engineer, V. D. Rajaram Mudaliar, B.A., Revenue Divisional Officer, Azamatulla Sahib, Circle Inspector of Police, A. D. Thandu Mudaliar, Hony. Asstt. Reg. and several others. An "At Home" was given to the Hon'ble guest at 5 P.M., by the members of the Co-operative Supervising Union in the Municipal High School Hall. The whole function came to a close at 5-30 P.M., Before the Hon'ble Minister left the place by the Bombay Mail at 6-40 P.M., for Madras, the President of the Union in his private interview appealed to the Hon'ble Minister for the granting of a Subsidy to the Union.

To

THE HON'BLE DEWAN BAHADUR

T. N. SIVAGNANAM PILLAI AVL., B.A., M.L.C.,

Minister for Development, MADRAS.

HONORED SIR,

We, the members of the Adoni Co-operative Supervising Union Ltd., take it as a matter of great privilege and honour to welcome you to-day to our Historic Town.

This town, founded further back than the "Never-to-be-forgotten" Vijayanagar kingdom and hence appropriately named the 'Kurukshetra' of the Deccan, is the premier cotton producing centre in the presidency.

You are not unaware of the fact that it is no easy matter for co-operators in this district to engineer the co-operative movement and to make it a success, and our heart-felt thanks are due to those ardent and pioneer co-operators who have been responsible for the planting and rearing up of the movement in the face of the numerous difficulties in the way.

This Union started work in January 1921 with only 11 affiliated societies which number has gradually increased to 25.

It is a pleasant feature to note that the activities of the movement in this Taluk have now developed to such a stage in all its aspects as to justify the great confidence reposed in us by the inaugurators.

During the course of its progress in this Union area we have not lost sight of the eventual amelioration of the depressed classes for whose benefit we have four societies working now and we are proud to say that our Union possesses on their behalf the greatest number of societies in the whole district.

Further the non-credit side of the movement is also keeping pace with other phases under the able guidance of M.R.Ry., Rao Saheb J. Venkatesam Chowdari Garu B.A., our popular Deputy Registrar of Co-operative Societies, 3rd Circle, Bellary.

While acknowledging with our heartfelt thanks the concessions hitherto accorded to us by the benign Government in the shape of exemptions from stamp duty, companies' tax and the like, we beg leave, sir, to take this opportunity to place before you for your favourable consideration, the following humble suggestions which, if acted upon, would surely tend to the acceleration of the movement and to request that you would most magnanimously extend to us the concessions sought for hereunder.

(a) To do away with the appointment of Honorary Assistant Registrars which has in the light of experience, been found to retard the non-officialization of the movement and to divert the savings thus effected for the propaganda work through the agency of the Unions.

(b) To extend to us the same privileges in the matter of postal and remittance rates as are obtaining in the Bombay Presidency.

(c) To introduce 'Co-operation' as a subject in the curriculum of schools as is being done in foreign countries,

(d) To reduce the present minimum limit of Rs. 150 to Rs. 50 as far as remittances from societies to the financing Banks through the Government Treasuries are concerned.

We take this opportunity of expressing our gratitude to the public for their spontaneous and hearty co-operation, in the furtherance of the movement and also to the departments of agriculture and co-operation for their guidance and advice tendered to us from time to time towards its progress on sound lines.

We once again beg leave to offer you a cordial welcome into our midst and wish you a long and happy life and a still more prosperous and illustrious career.

We beg to remain,

Honored Sir,

Your most obedient servants,

The Adoni Co-operative Supervising Union, Ltd.

II. The Secretary of the Supervising Union, Tiruturaipundi, Tanjore writes:—

"A Conference of the Co-operators of the Tiruturaipundi Co-operative Supervising Union Ltd., was convened at 'Sundara Vilas,' Vedaranyam on Monday, the 6th July, 1925. The Collector, Mr. H. M. Hood, was pleased to preside on the occasion. The entrance and the hall were tastefully decorated and well equipped. The Collector was received at the entrance by Mr. O. N. Ramaswami Ayyar, M.A., Assistant Registrar of Co-operative Societies, Tanjore, and Mr. G. Venkatarangachariar, Secretary, Co-operative Supervising Union, Ltd., Tiruturaipundi. There was a very large audience. The function began with prayer. Mr. G. Venkatarangachariar made a speech on the progress made and suggested various lines of development in Co-operation. A copy of the same is herewith sent for favour of publication in your esteemed Bulletin. The purport of the lecture was impressively explained in Tamil also. The Collector made a suitable and sympathetic reply and promised to render every help. With a vote of thanks to the chair, the Trustee of the Vedaranyam Devasthanam and his staff, for the arrangements made and distribution of pansupari etc., the pleasant function terminated."

Speech by M. R. Ry. G. Venkatarangachariar, Secretary, Co-operative Supervising Union, Ltd, Tiruturaipundi.

HONoured SIR,

I, as the Secretary of the Co-operative Supervising Union, Tiruturaipundi, have great pleasure in according a hearty welcome, to you, our distinguished Collector, on this occasion. The District is specially fortunate in having at present, as its Collector, a gentleman imbued with a true spirit of co-operative ideals having been the Registrar of Co-operative Societies, till he came here. It is an irony of fate that while Western countries are on their onward march by

the proper use of co-operative methods, this country could not proceed in that direction, so rapidly as one would expect. I am sure that under the guidance of Providence, your stay in this District will give a special impetus and encouragement to this movement and will also be of immense benefit.

There are 31 societies in this Union out of which only one is a non-credit society, viz., the Co-operative Stores, Tiruturaipundi. The working capital of the societies, under this union during the last co-operative year, exceeds Rs. 2 lakhs. There is scope for development in various ways such as :—

(1) Removal of congestion by starting building societies in Union towns like Tiruturaipundi, Vedaranyam, Muthupet etc ;

(2) Digging of tanks and channels and thus improving water supply in rural areas by co-operative methods,

(3) Lending through co-operative societies on the pledge of crops or by establishing crop loan Unions.

(4) Easy payment of kist to Government through Co-operative Societies by its members.

(5) Joint purchase and sales by members of societies through Union and Stores of tobacco, cocoanut, paddy, kaydlai etc., I may quote one instance in this respect, viz. Tiruturaipundi stores which has been distributing cotton seeds to members of selected societies.

(6) Opening coir manufacturing factory by co-operative methods in selected areas in this Taluk.

(7) Organising Labour Unions for the benefit of the labourers in places like Vedaranyam Salt Factory.

(8) Instances of this kind may be multiplied and each item can be dealt at great length. I don't want to inconvenience you by dilating on each of these subjects within the short time at my disposal. However I shall say a few words about items 1, 3 and 4 above.

1. *Building Societies.*—Fortunately a building society for Tiruturaipundi has been registered recently by the Assistant Registrar. It has to be started soon, Tiruturaipundi is a very congested place containing several public offices and high school and there is a great need for accommodation for the inhabitants. It is proposed to relieve congestion by acquiring suitable lands and erecting buildings thereon to the society. Your kind help in the matter will be very opportune and of great benefit to the expeditious construction of houses.

The sanitation of the town will greatly improve thereby.

2. *Crop loans.* It is said that for giving loans on the pledge of crops there should be a common granary for storing the pledged crops. In places where such granaries are available, this can no doubt be done. It does not however mean that crop loan should not be given in places where the granaries are not available. In such places crop loans may be conveniently given without the necessity for storing the same in a common place. My suggestion will be as

follows:—Indeserving cases such loans can be given on the members undertaking to store the crops in or by the side of their houses at their risk, giving a statement to the society that the storage contains certain quantity of produce and that they will not sell away or take away the whole or any portion of it without the written permission of the society and without paying a proportionate cost of the produce taken out or sold. Non-compliance with the conditions agreed upon may be made liable to criminal prosecution.

The current and arrear dues to District Bank during 24—25 came to over Rs. 45,800. The whole of this amount has been collected excepting Rs. 4,000 and the interest due has been completely collected. This result was possible notwithstanding the unprecedentedly bad season that Tiruturaipundi area suffered on account of the after effects of the flood.

3. *Maintenance of irrigation Sources.* Combined action in villages for the upkeep of channels by Kudimaramuth or with the aid of the Public Works Department is fast deteriorating. Available water in the rivers and channels could not thus be used to maximum benefit. This evil can be combated by organising Silt Clearance Societies in villages which can act as agencies to collect the dues of villagers and apply the funds for the maintenance of channels. But the success of the scheme depends on the extent to which the Collector and his subordinates apply the provisions of Clause 6 of the Madras Compulsory Labour Act, for the collection of dues from defaulting ryots.

4. *Easy Payment of Kist.* At or before the kist season the societies may arrange to pay the kist of the Government on behalf of the members in time and in a lump sum, the societies taking bonds from the members previously. This system will help the members to hold up their crops for sale at their convenience while at the same time relieving the officers of the Revenue Department of the troublesome work of kist collection.

The three departments of Revenue, Co-operation and Agriculture are the limbs of the same body and the combined and sympathetic action among them is bound to bring about immense benefit and produce wonderful results.

5. Our thanks are due to the Revenue Department for the help rendered by them in the collection of dues covered by arbitration decrees of this Union during 23—24. At the same time, I have to bring to your kind notice that some of the subordinate Revenue Officials are not as sympathetic as they ought to be. They fail to feel that they are co-operators first, Indians next, and officials last. They seem to think that such help to the Co-operative Department is not their legitimate duty. I request that such false notions are dispelled by your kind advice, so that they may hereafter at least take to the work ungrudgingly and in a sympathetic manner.

6. The fact that you have chosen to accede to our request to be present here on this occasion, in the midst of your manifold duties shows the deep interest you continue to evince in the cause of co-operation. We thank you again for the same.

III. Bellary.

There is only one Co-operative Central Bank at Hospet for the whole District. The number of societies in the district are increasing and so there is an urgent need for another Bank in the District. Bellary people are agitating much for it and I hope they will get it soon and thus lessen the burden of the present Bank.

The co-operators of the District are very eager to form the District Federation, and steps are being taken to register it during this current month.

The first Directors Meeting in the current year of the Central Bank Ltd., Hospet, was conducted on the 8th instant when M.R. Ry. K. Krishna Charlu Garu who was the Secretary of the said Bank for two years and in whose regime the Bank worked encouragingly, was elected as the president in place of M.R. Ry. A. Bima Rao Garu who had resigned after a long and strenuous service in the Bank. The Administration and Audit reports of last year were approved of in the meeting. The Directors also had a keen discussion on the advisability of allowing the Secretary's son, as the paid manager of the Bank. It was at last quite unsafe to leave the management of the Bank between a father and his son, that one month's notice be given to the Secretary and the manager to settle between themselves as to who should vacate the place. There was also a resolution to appoint a paid Secretary in place of the present Honorary Secretary, but as it was high time the matter was adjourned for discussion in the coming General Body Meeting:

As the Assistant Registrar Mr. J. Vencatesam Choudri Garu has become the Deputy Registrar, and as he has himself, to look after for the present, both the Offices, much inconvenience is being felt by the Societies owing to very long delays for correspondence and help. The recent change in the Departmental staff has also affected the work of the Office.

IV A Co-operator from Shiyali writes:

The annual General Body meeting of the Shiyali Local Co-op. Sup. Union Ltd., took place on 30th October 1925. The meeting was largely attended by the Society representatives. The Rev. Divl. Officer, Mayavaram, the Sub-Registrar of Co-operative Societies, Tanjore, and the Assistant Registrar of Co-operative Societies, Tanjore were present. Rai Saheb M.R. Ry. A. Seturama Ayyar Avl., of Nidamangalam also attended. The business meeting took place under the presidency of M.R. Ry. C. S. Srinivasa Mudaliar Avl., the President of the Union. Among the resolutions passed the most important one was on the subject of improving the Shiyali Co-operative Agricultural and Industrial Society Ltd.; the subject which is at present engaging the minds to a great extent of the Departmental Officers and other leading Co-operators of this District. The gathering was much impressed by the appeal made by Rai Sahib M.R. Ry., Setu Rama Iyer Avl., and the R. D. O., Mayavaram, to the Co-operators present to put in more share in the Shiyali Agricultural and Industrial Society

and to make the concern a really useful one to the landed Mirasdars of the District. It is hoped that the Co-operators of this Presidency will do their utmost to give encouragement to this institution which at the present moment very much requires their sympathy and co-operation.

Soon after the close of the business meeting, a meeting of the land holders of the Shiyali Taluk took place under the presidency of the Revenue Divisional Officer. The President of the Association, M.R. Ry., K. V. Thirunarayana Pillai Avl., was also present. Resolutions were passed on the subjects of the Diversion bund at Agra-Elatur and the grant of compensation to the landholders of Agra-Elathur who may be affected by the new bund.

The meeting terminated with vote of thanks to the officer, and other co-operators present on the occasion and the distribution of Pansupari.

OUR CORRESPONDENCE COLUMN.**I. Nellore.**

Sir,

May I request you to be good enough to publish the following report of the correspondence that passed between the Nellore Co-operative Society Ltd., and the Officers of the Co-operative Department regarding the question whether in annual distribution of profits the Society should follow the Bylaw in force on the date of the annual General Body Meeting or the Bylaw in force on the last day of the Co-operative year to which the profits related.

Bylaw 55 of our Society was amended by the General Body at its meeting held on 17-8-1924 and provision was made therein for 'Dividend Equalization Fund' etc. The said amendments were duly approved of by the Assistant Registrar on 6-11-1924. The annual meeting of our society was held on 24-11-1924 and the appropriation of profits was resolved upon, according to the newly approved Bylaw, which came into force on 6-11-1924. We declared dividends at 9 per cent and set apart a certain sum towards the D. E. Fund and C. G. Fund.

Subsequently in the month of January 1925, the Chief Inspector of Co-operative Societies in his quarterly audit report objected to the distribution of profits according to the amended Bylaw, saying that the Bylaw in force on the last day of the Co-operative year to which the profits related should have been followed and the balance of profits, after distribution according to that, should have been added to the Reserve Fund. We protested against his remarks and represented the matter to the Assistant Registrar saying that the view taken by the Chief Inspector was against common sense and illegal. But much to our surprise, the Assistant Registrar upheld the objections of the Chief Inspector and decided against us. We, thereupon, requested some of the prominent co-operators and luminaries of the Presidency to express their views in the matter. Some of them were kind enough to oblige by favouring us with their

opinions. Those that expressed in our favour were (1) Rao Saheb T. Srinivasa Rao Pantulu of Chittoor (2) M.R.Ry. T. V. Seshagiri Iyer Avl., of Madras (3) Rao Bahadur M. Chengayya Pantulu of Nellore (4) Dr. B. Pattabhisitaramayya Pantulu of Muslipatam (5) M.R.Ry. T. Audinarayana Chettiar Avl. M.L.C of Salem and (6) Rao Bahadur M. S. Seshachela Iyer Avl., of Tiruvannamalai. Those that agreed with the view of the Assistant Registrar were (1) M.R.Ry., Rao Saheb V. Venkatachariar Avl., of Conjeevaram (2) M R Ry., Rao Bahadur A Vedachela Iyer Avl., of Madras and (3) The President of the Tenali Urban Bank.

On receipt of the opinions above referred to we preferred an appeal on 21st March 1925 to the Registrar of Co-operative Societies, Madras, against the decision of the Assistant Registrar. The appeal petition had been pending with the Registrar for nearly seven months and after deep consideration and after obtaining the opinion of the Advocate General, Madras, the Registrar has been good enough to pass the order following No. A-1238 of 25 dated on 22-10-1925. In view of the importance of the decision to all the Co-operative Institutions in the Presidency, we beg leave to reproduce the order in full so that Societies may be benefited thereby. "The question whether in the distribution of the net profits for the year 1923-24, the Society should take into consideration the Bylaw in force on the 30th June 1924, the last day of the year under audit or the Bylaw in force on the 22nd November 1924, the date of meeting of the General Body, was referred to the Advocate General, Madras, for legal opinion. He holds that the new By-laws govern the distribution and that the period to which the audit certificate relates is not governed in regard to distribution by the Bylaws in force at that period. He holds also that, until the share of distribution is reached, no member has vested right to any amount of the profits and it is the By-law of that date that must be followed. The action of the Society in declaring the distribution of profits in accordance with the By-laws that existed on 22nd November 1924 was, therefore, correct".

We sincerely thank the Registrar and the Advocate-General for the justice done to us in the matter.

Yours faithfully,

M. RAMAKRISHNA RAO,

Secretary, Nellore Co-operative Society, Ltd.

The following reply to an extract published of the Bulletin by the Secretary of the Pudupalayam Urban Co-operative distributive Society Ltd., Cuddalore New Town is sent to us for publication, (E. M. B. of C.)

Mr. D. Russel of the Cowlares Co-operative Society says that experience has proved that the trade of many of the working class can never be secured unless some form of credit is allowed and the members may therefore be allowed credit in purchasings to the extent of three-quarters of their paid up share capital and that the success of the St. Culhbert's Society in the East and Cowlares in the West proves beyond doubt that it is a very successful method of trade.

2. Several credit societies suffer very seriously by unpunctual payments and there are many instances in which suits have been filed against the debtors. In a credit society non-repayment will not affect so seriously as it will do in a store Society. As Mr. Hemingway in page 115 of his Manual says, it is very difficult to secure a big capital for running a Co-operative Stores in the mufusil. If credit is allowed and if owing to non-repayment the same is adjusted from the share capital, the share capital will be growing less and impair the good work of the Stores. It may be said that the Stores also may receive credit from the big wholesale traders of distant places but then the Stores will also get the kind of inferior quality which the bazaarmen now get for credit and not the superior quality which the Stores get for ready cash. If credit is obtained from the District Bank it will also be found difficult to repay it. In page 115 of his Manual Mr. Hemingway does not advise sale on credit.

3. It is said that a child who goes to the Stores with money may lose it or allow it to be stolen. To prevent this the shareholders may deposit the money with the Stores and get their commodities to the full extent of their deposit. A copy of this Deposit Rules which is now being worked at the Tirupapuliyur Co-operative Stores is herewith sent. Here also the Trade Depositors do not repay their purchase amount in time.

4. There are also credit societies running at all places where there are Co-operative Stores—a member may obtain a credit from that Society, deposit the same with the Stores for purchasing commodities repaying the loan by small monthly instalments and have a Capital for himself remaining at the Stores as Trade Deposit. This is what Mr. Hemingway suggests in page 116 of his manual.

N. DURAI RAGHAVACHARIAR.

TRADE DEPOSIT.

Any member may tender a trade deposit under the following conditions.

1. Every depositor will be supplied with a pass book in the appended form to show the payments, withdrawals and balance at the end of each transaction.
2. The minimum limit fixed for deposit is Rs. 5 and the maximum will be Rs. 100, provided however, that the Board of Management may accept deposits

12. Pass books will be issued on payment of cost fixed by the Board of Directors. If any member loses his pass book, he must admit the entries in the store accounts to be correct.

No. Name.....
 Amount Rs. Trade Deposit No.

Date.	Deposit.	Withdrawals.		Balance.	Initials of	
		Chalan No.	Amount.		Secretary.	Auditor.

It is generally urged that the Ceded Districts are composed mainly of areas which are very poor in soil. With a view to find out for myself how far this allegation is real, recently in my tour in the Bellary district, I undertook to travel from Bellary to Hospet and other places in order to examine the soil. To-day, I took special interest in studying the nature of the soil in your District and of the crops raised in these parts. On my way from Gooty to Kurnool by motor, I found Chulam and Kori growing up in abundance. Groundnut also is coming

up very well, so much so, that even the ryot of South Arcot where this crop is said to be well grown, would feel envious of your prospects this year.

Your request to treat you in a favourable manner in the matter of grant of loans by fixing the borrowing power of your societies at $\frac{1}{4}$ instead of $\frac{1}{8}$ of the value of the net assets does not appear to be acceptable. There are financial difficulties in the way, what could be done has been done. I don't mean however to say that this is the final word on the matter. The subject will however be considered.

You represent that the rate of interest in your societies is as high as 12½ per cent while in the case of caste societies it is 9 ¾ per cent only, which you say is intended to provide for the special supervision. It is your wish that the cost of the special supervision should be borne by Government. I should think it is a responsible request and I shall see what can be done in the matter.

Then as regards your request regarding the assigning of lands, I must say that when the papers come up to Government, I shall see what I can do in the matter. As regards grant of Government loans through Co-operative Societies, I should like to say that it has been attempted and found to work satisfactorily in the Tanjore district in connection with the establishment of societies for the reclamation of lands covered by sand on account of floods and I shall see that similar steps are taken in this direction to meet your request.

As regards the appointment of a Labour officer for your district, I understand that the matter is under consideration of the Government and I will do all that can be done in this direction.

Gentlemen, I thank you once more, for your kindness in coming here today. As regards the request in your address to be sympathetic towards the further advancement of the so-called Depressed classes. I may observe that your community had been kept in the background for centuries past. It is only after the advent of the British Government that attempt is made to level up inequalities among communities. I hope that in days to come all the disadvantages that you now labour under will be removed and that you will enjoy as much peace and prosperity as any other community.

(2) DEPRESSED CLASSES LABOUR SOCIETIES.

Mr. Solomon and representatives of the Depressed Classes Labour Societies in the Kurnool District:—

Before proceeding with the formal reply, I should thank you for coming over here in such large numbers and making a representation to me. When the question of Labour Unions was first brought to my notice, I took special care to have the matter put before the Government and they were pleased to issue an order requesting all employers of labour under them were pleased to issue an order requesting all employers of labour under them were pleased to issue an order Transferred Departments to render every possible help both in the Reserved and as a result of this, Presidents of District Boards, Executive Engineers and District Forest Officers have extended their patronage to Labour Unions. I should like to refer in particular to what took place in the Tanjore district. In

that district the District Board and Municipalities usually give large contracts for the supply of road materials. Gravel is available mostly in the Valaml Firka. The Kallars inhabiting that area are particularly skilled in gravel digging. With a view to reclaim these people from their wonted pursuits of a questionable nature, they were induced to apply for tenders to the District Board and Municipalities for contracts. Naturally the tenders that were put in by the Labour Unions were accepted and not those that were put in by the contracts as the latter will include in their tenders not only the wages of workmen but also a margin of profit for themselves for undertaking the work. And the result was that crime was put down to a certain extent in that area, and the society was able to get a surprising profit of thousands of rupees. Having found out the usefulness of such organisations, it is my duty to explain to the people that such organisations should be formed and should be fostered. I am glad to learn that through the exertions of your Assistant Registrar, Mr. K. Rangaswamy Naidu, you have formed four such Labour Unions. I shall move the Government to draw the attention of the local officers to the necessity of paying more attention to the Government Order already passed on the subject.

(3) CO-OPERATIVE INSTITUTIONS OF THE DISTRICT.

Mr. V. Narasimha Rao and members representing the Co-operative institutions in the Kurnool district:—

I thank you most heartily for the cordial welcome that you have given me on this the first visit to your ancient and historic town. Wherever I look, I find traces of the historic past written on the very walls of this ancient city. It had been the scene of so many battles and sieges in days of old and now under the peaceful and benign administration of the British Government, we see that they are only the reminiscences of the past which are not likely to recur either now or any time in the future.

One of those beneficent public activities which the British Government have bestowed on us is the Co-operative movement. I am glad to say that this movement has taken very firm root, so much so that you have been able to start both Credit and Non-credit societies, organise Supervising Unions and a District Council of Supervision. Now you are on the fair way to possess a building of your own where all the societies and institutions at headquarters can meet and transact business. Of course, every society must have its habitation, and it is no wonder therefore that you wish to have yours as well. I daresay Mr. Cammiade, the Collector of the district, will view your application for the site with favour and submit it to Government. And when it comes before Government I shall try my level best to get the site for you for the location of the Central Bank.

In the matter of co-operation, it is my sincere conviction that every village must have a co-operative society of its own, and in this connection I cannot congratulate your district as having done all that it is expected to do. It is no doubt true that you have got very nearly 350 societies, but considering the

number of villages in the district which have no societies in their midst, you cannot be said to have done your best. I will urge on you therefore the necessity of starting more societies, but of course on sound principles, as otherwise our friends Messrs. Rangaswamy Naidu and Choudari will not permit you to open them.

Cumbum and Markapur appear to be particularly backward, and it is eminently necessary that you should concentrate all your attention on those localities. Of course, Government will be prepared to give you more inspectors as also more Honorary Assistant Registrars. From the published proceedings of the Legislative Council which I presume you have all read you would all have come to know that as far as possible it is the intention of Government to give an Honorary Assistant Registrar to each Supervising Union which asks for his services and generally to accept the Union's choice.

As regards your request in the matter of Land Mortgage Banks and Cattle Insurance Societies for your district, I may tell you that Government have already taken definite action in other localities. After gaining experiences for one year in those localities Government propose to extend the operations of such institutions to other places.

As regards co-operative education and propaganda, that also is a matter in which action has already been taken by the Government. It was only the other day that the Legislative Council sanctioned a sum of Rs. 1,200 for co-operative education and propaganda work to the Madras Provincial Co-operative Union. Subsequently, the Council also sanctioned a sum of Rs. 1,000 each to the Co-operative Unions of South Kanara and Chingleput for the very same work. And it was my pleasant duty to deliver the inaugural address on the opening of the institution in Madras for the imparting of co-operative education. You will feel surprised to learn that there were nearly 420 applicants for admission to the course, some of them being M.A's B.A's and B.L'S. When the institution newly started at Madras and the institutions proposed for South Kanara and Chingleput comes to function and show good results, the Government will grant similar subsidies to your district also for the education of your young hopefuls and also of those non-official workers who are interested in co-operation.

II. Dewan Bahadur M. Gopalaswami Mudaliar's speech as the Chairman of the Reception Committee at the III District Co-operative Conference, Bellary.

HON'BLE SIR AND GENTLEMEN :—

1. On behalf of the Reception Committee, I extend to you, a most hearty welcome to this city and pray that our deliberations will conduce to the promotion of the objects which, as co-operators, we have all in common, and eventually to the attainment of that goal for our country which is the cherished object of every sincere and faithful Indian. In this movement of co-operation, I have always felt, existed a great force in the uplifting of the nation. This is

the movement which more than any other has reached and permeated the masses. This is the movement which above all else has taken into account the condition of the masses, their ignorance, their economic slavery and the generally narrow and restricted environment in which they move and live and have their being.

2. Time there was, when we the English educated, had the despicable habit of looking down with contempt upon those who had not received this English education of ours; we used to call them illiterate and uneducated and sneer at their ignorance. But these uneducated countrymen have hearts and sympathies, they worship their gods, they are hospitable to guests, they feel for the sufferings and distress of their neighbours. They have been humanised and civilised by the education of things more than we have been by our education of words. We were not co-operating with the masses, who are the flesh, the blood and backbone of the land. It is now however coming to be growingly recognised that for all important purposes connected with the advancement of the country, the unit that has to be specially looked after is the village organisation. I do not want to introduce politics into this assembly, but we, as co-operators, must feel thankful that in several presidencies, the importance of village re-organisation has come to be recognised and has been given a front place by many political leaders in their programmes. If the activities of those who undoubtedly have a great influence in the country were properly directed, we co-operators will find that we have had an additional strength given to our cause by the realisation, though rather late in the day, of the necessity of village re-organisation. The bulk of our activities have undoubtedly to do with the amelioration of the condition of the villagers, that great mass of silent humanity, whose peaceful and pathetic contentment we were the first to disturb through our benevolent propaganda. Many of you have intimate knowledge of the position in your taluks and know what new interest has been aroused in the people by the co-operative movement and what active part they take today in looking after some phases of village activity.

3. I do not intend to touch in detail on the many problems that confront co-operators. In our annual conferences, most of them have been thrashed out and every day, with our growing experience, we are finding ourselves faced with new questions which require our closest attention. The questions of the administration of the primary societies and their organisation is a never ending scheme for discourse and discussion. The supervision of primary societies is also a matter which has been very much discussed in earlier conferences. The constitution of District Federations and the Provincial Co-operative Union, the nature of the membership of these Unions, whether such membership should be restricted on co-operative organisations alone or may extend to individuals also is a question on which much controversy has been raised in the past.

4. A scheme for land mortgage banks in the Presidency is being worked out at present by a committee appointed some time back. Those who know the impecunious nature of many of the petty landowners of the Presidency, those who realise the necessity for improving the agricultural conditions in rural parts,

will easily realise the necessity for such banks. One of the peculiar features of Indian Agricultural life is the large number of petty farmers with small holding. The process of division of holdings is going on at an increasing pace, and we will shortly be confronted with the problem of how to make agriculture pay in the face of these infinitesimally divided holdings. It is apparent, and continental experience will confirm the fact, that if agriculture is to pave its way and if modern methods of cultivation are to be introduced, the process of assimilation of agricultural holdings should grow up. I do not suggest that large owners of landed property should come into existence, but I think a system of co-operative work among the small and petty holders for their mutual benefit, will bring about a situation similar to the one which may exist, if large landholders were in existence. It is only then that agricultural improvements can be made possible.

5. We see that the Secretary of State and the Indian Government are both anxious to improve agricultural conditions in this country, and we may take advantage of this new movement for agricultural reform to establish co-operative principles in agriculture and thus foster the development of that branch of industry.

6. Referring to our local state of affairs, it may be interesting to you to know that we have 234 societies spread all over the District. We have also rural and urban banks and the starting of these has given a great push to the co-operative movement. Here is a copy of a letter addressed to me by the Assistant Registrar of co-operative societies dated 24-2-24 which will show what the little I have been able to do for the spread of this movement. "On behalf of the societies in the District, please accept my grateful thanks for the sympathy shown by you to the co-operative movement by exempting the co-operative Societies from payment of companies' tax. So far as this town is concerned, we are grateful to the Development Department, that a great impetus has been given to the townsmen for extending the town, by building houses on recent models in the extensions by the starting of a Co-operative Building Society. As the Chairman of the Municipality, I was constantly knocking in season and out of season for rendering help to the impoverished townsmen, to build airy buildings outside the congested portions of the town. Things move rather slowly, and about three years ago a grant was made and a Co-operative Building Society was started. But the amount sanctioned was inadequate as is evidenced by the fact that the amount was availed of almost immediately. Similar societies have been established later on in Hospet and Rayadrug.

7. To you Hon'ble Sir, we extend our warm welcome. It is probably the first time that you visit this District. Bellary is the premier city in the Ceded Districts and is the capital of the District, which is of historic and prehistoric importance. It was for a time the abode of Sri Ramachandra while in exile. It was while wandering about in these regions known as "Kishkinda" that he met Sugriva and Hanuman. According to history, the areas comprised in this District were prior to the Muhammadan conquest successively ruled over from the second

century A. D. by early Hindu Kings of various dynasties representing the Andhras, Kadambas, Chalukyas, Rashtrakutas Bellalas, and Yadavas up to the end of the thirteenth century. The famous Vizianagar Empire which came into prominence during the fourteenth century had its origin and its capital in this District. Though it is now the "Forgotten Empire", the ruins of its capital, preserved as they are as ancient monuments, on account of their stupendous beauty and superb magnificence, remind the visitors as "never-to-be-forgotten Empire". This District boasts of eminent Telugu scholars, most distinguished being, Allasani Peddanna of the 15th century known as the Grand Father of Telugu poetry, of late and recent years, Dharmayaram Krishnama Charlu the Grand Father of Telugu Drama and Kolachelam Srinivasa Rao. Under the Muhammadan Kings, this District on account of its strategic importance, as witnessed by the beautiful fort built on the rock close by by the Great Tippu Sultan was kept up as an important Military Station. This policy was continued after its conquest by the British and it continued to be one of the largest Military Stations in India till about a few years ago.

8. Unfortunately we have now fallen on evil times. Its ancient glory disappeared and it has been shorn of its military importance as well. Misfortunes never come single. Nature made it the target for famine and plague. The havoc wrought by plague during its early years is almost indescribable. It is only after spending considerable sums of money by the Government in the removal of congestion, that we have now been free from plague for over a decade. It is not in the fitness of things that the removal of congestion must naturally lead to the growth of extensions and to facilitate the growth of extensions, the Government should allot funds and start Co-operative Building Societies? This is the crying need of not only this town but all other important suburbs like Hospet and Adoni and other Major Unions. Now that you have come to our District, may we make a personal appeal to you, to allot more funds for the building society here and to start societies in other parts of this District.

9. In spite of unkind nature, in spite of the unkind treatment of the Military Authorities, in spite of the stepmotherly affection of the Educational Authorities, the town-and-District have been prospering and the old memories and traditions have been revived, and it easily occupies a most prominent place in the central Districts. In the language of the poet.

10. There is one other topic, Hon'ble Sir, which I shall be failing in my duty if I do not allude to. Keenly interested as you are in the Tamil Literature, and more keenly interested as you are in the formation of a Tamil University, will you extend your helping hand by speaking to your Hon'ble Colleagues in the Legislative Council in seeing such a District as this is made the seat for the Andhra University even as it was seat of the Famous Andhra University of Krishnadevaraya, or in seeing that it is declared at least a centre under the Andhra University Scheme? That this District is bilingual need not scare the legislature, because, as in the days of Sree Krishnadevaraya it is only in this District there is scope for the development of both Telugu and Canarese Literatures as contemplated by the provisions of the Act. The amalgamation of

any part of this District with any other province is but a wild dream. If we achieve this object, more specially through the generous co-operation of the Hon'ble Minister for Education, we, the co-operators will then find still further scope for increased activities on account of the still larger co-operative life introduced by the location of colleges. If these two humble requests, more funds for building societies and support for the establishment of Colleges in this District, are complied with, we should not have met in vain and your advent to this District will not have been fruitless.

11. Gentlemen, I have taken more time than I had intended to do. I thank you for the patience with which you have listened to me. Once more extending you my hearty welcome on my behalf and on behalf of the Reception Committee I invite you to the deliberations of this conference.

ACTION TAKEN BY THE DEPARTMENT ON THE RESOLUTIONS OF THE LAST PROVINCIAL CONFERENCE.

FROM

BY M.R. RY. RAO BAHADUR M.K. VENKATA ACHARIYAR AVL., B.A.,
Ag. Registrar of Co-operative Societies, Madras.

TO

THE JOINT SECRETARY,

Provincial Co-operative Union, Royapettah.

XII Provincial Co-operative Conference proceedings.

In continuation of my letter B. 1298/25 dated 5-10-25 I have the honour to state that with regard to resolution No 19, Land Mortgage Banks have already been started in three out of four places sanctioned by Government. Applications for opening such banks from other places are also coming in. It appears to be getting popular. Debentures are proposed to be issued by these Land Mortgage Banks. The question of expanding the issue of debentures on the strength of mortgage banks in primary societies may be taken up after seeing how far these debentures issued by Land Mortgage banks becomes popular.

Resolution No. 37. Resolved that lease-societies for actual cultivation of lands or for collecting Melavaram be formed.

Resolution No. 37.—The question of supervision of Audi-dravida societies is under the consideration of the department. Recently a conference with the Registrar, Labour Commissioner and some selected Deputy Registrars and two directors of the Christian Central Co-operative Bank was held and the matter was discussed. Final decision has not yet been arrived at.

Resolution No. 32 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 32.—The course suggested will need increasing the co-operative staff very considerably. Again, it is feared that the adoption of such course may not be conducive for the healthy working of societies because it is not desirable that these powers should be exercised by officers of the department which is responsible for the audit and to a certain degree for supervision also.

Resolution No. 33. 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 33.—Agricultural demonstration plots are being formed in various places in connection with the Co-operative Unions and societies with the advice and assistance of the agricultural department. I send herewith copies of two circulars issued by me in February 1924 in connection with the formation of demonstration plots and distribution of agricultural pamphlets. The Director of Agriculture also has agreed with my views in the matter.

Resolution No 35 & 55. 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.

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.

Resolutions 35 and 55. The system of granting loans on the pledge of produce is being worked in several societies in Chingleput and S. Arcot districts. Suitable bylaws have been introduced for the purpose by the societies concerned. I invite a reference to the circulars published in the bulletin published in the margin* This lead is being

Tamil (1) October and followed gradually in November 1923 Pages 81-84

(2) February 1924 Pages 220-224.

(3) May 1925 Pages 409 to 417

English (1) August 1925 Pages 91-93.
other districts.

Resolution No. 53. (1) 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 53 (1) I enclose a copy of the resolution on the subject passed by the Departmental conference held in October 1924 in respect of remuneration charges. I also invite your attention to the circular published in the Bulletin for March 1925 (pages iii & iv) re: the crediting of interest in the accounts by the societies. If these two instructions are properly carried out the divisible profits would increase and reserve fund will correspondingly grow. As regards the second part of the resolution it is necessary to add that necessary and beneficial expansion is, possible by the grant of loans on the pledge of grains and beneficial products for sale. This is being attempted as already observed in respect of resolutions 35 and 55.

Resolutions 49, 52 & 54. 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.

Resolved (i) that, in fixing the maximum borrowing power in the by-laws of societies, $\frac{1}{3}$ 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.

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

Resolutions 49, 52 and 54.—These will receive consideration.

Resolution No. 56. 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 taken 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 56.—I have already issued my circular No. 5478-24 dated 25th March 1925 published in the Bulletin for April 1925 English, pages 547, 548 and May 1925 Tamil, pages 405 to 409.

As for arbitration applications, the Department has been dealing with them as speedily as possible and perhaps the appointment of Honorary Assistant Registrars for each union which wanted one will even expedite their disposal. But the non-official co-operators should try to avoid as much as possible resorting to arbitration and more than that to execution. In order to regulate this and also not to overwork the Revenue Department in a conference of the Registrar with his assistants, it has been decided that not more than 40 execution petitions should be sent in a year to any Tahsildar. It will be well if societies and unions are educated, that recourse to arbitration and execution proceedings is not a good co-operative practice. Of late, there is a rush to arbitration and execution. The

remedy lies in exercising discretion in (1) the admission of members (2) in the grant of loans and (3) in fixing suitable instalments and dates of repayment.

Resolution No 48. 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 48.—I am consulting the Director of Agriculture on the point; on ascertaining his views I shall take further action.

Copy of resolution No. 11 of October 1924 referred to.

Resolution.—The conference is of opinion that no remuneration should be paid to the office-bearers of rural society which does not earn a net divisible profit. In no case should such remuneration exceed 25 per cent of the net divisible profits. The following formula is commended for consideration:—

Not more than (1) 25 per cent of the net divisible profits or (2) than 1 per cent of the working capital or (3) than what is left over after the statutory contribution to the reserve fund and the payment of dividend at $6\frac{1}{4}$ per cent (whichever of the three is less).

So far as contingent expenditure is concerned it is not practicable to prescribe any definite maximum.
B. 869-24.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES.

Madras, Dated 8th February 1924.

FROM

H. M. HOOD ESQ., I. C. S. I.
Ag. Registrar.

CIRCULARS.

I

Subject:—Pamphlets on Agricultural subjects—distribution through Co-operative societies.

The Director of Agriculture is being requested to utilize the Co-operative Credit organisation for the distribution of pamphlets on Agricultural subjects issued by him and suitable for the ryots. District Councils where they exist, supervising unions and primary credit societies are suitable centres from which these pamphlets can be distributed among the ryots. It is not sufficient that they are distributed among as many members as possible but steps should be taken to ensure that the information contained in them are understood and appreciated by ryots. For this purpose Assistant Registrars are requested to issue instructions to the Secretaries of primary societies asking them to call a general body meeting as soon as such pamphlets are received to discuss them. More important circulars received by unions should come up for discussion at the next general body meeting of the union.

2. I am also requesting the Director of Agriculture to take steps to give timely notice of the seeds, materials etc., available for sale with the department together with necessary detailed information regarding price, quantity available, suitability etc., to enable ryots to obtain them on indent through their societies.

To,

All Assistant Registrars of

Co-operative Societies.

Copy to Director of Agriculture, Madras.

C. R. T. 9-2-24-A.

II

Subject :—Periodical meetings of the Assistant Registrar's staff.

*Ref :—*Registrar's circular No. B. Dis. 421-24 dated 15th January 1924.

In continuation of the circular quoted above the Assistant Registrars are informed that the Director of Agriculture had agreed to ask his subordinate officers to interest themselves in those meetings. The Assistant Registrars should as far as possible get Agricultural Officers to come into the meeting and give lectures on agricultural subjects.

To,

All Assistant Registrars.

Copy to the Director of Agriculture.

III

Subject :—Demonstration plots.

The Director of Agriculture is being requested to furnish a list of places where there are demonstration farms and plots and also to organise if possible demonstration plots at least at each union headquarters where this has not already been done. The Assistant Registrars should furnish the names of the leading co-operators who are willing to have demonstration plots and they should arrange in consultation with the Agricultural Department for the organisation of such plots wherever they are desired. The existence of these demonstration plots should be advertised among co-operative societies and particularly at general body meetings during the cultivation season. Co-operators should be taken to look at these plots.

To

All Assistant Registrars.

Copy to Director of Agriculture.

C. R. T. 9-2-24-A.

REVIEWS.

THE "MADRAS CENTRAL URBAN BANK, LTD."

The administration report with the balance sheet certified by the auditor was considered at the meeting of the General body held on 25th October 1925 at bank premises Luz, Mylapore. The progress of the bank is steadily maintained. The working capital has increased to 113 lakhs, the net earnings have come to 2'07 lakhs having met depreciation on Government securities to the extent of Rs. 77,000 and odd. The management has thus carried on the affairs of the bank very efficiently and for which they deserve to be congratulated. The one other improvement the general body at the instance of Mr. Pattabisitaramayya sought to effect was that not more than 7½ per cent of the net profit of the bank should be set apart as "Common Good Fund." This desirable step is highly commendable. The credit movement is searching for Raiffisians. If educational work can be carried on with the fund thus liberated such Raiffisians may spring up to make the movement really co-operative in character.

In wishing the bank a brighter and more useful future it is the desire of co-operators that its work and its ideals should grow more and more co-operative and less and less dependent on the Registrars and their staff.

A Member.

THE BOMBAY CO-OPERATIVE INSTITUTE.

We have received a copy of the working of the Institute during the year ending with 31st of March 1925 which is the 7th year of its working.

The Institute is now represented in almost all the Districts of the Presidency by a branch (either Divisional or District) excepting a few districts. The constitution of the Institute has been modified giving these branches sufficient latitude for detailed work in the areas and making them the responsible executives of the Institute.

The Institute arranged for the holding of a number of divisional Conferences, over and above 2 District Conferences and 20 Taluqa conferences. It held as usual one class in English in Bombay and 1 class for the training of senior, and 8 classes for the training of junior Co-operative Secretaries besides holding 35 Elementary training classes for the benefit of rural Co-operators in various centres.

Its publications department also witnessed expansion, the Bombay Co-operative news being added to the well-known Quarterly. The Institute also conducted three economic enquiries.

There was an increase in the membership, both of societies and of individuals, and they were able to secure another Royal patron and a Royal life member.

The General Body of the Institute appointed an influential Committee to consider and report upon the Co-operative Societies Bill which has now been passed into an Act.

The annual conference organised by the Institute was a great excess as usual and representatives from other Provinces also were present which as the

report aptly put it "may serve as a nucleus for a Co-operative Conference for the whole of India." The reduction in the number of subjects considered, a Ladies, Conference and excursion to the Elephanta Caves were some novel features of the last Provincial Conference.

It is a pity that in night schools which the Institute was running to make all the adult members of Co-operative societies literate and which they were hitherto able to maintain thanks due to the liberality of the executors of the late Sir Vithaldas Tackersay had to be closed for lack of financial support.

We are glad to note that they have reformed the Library and await with eagerness the catalogue "which will be published shortly". The Magic lantern slides were fully used for propaganda.

The Institute has got a building of its own which has aptly been termed the Tackersay Buildings and all important Co-operative Offices of the City would hereafter, be located in it.

The Institute got itself affiliated to the International Co-operative alliance, a step which our P. C. U. has not yet thought seriously about.

There is a brief consolidated summary of the work done by the Institute during the last 7 years as it enters upon a new phase of its development with its revised constitution.

We are glad to note that many Dt. Boards made grants to the Institute for Co-operative education and propaganda in their respective areas—a practice which we would do well to imitate. It is altogether a fine record of useful work done with steadiness and perseverance and no wonder it has been crowned with success. We wish the Institute many many years more of such useful and intensive life.

S. K. Y.

THE CENTRAL CO-OPERATIVE INSTITUTE
BOMBAY BRANCH.

Our readers would perhaps remember the fact that our non-official Co-operative Brethren in the sister-Presidency of Bombay have organised their machinery in a different manner from us. The Central Co-operative Institute is the apex Institute and it has its branches in various districts. The City of Bombay has its own Branch of the Institute and a copy of the fifth annual report of the said branch has been sent to us.

The Individual members of the Institute seem to throw into the shade society representatives and hence the Branch appeals as follows to co-operative societies of the City to join it.

"The constitution of the Central Co-operative Institute is being thoroughly overhauled and the constituent societies will no doubt get a predominant voice in its policy and work. It is, therefore, very desirable that the societies which have so far remained unaffiliated to the Institute, should now come forward. The Institute is not meant primarily for individuals but for organised co-operative

effort and should therefore appeal strongly to each and every co-operative society in the city."

This City Branch of the Central Institute has got its own branches and it is in charge of some Mill Institutes also.

This City Branch organised a series of lectures and assisted the Central Institute in the conducting of the English Training class in Co-operation. It had its own Conferences and celebrated the Co-operators' day.

"They aim at carrying the message of Co-operation to the toiling labourer and the hard worked mill hand, to the depressed classes and the backward classes and to the struggling middle class man."

We regret there is no such institution to look after and co-ordinate the Co-operative activities in this city and hope the Committee appointed at the last District Conference of the Madras city will begin to function and develop into a central organisation for the city. We wish all success to the Bombay Branch of the Central Co-operative Institute.

S. K. Y.

Rambhan's Club. A story on thrift published by the Central Co-operative Institute. Price 4 as. Magic lanterns slides have been prepared to illustrate this story which as a story is intended merely to point a moral.

Rambhan was a clerk in a firm on a moderate salary of Rs. 50 a month who is thrifty and wants to inculcate that lesson on his friends and neighbours. His gradual progress from one step to another is thrown into relief by the lives of Kaluram who lives beyond his means, perpetrates defalcations and is caught and sentenced at the Sessions and of Motiram who is saved from ruin by the timely intervention of Rambhan himself. With *Thrift* as basis Rambhan builds up a number of useful institutions and his influence ever widens and is felt by more and more. Though the story as a story is not of high excellence from purely literary point of view, yet it is a good story which would serve its purpose well.

We hope many more stories like this would be published with more of literary grace which would add to the popularity of such literary enterprises.

S. K. Y.

We have also received a copy of the report of Gadag Co-operative Cotton Sale Society of Gadag which has been deservedly put into A class. It has got a godown of its own and is anxious to get an office and an auction depot. They encouraged clean picking and satisfied customers by efficient grading. They popularised the sowing of improved strains of cotton seed and opened many new depots for the distribution of the same and over 60 thousand acres were sown with that seed. We hope this illustrious example will be followed more and more by the sales society in this Province.

S. K. Y.

CO-OPERATION IN SOUTH AFRICA

(A REVIEW)

BY S. DORASWAMI AIYAR, B.A., RANGETT.

The Report of the Registrar of Co-operative Societies published as an annexure to the Report of the Secretary for Agricultural of South Africa gives an interesting account of the progress of the movement in that Country. Co-operation in South Africa is modelled on the Danish system. The provisions of the Co-operative Act of 1922 are said to be very stringent. Careful investigations are invariably instituted before registering any Society. The Registrar says, "It is necessary to protect the movement against the retarding influence of failures. The same causes which bring ruin to ordinary businesses will bring failure to a co-operative association, and success can only be attained by securing competent management and a sufficient volume of business. The first essential, good management, cannot be ensured by Act of Parliament, but the system of 'inspection by officials and the careful examination of returns submitted by societies help greatly. ... During the past year the financial stringency in the districts which caused the failure of hundreds of proprietary businesses throughout the country have not led to the liquidation of a single co-operative association. Drought and locusts have naturally affected the turnover of societies and some have made losses; but the weaker societies have justified themselves even if only by securing competition in the district and preventing exploitation". Although the number of societies on the 30th June 1924 was only 243 yet the membership was 44,715. Of these, 233 were agricultural societies with a membership of 36,445 which equals approximately 43 per cent. of the farmers of South Africa. The other ten were consumers' societies with a membership of 8270.

The most important of the agricultural societies are those for the marketing of maize and general produce. There were 22 district societies in the Transvaal and Orange Free State which have a Central Agency at Johannesburg. At the beginning of each season these societies obtain cash credit loans from the Land and Agricultural Bank for payment of advances on maize received to the extent of 60 per cent. of the estimated value of the produce. Each society gives proportionate advances to the members. As sales are effected repayments are made direct from the Central agency to the bank until the society's loan is adjusted. On the closing of the season's pool the final payments are made. The total quantity of maize handled during the year was 1,658,001 bags of 200 lb to each. The progress of some of the societies is said to have been retarded by the large amounts outstanding among members for farming requisites supplied on credit or for over-advances made on maize in the unfortunate 1920-21 season. The Registrar points out that constant attention is being paid to the reduction of these debts but in certain districts the failure of crops as a result of drought and the locust plague has made collection difficult—However, the position of the societies is encouraging.

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Although the majority of these societies also handle wool as a side line yet there are four organisations which deal almost exclusively with wool, all of which have been very successful. Cotton growing is becoming more and more popular and societies have already been organised for the effective marketing of Cotton. These societies also have a central co-operative Cotton Exchange. Fruit growers have also combined to form local societies which have been federated into the Fruit Exchange in order to place the export trade on a sound footing and to regulate shipping and Storage conditions. The wine, tobacco, cheese and dairy and eggs and poultry industries have been thoroughly organised on Co-operative lines.

By far the most noteworthy activity of the department has been the organisation of small Co-operative societies on unlimited liability basis to supply cattle, donkeys, sheep, implements, seed etc. to struggling agriculturists in districts where by reason of drought, locusts or other causes distress is acute. The object is to rehabilitate the hardworking farmers and by encouraging diversified farming to minimise the effect of a bad season. Loans repayable in 5 years are advanced to members. This scheme was introduced in July 1923 and since then it has become very popular. A large number of societies have been registered. The Registrar, however, remarks on a "growing tendency to promote co-operative societies as a mere means of obtaining loans for individuals. He says "The joint credit idea is very valuable as a means of enabling groups of deserving farmers to develop some work of importance to their agricultural operations, and while a genuine scheme should receive the fullest support, the greatest care should be taken to see that nothing is done which would tend to bring the co-operative movement into disrepute."

BEHAR AND ORISSIA FOR THE YEAR 1924.

The year under report, the Calendar year 1924, was, generally speaking, one of progress on all sides. The Registrar who was deputed by the Government to make a study of the Co-operative movement in Denmark and England remarks, however, that he "saw a great deal of the vast achievements of co-operation in western countries, and the knowledge and experience obtained by me show me every day in bold relief the backwardness of the movement in this country, the inefficiency of the paid staff and the want of zeal and business training in the general body of our workers."

The Provincial Bank fared well during the year and its audit report is published in the Registrar's report. The Central Banks 57 in number (roughly corresponding to our District Banks) seem to have done good work. There was need for more which was met either by the starting of a new bank, whether *ab initio* or by the splitting of an existing bank or by the starting of a branch of an existing one. These are not merely financial institutions, a branch of one of these is reported to have attended "besides organisation, supervision collection and disbursement to the consideration of loan applications!"

Under the Heading of deposits the Registrar gives details as to from which classes of persons the deposits were received and it is worth quoting.

"Another classification of these deposits shows that 16½ lakhs was deposited by zamindars, about 3 lakhs by money-lenders, 2½ lakhs by agriculturists, 20½ lakhs by professional men like lawyers and doctors, 32½ lakhs by men in service, 2 lakhs by traders, 8 lakhs by females and half a lakh by contractors. These figures are interesting as going to show how for the surplus funds of different classes of people have been absorbed by the movement. The largest amount of deposits comes from men in service. This is apparently due to the fact that they do not find time or have the inclination either to invest their hardearned money in shares or in land or probably they have come to realize fully the soundness of investments in these banks. The lawyers as a body seem to give preference to investment in land. Deposits by *muhajans* speak of how far the movement has gained ground."

Collection seems to be unsatisfactory as the average for the Province taking the Central Banks alone is 57 per cent only. One Bank has done cent per cent collection and the worst has done only 20 per cent:

The directors of these Central Banks are enthusiastic and in some places they held training classes for secretaries of village societies; in other places they held co-operative exhibition and in still others they got conferences and arranged for lantern lectures.

The registrar's remarks on the material and moral improvement of members deserve to be quoted.

"Instances are reported every year by the banks to show how some members become free from all outside debts as well as the debts of the society. Rohika bank reports of all the members of one society (Birpur Pirawn Society) having been freed from such debts, while reports of improvement in the condition of the members are many. To give an instance, Hajipur bank reports that a member of Kalyadpur society who used to deal in tobacco with a capital of Rs. 200 had to pay all his earnings to the *mahajan* by way of interest and now this member has got his own capital of Rs. 4,000. He is regular and prompt in payment and often pays his *kists* in advance. Another index of the progress made is the growing habit of thrift. The *muthia* system of deposit (setting aside a handful of rice at the time of cooking family meal) continues to be popular and deposits by members are increasing every year. Instances of the economy effected by curtailing ceremonial expenses are forthcoming every year. A moral check on litigation is demonstrated by the growing willingness of the members to have all disputes settled by arbitration. There is a general ban on drink and members found guilty are suitably dealt with. Fines and expulsions from membership for breaches of rules or unbecoming conduct are more common now than they were five years before. The uplift of the lower castes and criminal tribes continues to engage the attention of all workers."

Removal of untouchability is a corollary to the reforms taken up for the lower classes and criminals. Kujang bank reports that "this effect has been particularly visible in the members of the following societies who have allowed their children to mix freely with the children of the depressed classes so long considered as untouchables like the washermen.

We are a bit surprised to see that guarantee unions' increase. We are under the impression that the Madras schools of supervising union taking upon itself the duties of "organisation supervision collection, 'disbursement'" and interim-audit is getting popular in their provinces also as in Bombay.

Though the total number of agricultural societies comes to nearly 6,000 (actual 5862, membership 160,442) the Registrar is still sorry that there is only one society for 15 villages and one member for every 200 of the population of the Province. It is gratifying to be told that many of the Societies work well their own capital.

Considering the various items under the purpose of loans the biggest item is still to repay old debt inasmuch as this takes up 25.2 per cent of the entire loan and we heartily endorse the Registrar's remarks."

"It will appear from the above analysis that a very large proportion of the loan has still to be given out for payment to *mahajans*. The leaden weight of debt is still tied round the neck of the agriculturist and this shows that we have still to do much to develop co-operative credit societies amongst the poor agriculturists upon which the whole movement really rests."

The one dairy society, we are glad to know, "has earned a reputation for the quality of the milk and to disappoint many customers" the latter part evidently being intended to mean that for want of proper facilities for further expansion the supply of milk is not adequate to meet all the existing demand.

The societies intended exclusively for the poorer classes like the fishermen weavers, artisans etc. seem to have a sort of existence and can't be said to be thriving. The tale of the Stores is the same as in other Provinces.*

The Federation which corresponds to our P. C. U. did useful work and it was liberally subsidised by the Government; but we have to remember that Federation there is doing the work of our unions and District Councils of supervision and employs divisional auditors and special auditors for primary societies.

While we are expected to go on our knees and thank the Government for their munificence in giving Rs. 1,200 to the P. C. U. of which a sum of Rs. 800 only is ear-marked for the advanced training classes (now going on) and the rest Rs. 400 to be utilised in conducting 2 classes for rural Co-operators in 2 districts not subsidised, the Behar and Orissa Federation got a subsidy of Rs. 66,489 of which it set apart Rs. 2,500 for training probationers.

"During the year 6 managers, 21 local auditors, 37 inspecting clerks and 14 bank clerks were trained at a cost of Rs. 4,144, the excess being met from

previous year's savings. The training given so far has not been up to the mark and it is proposed to hold regular training classes at Sabour where the probationers should go, after being trained in practical work in central bank areas, to receive further training from Assistant Registrars, the Chief Auditor and other competent officers. It is hoped that this system will turn out a more efficient band of workers" and yet we are asked to make bricks without sand !!

We are sorry to note that the zamindars are unsympathetic and some positively antagonistic. They will do well to remember the wise words of H. E. the Governor,

"Zamindars not frequently come to me and complain that they are losing influence. Well, there is one obvious way to maintain their influence, and that is to place themselves forefront of all movements designed to benefit the people as this co-operative credit system most assuredly is,"

The Registrar rightly appeals to those patriots who are becoming with an enthusiasm to serve the motherland to join the co-operative movement and become its enthusiastic missionaries.

The conviction is dawning upon the minds of those who are burning to render services to the country, whose feelings of patriotism are always seeking wider channels and perhaps of those also who are in quest of a line in which to direct their patriotic zeal, that there is no greater field to serve their country than that of co-operation. Real Swaraj will have been established when this conviction has become the common religion of India. Those who are converts to this faith already should, therefore, go about like missionaries and preach this great religion of nations and if each such missionary could count a dozen converts to his credit at the end of each year, what a large army would soon be created!

S. K. Y.

HONORARY ASSISTANT REGISTRARS.

Development Department.

NOTIFICATION.

Fort St. George, October 17th, 1925.

No. 300.—Under section 3 of the Co-operative Act, 1912, the Government Ministry of Development, are pleased to appoint the following gentlemen as Honorary Assistant Registrars of Co-operative Societies and to confer on them so much of the powers of a Registrar as are covered by rule 14 of the rules issued under the Act in respect of disputes arising in the districts noted against their names and transferred to them by the Deputy Registrars of Co-operative Societies having jurisdiction over the area. They will hold office until 30th June 1926.

Anantapur.

Name of Union.	Name of Honorary Assistant Registrar.
Parigi ...	M.R.Ry. Locherla Gangadhara Sastri-Garu
Kalyandrug ...	" N. Bhimasena Rao Garu
Tanakal ...	" Pulagampalli Venkata Rao Garu
Anantapur ...	" Hati Shiva Rao Garu
Tadpatri ...	" K. Konda Reddi Garu
Gooty ...	" C. Ranganadha Ayyangar
Lepakshi ...	" Ramachendra Rao
Kadiri ...	" Reddi Narasappa

North Arcot.

Arni ...	M.R.Ry. A. Natesa Mudaliar Avargal
Arkonam ...	" A. R. Muniswami Reddiyar Avargal
Vellore ...	" Rai Bahadur V. Murugesu Mudaliar Avargal
Vellore (Audit Union).	" V. D. Arunachala Mudaliar Avargal
Natrampalli ...	" C. Samundi Gownder Avargal
Pernamallur ...	" V. A. Subbaroyudu Nayadu Garu
Settithangal ...	" V. Kandaswami Mudaliar Avargal
Wandiwash ...	" Rao Saheb V. A. Arunachala Mudaliar Avargal
Palikonda ...	Muhammad C. A. Abdul Rahiman Sahib
Ambur ...	M.R.Ry. V. Manikka Mudaliar Avargal
Vaniyambadi ...	" T. Karia Gownder Avargal
Tirupattur ...	" S. Varada Chettiyar Avargal
Kalavai ...	" K. M. Singaravelu Mudaliar Avargal
Illuppai ...	" S. Murugesu Mudaliar Avargal
Elathur ...	" C. Venkataramana Ayyar Avargal
Polur ...	" P. Sama Ayyar Avargal
Meilpatti ...	" R. Venugopal Reddiyar Avargal
Tandarai ...	" V. S. Natesa Ayyar Avargal
Devikapuram ...	" Perumalswami Reddiyar Avargal
	Mr. J. J. De Volois
	M.R.Ry. P. P. Periaswami Pulavar Avargal

South Arcot.

Tirukkoyilur ...	M.R.Ry. R. Srinivasa Ayyangar Avargal, B.A. BL
Kammapuram ...	" V. Sesbadri Ayyangar Avargal
Cuddalore ...	" Sivananda Mudaliar Avargal
Tindivanam ...	" T. K. Venkatarama Ayyar Avargal
Vridhachalam ...	" M. G. Parthasarathi Mudaliar Avargal
Chidambaram ...	" C. V. Srinivasachariyar Avargal
Tyagadurgam ...	" K. V. Krishnaswami Ayyar Avargal
Valavanur ...	" Kanaka Venkatarama Ayyar Avargal
Kallakurichi ...	" Rao Sahib M. Kolandaivelu Odaiyar Avargal
Ulundurpet ...	" T. S. Krishna Rao Avargal

HONORARY ASSISTANT REGISTRARS

Name of Union.	Name of Honorary Assistant Registrar.
Panruti ...	" Sambamurthi Ayyar Avargal
Sankarapuram ...	" Venkatarama Ayyar Avargal
Do. ...	" Swami Sahajananda Avargal

Bellary.

Bellary ...	M.R.Ry. Cuddapah Balaji Rao Garu
Alur ...	" Alur Male Fowd Avargal
Rayadrug ...	" Balappa Garu
Kudligi ...	" Vijayanagaram Thatha Rao Garu
Havinahadagalli ...	" Gangapuram Matadua Gaviayya Garu

Chingleput.

Kilacheri ...	M.R.Ry. Rao Sahib C. Arulayya Naidu Garu
Conjeevaram ...	" C. Sambasiva Chettiyar Avargal
Madurantakam ...	" K. Venugopala Mudaliyar Avargal
Ponneri ...	" P. Venkataswami Mudaliyar Avargal
Saidapet ...	" P. Veeraraghavalu Bahadur
Manimangalam ...	" K. C. Srinivasa Achariyar Avargal
Sriperambudur ...	" R. Royappa Nayudu Garu
Trivellore ...	" W. Jeevaratnam Pillai Avargal
Tirukalikuram ...	" C. R. Doraiswami Pillai Avargal
Mukunthagiri ...	" M. K. Chakravarti Ayyangar Avargal
Conjeevaram (Non-Agricultural).	" A. V. Subramanya Ayyar Avargal
Chingleput ...	" V. Vijayaraghava Achariyar Avargal
Wallajabad ...	" V. Gopala Nayudu Garu
Uttukottai ...	" A. Kanjappa Reddiyar Avargal
Tinnanur ...	" K. Raghava Achariyar Avargal
Uttiramerur ...	" O. M. Venkatanatha Ayyangar Avargal
Tirupporur ...	" K. Kandaswami Mudaliar Avargal
Salavkkam ...	" S. V. Srinivasa Ayyangar Avargal
Nelvoy ...	" Vedanta Ramanujachariya Avargal and Mr. V. S. Mark

Cuddapah.

Nandalur ...	M.R.Ry. Arcot Parasurama Rao Garu
Royachoti ...	" Palle Seshacharlu Garu
Khajipet ...	" Manchi Seetharamiah Garu
Cuddapah ...	" Royapeddi Venkataramayya Garu and Rev. Lewis J. Thomas

Ganjam.

Narasannapeta ...	M.R.Ry. Potnuru Veerabhadraswami Garu
Aska ...	" B.K. Mahapatro Garu
Rambha ...	Mr. Syed Ameer Ali
Jagannadaprasad ...	M.R.Ry. Sreeman Nityanda Das Mahasaya Garu
Amudalavalasa ...	" Dhavala Akkulu Nayudu Garu

Name of Union.		Name of Honorary Assistant Registrar.
Gopalpore ...	"	Balamudi Venkataramamurthi Pantulu Garu
Ichchapuram ...	"	Upadrasti Satyanarayana Pantulu Garu
Boirani ...	"	J. Jagannadha Rao Nayudu Garu
Parlakimedi ...	"	G. V. Sitapathi Pantulu Garu
Bugada ...	"	Sreeman Una Bignesu Patro Mahasayo Garu
Russelkonda ...	"	Sreenan Narasinga Padhi Mahasayo Garu
Tekkali ...	"	Seetaram Bhamj Garu
Khukkudakandi ...	"	Rao Sahib M.V. Appa Rao Pantulu Garu

Godavari.

Bazole ...	M.R.Ry.	Upadhyayulu Seetharamachandran Garu
Kotipalli ...	"	C. Seshagiri Rao Pantulu Garu M.R.A.S.
Alamuru ...	"	Narasimha 'evara Satyanarayana Garu
Razole, Field Labourers ...	"	AmidettiNarasimhulu Garu

Guntur.

Repalli ...	M.R.Ry.	Mamillapalli Gopalakrishnayya Garu
Dachepalli ...	"	Akkirazu Sinkaranarayana Pantulu Garu
Ongole ...	"	Coparapu Venkata Rao Pantulu Garu
Guntur Taluk ...	"	Patri Hanumantha Rao Pantulu Garu
Narasaraopet {	"	G. Simhachalam Pantulu Garu
	"	Rev. G. R. Haaf, M.A.
	M.R.Ry.	G. Premayya Garu M.L.C.

Kanara, South.

Coondapur ...	M.R.Ry.	K.L. Bhandari Avergal B.A
Udipi ...	"	Nandalika Gopala Krishna Rao Avergal
Mangalore Super- vising ...	"	Mangalore Ramakrishna Avargal
Mulki ...	"	H. Ramanna Shetti Garu
Hosdrug ...	"	Hosdrug Vittal Kanath Avargal
Puttur ...	"	B. Dasa Rai Avargal
Uppinangadi ...	"	G.N. Mudambadithayya Garu
Mangalore Co-ope- rative ...	"	D. Ananda Rao Garu
Gurpur ...	"	K. Rama Rao Garu
Karkal ...	"	K. Baburoya Joishi Avargal
Kasargod ...	"	Hosdrug Srinivasa Kamath Avargal
Manjeshwar ...	"	A.K.R. Garu Avargal
Buntwal ...	"	Y. Sanjesva Rao Garu
Guruvainkere ...	"	Y. Sarvothama Rao Garu
Vittal ...	"	D. Anantharaju Garu
Suillia ...	"	M. Aithappa Rai Avargal

Kistna.

Ellore ...	M.R.Ry.	Khan Sahib Munshi Muhammad Abdur Rahiman Sahib Bahadur
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Name of Union.		Name of Honorary Assistant Registrar.
Tanuku ...	"	B. Bhanumurti Pantulu Garu
Narasapur ...	"	Tadimeti Venkata Suryaprakasa Rao Garu
Gudlavaluru ...	"	G. Venkataratnam Pantulu Garu

Kurnool.

Pyapalli ...	M.R.Ry.	S. Balaji Singh Garu
Koilkuntla ...	"	Gopireddi Sagireddi Garu
Atmakur ...	"	Janab Murthuza Sahib Bahadur
Nandyal ...	M.R.Ry.	P. Bali Reddi Garu
Nandikotkur ...	"	Rev. M. Ebas
Markapur ...	M.R.Ry.	M. Toambuswami Pillai Avargal
Kurnool ...	"	S. Narasimhalu Pantulu Oaru
Dhone ...	"	H.M.D. Kahaji Imam Sahib Bahadur
Changalmarri ...	"	Khasa Nagireddi Garu

Madras.

Pudupet ...	M.R.Ry.	G. Sriram Babu Garu B.A., B.L., R. Ragagopal Avargal
Thousand Lights..	"	
Madras City Super- vising Union..	"	V. Dharmalingam Pillai Avargal

Madura.

Periyakulam ...	M.R.Ry.	Dharmaraja Ayyar Avargal
Nilakottai ...	"	S. Paramanandam Servai Avargal
Tirumangalam ...	"	P.V. Narayanaswami Ayyar Avargal
Uttamapalaiyam...	"	K. Venkataswami Rao Avargal
Alanganallur ...	"	Namasivayagam Pillai Avargal

Malabar.

Ottapalem ...	M.R.Ry.	Ambat Sankunni Menon Avargal
Badagara ...	"	K. Raman Nambiyar Avargal
Chowghat ...	"	K. Appu Namiyar Avargal
Valappad ...	"	Blahayil Kandunni Nayar Avargal
Payyanur ...	"	T.M. Vishnu Nambisan Avargal
Perintalmanua ...	"	M.C. Udaya Varma Raja Avargal

Nellore.

Kovur ...	M.R.Ry.	O. Viswanada Rao Pantulu Garu B.A. B.L.
South Pennar ...	"	A. Narayana Rao Garu
Sulurpet ...	"	T. Veeraswami Reddi Garu
Peddavani ...	"	Vennalakanti Appa Rao Pantulu Garu
Gudur ...	"	Pelleti Venkatasubba Reddi Garu

Ramnad.

Tirupattur ...	M.R.Ry.	P. A. Subramanva Ayyar Avargal
Srivilliputtur ...	"	R. G. Nallakuttalam Pillai Avargal
Vachakarapatti ...	"	Venkatachala Mudaliyar Avargal
Rameswaram ...	"	N. Vanuvamalai Pillai Avargal

Name of Union.	Name of Honorary Assistant Registrar.
Tiruttangal ...	„ Ramachandra Rao Ananda Rao Avargal
Ramnad ...	„ V. Subramanya Sastriar Avargal
Tiruchili ...	Rev. V. G. Ponniah

Salem.

Atur ...	M.R.Ry. S. Muhammad Esuff Sahib Bahadur
Talaiyasal ...	„ V. Swaminada Pillai Avargal
Namakkal ...	„ C. M. Ranga Rao Avargal
Tiruchengode ...	„ S. Palanivelu Pillai Avargal
Dharmapuri ...	„ T. M. Duraiswami Nayudu Garu
Thadavur ...	„ R. Subbarama Ayyar Avargal
Krithnagiri ...	„ C. Paravadudeva Ayyar Avargal

Tanjore.

Vallam ...	Rajah Mhhammad Rowther Sahib Bahadur
Tanjore ...	M.R.Ry. T. N. Seetharam Pillai Avargal
Orattanad South ...	„ Pitchu Sastrigal
Pattukottai ...	„ Appavu Mudaliar Avargal
Arantangi ...	„ Singaram Pillai Avargal
Mayavaram ...	„ Rao Bahadur C. S. Subramanya Ayyar Avargal
Shiyali ...	„ C. S. Srinivasa Mudaliar, Avargal
Tiruvalur ...	„ Rao Sahib K. V. Tiruvengada Mudaliar Avargal
Tiruturaiipundi ...	„ G. Venkataranga Achariyar Avargal
Mannargudi ...	„ Rai Sahib A. Seturama Ayyar Avargal
Melattur ...	„ S. Narayanaswami Ayyar Avargal
Tirukattupalli ...	„ N. Panchapakesa Ayyar Avargal B.A. B.L.
Nannilam ...	„ V. Srinivasa Ayyar Avargal

Tinnevelly.

Koalpatti ...	M.R.Ry. Muthia Reddiyar Sankarapandia Reddiyar Ayl.
Ottapidaram ...	„ Arunachalam Pillai Veerabadra Pillai
Sattankulam ...	Rev. S. Jesudason
Ambasamudram, ...	M.R.Ry. S. M. Ramalingam Pillai Avargal
Chintamani ...	„ C. S. Viswanatha Ayyar Avargal
Vilatikulam ...	„ V. K. Ramaswami Ayyar Avargal
Nanguneri ...	„ N. A. Chidambaram Pillai Avargal

Trichinopoly.

Penuvalanalfur ...	M.R.Ry. B. Krishnaswami Reddiyar Avargal
Manapparai ...	„ V. Baluswami Nayudu Garu
Musiri ...	„ Ramachandra Rao Avargal
T. Palur ...	„ P. Manikkam Chettiyar Avargal.
Jayakondam North ...	„ E. R. Sellakntti Mudaliar Avargal
Lalgudi ...	„ T. S. Raju Ayyar Avargal
Jayakondam ...	„ P. K. Vaidayalingam Pillai Avargal
Karnr ...	„ V. V. Sundararaja Ayyangar Avargal

LIST OF SOCIETY REGISTERED & CANCELLED.

Trichinopoly ...	„ R. V. Srinivasa Ayyangar Avargal
Kulittalai ...	„ M. R. Seturatnam Ayyar Avargal

Vizagapatam.

Yellamanchili ...	M.R.Ry. G. Subba Rao Garu
Anakapalli ...	„ Y. Narasimham Pantulu Garu
Polepalli ...	„ D. Venkatapathi Raju Garu
Jami ...	„ K. Malliah Sastri Garu

Agency.

M.R.Ry. S. V. Yegyanarayana Pantulu Garu

V. PANDURANGA RAO,

Secretary to Government.

LIST OF SOCIETIES REGISTERED IN THE MONTHS OF
SEPTEMBER AND OCTOBER 1925.

Name of the circle of Dt.	September.	October.
1. Bezwada Circle ...	7	10
2. Bellary Circle ...	10	4
3. Agency Division, Vizagapatam ...	nil	nil
4. Vellore Circle ...	nil	nil
5. Cuddapah Dt. ...	nil	nil
6. Madras Dt. ...	nil	nil
7. Coimbatore Dt. ...	nil	6
8. Vizagapatam Circle ...	3	4
9. Madras Circle ...	1	5

LIST OF SOCIETIES CANCELLED IN THE MONTH OF
SEPTEMBER 1925.

Serial No.	Name of the Society.	Presi- dency No.	District.	Taluk.	Date of Cancell- ation.
1	Anantapur Co-operative Stores ...	3747	Anantapur	Anantapur	3-9-23
2	Yellayapalem Co-operative Society ...	2626	Nellore	Kovur	7-9-25
3	Nayavaram Distribu- tive Society ...	1485	Tanjore	Mayavaram	30-9-25

LIST OF SOCIETIES CANCELLED IN THE MONTH OF
OCTOBER 1925.

Serial No.	Name.	No. of Society.	District.	Taluk.	Date of registration.	Date of cancellation.
1	Mukkavaripalle.	5798	Cuddapah	Rajampet	4-2-21	2-10-25
2	Nallavur ...	8085	South	Tindivanam	26-1-23	21-10-25

GOVERNMENT OF MADRAS.

DEVELOPMENT DEPARTMENT.

G.O. No 1508 21st October 1925.

Co-operative Societies Act, 1912—Rule XIV—Execution of arbitrators' awards—Village courts—Amendment—Notified.
READ—the following paper :—

G O. No. 1703, Development, dated 27th July 1925.

Order--No 1508, Development, dated 21st October 1925.

In notification No. 224, dated 27th July 1925, published at page 1385 of Part I of the Fort St. George Gazette, dated 4th August 1925, the Government under section 43 of the Co-operative Societies Act, 1912, published an amendment adding a clause (c) to rule XIV (5), declaring village courts to be civil courts for the purpose of execution of arbitrators' awards. The period of two months allowed in the notification having expired, and no objections or suggestions having been received, the Government are pleased to confirm the draft rule. The appended notification will be published in the Fort St. George Gazette.

(By order of the Government, Ministry of Development)

V. PANDRANG RAO,

Secretary to Government.

To the Registrar of Co-operative Societies.

.. Superintendent, Government Press, for publication of notification.

Copy to the other Local Governments and Administrations, except North-West Frontier Province (with C.L.).

NOTIFICATION.

In exercise of the powers conferred by section 43 of the Co-operative Societies Act, 1912, the following clause will be added to rule XIV (5) of the rules framed under section and published at pages 1039—1042 of Part I of the Fort St. George Gazette, dated 9th November 1915, as subsequently amended :—

(c) For the purpose of this rule civil courts shall include village courts constituted under the Village Courts Act (Madras Act I of 1889).

NOTES AND NEWS.

Prenatal defects. The Hon'ble the Minister in charge of Development in his speech at Bellary which was reproduced in the October number of the Bulletin attempted to defend the position of the Government in relation to co-operation in this Province. He refers to the criticisms of some urban critics who point to some "Prenatal defects" in the movement i.e., the defect inherent in it owing to the fact that the movement was started by the Government. The Ministerial emphasis on "urban" is perhaps intended to bring out the fact that they are not in touch with the movement in the country at large. We do not see who was originally responsible for the expression, "prenatal defect" which by ministerial repetitions threatens to become a classic expression like "a scrap of paper", "the slave mentality", "satanic Government" etc. In the message sent by the P.C.U. to the International Co-operators' Day Celebration in 1924, this prenatal defect was pointed out and later on, Mr. S. Satyamurthi, B.A. B.L., M.L.C (if we remember right) used this identical expression. Whatever be the genesis of this expression there is no denying the fact that the movement has got certain defects which are prenatal. We are genuinely thankful to the Government for the initiative which was taken after investigation of the economic condition of the poor ryots in the starting of this movement in accordance with the recommendation of Sir F.A. Nicholson—We are not, however, oblivious of the fact that the whole credit of the movement is ultimately based upon the popular belief that somehow or other the co-operative banks have the indirect support from Government, though as a matter of fact there is no government guarantee or no sort of government help to co-operative banks except the free Government audit and the exemption of stamp duty which we admit are no mean concessions. This is the chief "prenatal defect", the "Government odour" about the whole movement. In spite of 20 years working they have not made the man in the street know that this is his movement and the sooner he takes charge of it, the better. It is true the Government have been clamorously proclaiming their intention to hand over the trust when the minor comes of age; but in the name of efficiency, they have been abnormally strengthening their own agency.

The fact that the movement owes its origin to Government initiative and that its present success is largely due to the indirect support of the Government does not take away from the movement its defect. In fact the Minister in so eloquently pleading the part played by the Government is merely strengthening the position of those who emphasise upon the 'prenatal defects'. If the ultimate goal is the devolution of the entire management into hands of the people, the best way is to strengthen the non-official agency wherever possible and to substitute the official agency by non-official agency even at the risk of efficiency to a slight extent. Nobody denies the efficiency of the Bureaucracy; but as a great British Minister remarked, the best Government is no substitute for self-Government and we must be allowed to 'learn by mistakes'.

To take a homely analogy if there be no water in the well, the proper way would be to dig deeper still and tap the hidden sources of water and not bring supply from outside and convert the well into a cistern. If the present non-official agency is not working satisfactorily it is no good to replace them by more efficient official agency. We have to see wherein lies the weakness of the non-official and the duty of the Government is to see that the non-official is helped to rectify his own defects. These how ever are random reflections suggested by the Minister's speech on prenatal defects. In fact there is (or at least ought to be) no difference between the Government and the people so far as co-operation is concerned. The difference seems to be only regarding the means of reaching the goal and the pace at which we ought to travel towards the goal.

Honorary Assistant Registrar. The Fort St. George Gazette of the 20th October contains a list of Honorary Assistant Registrars nominated by the Government. Almost every Union that asked for one seems to have got one.

We fail to see any broad policy underlying the selection of these officers. We understand that unions were circularised merely on the point whether they would like to have Honorary Assistant Registrars. But some said yes, some others said no, and of the former, some seem to have nominated some members. The Government have appointed nominees of these unions or have exercised their own discretion and appointed their own men.

Some months back we circularised all Assistant Registrars to send us a list of prominent Co-operators in each district. We are surprised to see that some of the names in the Assistant Registrars' list are not in the

list of Honorary Assistant Registrars and some in the latter list, not in the former. We leave to our readers to form whatever conclusion they like from this interesting inclusion and omission. It may be that the official Assistant Registrar was not cognisant of the existence of these important co-operative workers, or knowing them, did not think them to be sufficiently important to be included in his list sent to us; but we are glad to note so many men have been now found who, in the opinion of the Government, will be enthusiastic workers in the field, spreading the gospel of co-operation in far off hamlets and out of the way places. We shall wait and see what work these nominees of Government are able to turn out in the course of this year, or rather, in the course of the eight months before them.

Public Response indicative of the sense of responsibility. The newly-awakening democracy in India is more alive to its Rights than to its duties. Where the Democratic traditions are more deep-rooted, people are willing to shoulder responsibilities to a greater extent than here. When the Dean and Chapter of the St. Paul's Cathedral appealed to the English Nation through the columns of the Times for £120,000 on the 14th of January last with a view to repair that famous building, indicating their desire to have £140,000 if possible, the upper limit was reached in 8 days and in about a fortnight the amount collected was £250,000 and 'still they are coming'. We wish our compatriots in the land will learn a lesson from this and respond with equal readiness when similar appeals are made and not leave the matter entirely in the hands of the Ma Bap Government.

Governments are all alike. Whenever a constructive proposal is brought before the Government in this country for making the working of its nation-building departments like Education, Agriculture, Co-operation etc., more efficient the plea of 'no money' is set forth. Patriots fume and fret and point to the 50% of the country's revenue being spent on the army. Apparently the powers that betake the same view everywhere about the relative importance of Mars and Muses. From an American paper we understand that the accumulated capital (not the annual income) of some of the first class Universities in U. S. A. combined together comes to less than a third of the States' expenditure on the Army and the Navy for a single year. The following figures speak for themselves.

Name of Universities.	Capital accumulated hitherto.
Harward ...	70 million dollars.
Yale. ...	50 " "
Princeton. ...	20 " "
Columbia. ...	54 " "
Estimate of Military expendi- } ture for 1 year of peace. }	700 " "

Multiplicity of celebration. In certain Districts we see the Co-operators organising more than one all—districts function in a year. Many Districts have their annual conferences, but some of them held the General body meeting of the District Bank on a separate day. In these days when almost all District Banks have been converted into Banking Unions there is little justification for such duplication of functions. As a rule, all constituent societies send their representations to both these functions irrespective of the fact whether or not they are working at a profit and thus can afford to spend extra by way of T.A. to their representatives.

Some justification of this separation may be attempted by looking upon the District Conference as being more spectacular and educative and the G. B. meeting as being more business-like; but in the present stage of development of the movement it is a distinction without difference. The conference ought to be business-like and the G.B. Meeting has much educative importance. We have to remember that co-operation stands for thrift which is different from miserliness and every pie that can be saved for the movement as a whole must be saved for a more useful form of expenditure.

The Nellore Case. We draw the attention of our readers to the contribution of our Nellore correspondent (see p. 281) where the Registrar has given a ruling on a point after getting the opinion of the Advocate General. The question was whether in the distribution of profits the bye-laws as they stood on the last day of the distribution year concerned or the bye-laws as they stood on the day when such a distribution is sanctioned by the General Body of the bank, are to be followed, presuming of course that the bye-laws underwent a modification in the interval. The Advocate General has opined and the Registrar has ordered that the bye-laws as they stood on the day of distribution are to be followed.

We venture to think, however, that this applies to the case in question and is not a general rule which could be followed at all times and

under all conditions. To take a (hypothetical case—Suppose the bye-law as it stood on the last day of a year authorised the Bank to declare a dividend of $7\frac{1}{2}$ per cent only on the paid up share capital and suppose that it was modified subsequently allowing the Bank to declare 9 per cent and that the General Body meeting was held after the modification was ratified by the Department. We venture to state that the ruling of the Registrar will not be applicable to such a case. It is by an accident as it were that the profits are declared late. There is no obstacle in the way of a Bank's declaring its profits during first week after a year is closed except that the statutory audit by Government takes time to get done. If, however, a Bank has permission to have its accounts audited by outside auditors and if the Bank has had concurrent audit and if the Balance sheet be ready on the first day after the year (these 'ifs' do not at all predicate impossibilities) the Bank will have no time to modify its bye-laws and give them retrospective effect as it were. Each case, as we stated, has to be judged on its own merits.

An Interesting Technical Point. In the General Body meeting of the Salem District Bank held in October last, an interesting point was discussed i.e. that directors representing Unions should have their terms of office cut down to one year from three years as it is now to be in conformity with the practice in Unions. The argument in favour of the proposal was that in case the Unions representatives (who holds his office in the Unions only for one year) happens not to be re-elected he would continue to be its representative in the Bank though in the very Union which he is said to represent he has no place. Mr. T. Adinarayana Chetty Garu, the President of the Bank, explained the position in a lucid speech and brought home to the members how it is necessary that officers of Unions should hold their office only for a short term as the affairs of the Union require personal and intimate knowledge of societies on the part of the Union Officers and the more such officers are brought into contact with societies and trained for their work by quick succession the better for the movement as the whole, whereas in a Dt. Bank business is done more or less in an impersonal manner and continuity of policy is relatively of greater importance which can be secured only if the directors have at least 3 years' term of office. We are glad that the mover withdrew his resolution.

The question whether a Union Representative Director should not continue throughout his term of Office in the Bank is more or less of academic importance. If at the time of election he represents a Union and if in the opinion of the Union he is the best man to represent them on the

Bank we may take it that he would be re-elected in the Union; even if he is not, his term of office is regulated by the bye-laws of the Bank and he may well continue to represent the Union though not in it. He is of it. The well-known instance of Mr. A. Rangaswami Ayyangar B.A., B.L., Editor of Swadesamitran continuing to be a representative of the Senate in the Trust Board of Pachaiyappa's Charities for years after he ceased to be a member of the Senate bears out the opinion of Mr. T. A. Chettiar of Salem.

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The New Viceroy. Newspapers have announced the appointment of the Rt. Hon'ble E. F. L. Wood as the Successor of Lord Reading to the exalted office of the Indian Viceroy. It is some consolation to us that he is a keen student of agriculture and we hope that with his advent this great industry of our land will receive a fresh impetus and make the country prosperous.

We give below the remarks of our esteemed contemporary "the Co-operative News" of Manchester on this important appointment.

"The appointment of Mr. E. F. L. Wood, M.P., to be Viceroy of India is characterised as a Baldwinian appointment. It was so inasmuch as it was unexpected in most quarters; but Mr. Wood as the son of a peer, fulfills the general expectation. It would be difficult to find anything in his political career to suggest the reason why he has been singled out for this important office; but his latest post in the Government, that of Minister of Agriculture, has already taught him something that will be of use to him. He has seen enough during his term of office to make him realise that the agricultural industry here depends for its economic salvation upon the application of co-operative methods and principles. Co-operation in India has done a great deal to improve the position of many of the agricultural workers in that great empire. We have the personal assurance of King George himself on that point, and the "Co-operative News" has more than once quoted His Majesty's words in support of Co-operation there. If the new Viceroy from his own personal knowledge of the needs of agriculture and the considered judgment of the various committees that have dealt with the subject, will use his influence to secure the spread of the co-operative system among the Indian people which the King had already found to be an advantage to them where practised, his term of office should be highly fruitful. In other respects most of Mr. Wood's associates in Parliament speak highly of his high standard of honour and humanity; and character in a Viceroy counts for a great deal more than in some other posts. The fact that he was one of the few members of his who dared to give voice to his misgivings as to the policy of repression in Ireland in the pre-Treaty period encourages the hope that his influence in Indian affairs may have a healing effect."

Heart to Heart. We have heard it said that when Scouts from all over the world meet in their International Gathering called Jamborees, they have a fine time of it even though they be unable to talk to each other owing to their limited linguistic equipment. There is a unanimity of opinion regarding the ideals and aspirations and hence they talk heart to heart as it were. Similarly we extend our welcome to some Russian Journals we have received and also to the Sind Co-operator published in Urdu. We grasp the hand of fellowship thus kindly extended from afar.

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Union is Strength. The Audit Order of the Deputy Registrar regarding the Andhra Sahakara Sammalana for the year ending 30th June, 1925 is published elsewhere in the Bulletin (see page 270). We have no idea of decrying our sister institution and exult over the achievements of our own. We respectfully suggest to our Andhra sister the wisdom contained in the old copybook maxim, "Union is Strength" and advise its linking with the P.C.U. and thus strengthening it and getting strengthened in its turn.

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Bank Reports received. We acknowledge with thanks the receipt of the administration reports of the following Banks.

1. The Government Telegraph Employees' Co-operative Society, Madras.
2. The Godavari Delta Co-operative Central Bank, Amalapuram.
3. The Guntur District Co-operative Bank Tenali.
4. The Nellore District Co-operative Banking Union.
5. The Conjeevaram Central Co-operative Bank.
6. The Salem District Co-operative Urban Bank.
7. The Coimbatore do do do.
8. The South Canara Central Co-operative Bank.
9. The Tanjore District Urban Bank, Kumbakonam.
10. The Trichy Central Co-operative Bank.
11. The Madras Central Urban Bank, Mylapore.
12. The Ajmere Central Co-operative Bank.
13. The Moscow Nordany Bank Ltd.,

All these institutions are in a flourishing condition and we wish them all success.

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Books received for review.

We have received the following books from the various publishers and we thank them for their kindness. Owing to the pressing demand on our limited space we have not been able to publish their reviews in time. We hope to publish them at a very early date.

List of Books received for review.

Name.	Author.	Publisher.
1. Agricultural Co-operation in India.	Dr. John Mathai	Christian Literature Society, Madras.
2. Is Co-operation a Social Menace?	A. V. Alexander	Co-operative Union, Manchester.
3. Wages and profit-sharing.	M. P.	
4. Unemployment in Great Britain.	R. N. Gilchrist	University of Calcutta
5. Agricultural Co-operation in Denmark.	Macmillian & Co. London....	
6. Crop Production in India	C.L. Christenson	Govt. Printing House, Washington, U.S.A.
7. Dictionary of Socialism.	Albert Howard.	Oxford University Press, Bombay.
8. The Relation of Wealth to Welfare.	Dr. Angles, S. Rapport.	T. Fisher and Unwin, London.
9. Public Employment Offices, their purpose, structure and methods.	W. A. Robson.	George Allen & Unwin London.
10. The Grammar of Power.	S.M. Harrison & others.	Russell Sage Foundation New York.
11. A short History of British Agriculture.	G.W. Thompson.	The Labour Publishing Company, London.
12. A. B. C. of Co-operative Housing.	John Orr.	Humphrey, Milford London.
13. The World's Industrial Parliament.	Agens D. Warbasse	The Co-operative League U.S.A.
14. Store Craft.	E. M. Oliver	G. Allen & Unwin Ltd.
15. The Workers' share	...S.A. Williams.	Sir Isaac Pitman & Sons
16. The Story Retold.	...A. Hook	Labour Publishing Co.
17. The Causeway of Capital and Labour.	...J.P. Madams.	Manchester Union.
18. Profits.	S. E. Brent.	P. S. King & Son London.
	W.T. Foster and W. Catchings.	Houghton Mifflin Co.

THE XIV BOMBAY PROVINCIAL CO-OPERATIVE CONFERENCE.

We are glad to announce that the President of our Union, Sir K. V. Reddi Naidu Kt. M. L. C., B. A., B. L., has been asked and he has agreed to preside over the XIV Bombay Provincial Co-operative Conference to be held at Dharwar on the 16th, 17th and 18th of December 1925.

The Editor of this Bulletin, and three other Secretaries of our Union are also likely to attend this Conference.

District Administration Reports for 1923-24.

IX. CHINGLEPUT DISTRICT.

2. *Societies* :—The total number of societies in the District rose during the year from 593 to 693, 107 having been registered and 7 having been liquidated. Out of them 631 are agricultural and 41 non-agricultural societies, the remaining 21 being Supervising Unions and their Federation and the District Central Bank. Out of 2145 villages in the District there are now credit societies for 1087 villages as against 990 at the opening of the year. Thus it may be said that for every two villages we have credit society for one. The progress to cover up the remaining half should be much more rapid than in the past with the increasing number of co-operators who lead both by precept and example.

3. *Members* :—Membership in primary societies rose from 34,674 to 37,871 representing an increase of 9% as against that of 7% in the previous year. The average number of members for a society is 60, the same as that of the previous year while the Presidency average for 1922-23 was 64. Agriculturists in all primary societies numbered 25,225 against 23,127 in 1922-23 while non-agriculturists rose from 6882 to 7857. The number of tenant and field labourer members in these societies rose from 2447 and 1386 to 2685 and 1592 respectively. There was corresponding increase in the number of Audi-Dravida and Audi-Andhra members from 5702 to 6248. Taking the average number of individuals of a family as 5, it may be considered that about two out of 15 lakhs of the population of the District have now the benefits of "Co-operative credit". This works out to about 13% as against 12% in the previous year. Comparing this result with that of villages above noted, it is clear that the bulk of the societies serve only about 25% of the population of the village in which each society is established. This is partly due to a large majority of the population still keeping aloof even though a society is at their doors. This is due again to the fact that only those who have dire need to borrow and have also the courage and confidence in the unlimited liability have joined the movement. The Movement can hope to bring round the others also only if the co-operative benefits other than mere credit of the usual type are worked. Extra credit for grain pledge loans to hold off produce for joint sale or sale in a favourable market and co-operation tending to increased production are being attempted. It is hoped this will bring in a large number of agriculturists now outside the movement.

As usual deposits in agricultural credit societies are now though there has been some slight improvement in the year owing to big old societies such as Madurantakam, Uttiramerur, Kilacheri and Damal Co-operative Societies having attracted a little more deposits. The more and more the matter is sifted in villages, I find that the more prudent agriculturist in this District invests his

improvement effected is more due to the systematic overhauling of old bad societies pushed forward vigorously in the year. This resulted in the large flow of arbitration applications and execution petitions and entailed on my office and the Revenue offices with heavy work. In cases where were legally time barred loans still not cleared enquiries under Section 35 was ordered by the Governing Body Members and Administrative Inspectors.

The splitting up of old extensive Unions has considerably helped in more intense supervision. There are still about half a dozen Unions to be split up. But the want of adequate finance stands in the way. With the development of the good societies, it will be possible to effect this splitting up further. When this is done I hope the societies will get all better. The full effect, however, of these measures have not been had within the year and it is hoped that better results will be secured in the current year.

29. Over 60 per cent of the total amount lent has been for paying off prior debts. The village ryot has yet to go in for loans to meet his urgent demands even for productive purposes from the village money-lender owing to want of ready facilities for borrowing. Speedy disbursement of even short term loans is possible only in good societies which are given the concession of reloading from collections and even cash credit. The others have to go to central banks even for short term loans. This can be made more satisfactory only when the area of each Union is very compact and societies are efficient. In other words till we spread the whole District with a network of societies and Unions in close touch with the societies on the one hand and the bank on the other, this difficulty will not disappear altogether. It is somewhat consoling to find that the special propaganda made at the various Union conferences in the last two years of the advantages of loans on the pledge of stored produce has not been in vain. It has been granted more largely in the last year. The amount of grain pledge loans granted in the year was Rs. 63,643 against Rs. 12,920 in the previous year. The ryot is being educated in the advantages of this sort of loans and still better results are expected in the current year. The Central Bank has also been helpful by its reduction of the rate of interest on such special short term loans of ten months from 8 to 7½ per cent.

33. *Other forms* :—The only agricultural society falling under this class is the Overtonpet Tenants Joint Cultivation Co-operative Society. As already detailed in my administration report for the year 1922-23 the primary object of the society of cultivating the whole plot leased from the United Free Church Mission as one farm by the 15 Christian members of the society has not been realised in full. Each member has a small plot allotted to him for cultivation and the unallotted portions which consist mostly of mango and coconut topes are watched by a watchman selected from among themselves. The Mission is paid its lease amount from common income and from rents recovered from members to the society for their respective plots. There was a net margin of Rs. 100 after paying off lease amount and incidental expenses as against Rs. 40 in the previous year. The amount to the credit of reserve fund of the society at the

close of the year was Rs. 238. A sum of Rs. 90 will be added thereto from profits of the year bringing up the total to Rs. 328.

38. *Production: Limited* :—The Big Conjeeveram Urban Weavers Union is the only society falling under this class. This society has not done satisfactorily in the year. The total purchase of raw materials fell from Rs. 8400 to Rs. 4144, the sale proceeds of finished products from Rs. 8992 to Rs. 5600 and the gross profit from Rs. 965 to Rs. 530. As a result of the decrease in the volume of transactions, the net loss increased from Rs. 292 to Rs. 387. The society no doubt did in the past considerable educative work. Many a weaver who has had his training in the factory of the society has gone out of it with better knowledge of weaving and better business habits and is making capital out of his training in the same Town. There it has served its purpose and to keep on the society for that work alone has been found to be unprofitable materially. The question of changing the very basis of working of this society to make it one for joint purchase of raw materials and joint sale of finished products of weavers is engaging the attention of the Directors. A scheme to that effect has been drafted. The Federation is being asked to spare temporarily a reserve supervisor. When this is secured, this activity will be attempted. It is hoped that better results will be secured in the current year.

39. While commenting on the working of this society I am tempted to record the mournful loss during the year of its author, M. R. Ry. Palla Ramachandrar Sastriar, at Conjeeveram. The district can well be proud of this good soul. He was an enthusiast in Co-operation and an ardent friend of the weavers. He was to some extent an idealist. In fact he sacrificed himself giving up his legal profession for his deal of helping the poor and weak. The Conjeeveram Central Bank has resolved to hang up a full size photo of this old Co-operator in its premises. This is a fitting recognition of his services to the Bank in its infant stages.

The Chingleput Urban Co-operative Stores continued to do good work. Its membership rose from 122 to 123, while paid up share capital, purchases and sale proceeds fell slightly, from Rs. 2220, Rs. 22,680, and Rs. 24,378 respectively in the previous year to Rs. 2075, Rs. 17,280 and Rs. 18,864 in the year. The Stores under a special contract with the Standard Oil Company has begun to help its members in the purchase of kerosine cheaply and in correct quantity. But the gross profit and net profit rose from Rs. 1078 and Rs. 211 to Rs. 1249 and Rs. 476 respectively. The better margin of profit in spite of falling off in the transactions was due to the Stores selling, this year, all articles at the market rates and also to a lesser degree to careful management in avoiding heavy idle cash balances in current account of the Chingleput Urban Bank. Besides a dividend of 9 per cent on paid up share capital the Stores was able to allow a bonus of 4 pies in the rupee on purchases of members.

46. *Federation* :—All the 19 Unions are members of the Federation each Union sending up 2 or 3 delegates to the General Body, one of whom is elected by this general body for its Governing Body. The Federation was formally

started on the 20th September 1923. It met 3 times. All general questions were discussed at length. Almost every important item to go up before the Board of Management of the Central Bank such as reduction of rate of interest, share deposits of societies, provident fund etc., amendment of bank by-laws were previously discussed at the Federation to thrash out unreservedly the society's

The budget estimates of the several Unions were scrutinised by the Federation and passed. Several forms were printed and supplied to Unions and some stock also kept ready for future indents of Unions. The Federation has stimulated thoughts on several matters of common interest to all societies such as reduction of the rate of interest on loans, question of forming District Unions for the poor men's societies and so forth. As a matter of fact the Federation had a guiding hand in (1) persuading the Conjeeveram Central Bank to reduce its rates on special short term loans for 10 months by $\frac{1}{4}$ per cent (2) persuading the societies to be content with 6 per cent for their reserve fund deposited with the Central Bank with a view to bring down not only bank's lending rate to them but also the rates offered by the bank to outside depositors.

Examination and appointments for supervisors' posts was held on 17th May 1924 and 11 best of them were selected keeping in mind the communal point also. 7 Supervisors were trained. All of them have been absorbed in filling up the new posts created and in existing vacancies and to replace incompetents. A sum of Rs. 4277-2-3 was received from the bank or $\frac{1}{4}$ per cent rebate on interest realised by the Bank. It was passed on to the Union to whom they were due. A sum of Rs. 1482 was contributed by all the Unions as 10 per cent of their total current revenue from societies supervision fund and bank rebate. This with the previous years' balance of Rs. 915 was mainly used for granting the deficit to the minimum budget of Rs. 700 to weak Unions (Rs. 885) and in training Supervisors. In fact the stipend paid for Supervisors trained in the year was Rs. 1392. This was well worth it.

56. *Departmental and other Conferences*:—During the year when the Federation met at Conjeeveram on 21. 12. 1923 all the Inspectors also attended it. A departmental conference was held when instructions were imparted to the Inspecting and Supervising staff and doubts on several points were cleared. Many of the representatives of Unions were also present at this Conference. A detailed address was given by me on the separation of audit and administrative functions of the departmental officials which was printed and issued as a booklet to all concerned. Besides the Federation meetings and departmental conferences business conferences of the panchayatdars of all societies were held as in the previous year at central places in every month. The Deputy Director of Agriculture or often one of his local subordinates attended the Conferences to address the co-operators on the up-to-date improved methods of Agriculture, use of implements, selection of seeds etc. I was present at every one of such conferences. Besides, non-official co-operators from the adjacent Unions were also invited.

X. CHITTOOR DISTRICT.

Societies It will be seen that, as against 43 societies registered during last year and 47 societies during the year previous, only 11 societies were registered during the year under review. The registration of no society was cancelled during the year. The benefits of the movement have however spread to all parts of the District. The fall in the number of societies registered is mainly due to the Inspectors having to direct their attention to the stimulation of dormant societies, consolidation in bad societies and co-operative education in the other existing societies.

11. The overdue instalment of principal and interest outstanding recovery have considerably increased largely due to the famine conditions prevailing in the western parts of Madanapalle Taluk and to the failure of rains in parts of Chittoor, Chandragiri and Vayalpad Taluks. Societies in Palamaner Taluk, Punganur, Puttur and Tiruttani Divisions have comparatively fared better than the other parts of the district. Contumacy of borrowers and the indifference of the Panchayat also contribute to the heavy arrears while the action of the Revenue authorities in holding large amounts in deposits in the process of execution of awards under Act II of 1864 needs also mention.

23. (a) *Number of Societies*:—Inclusive of 10 societies registered during the year, the number of agricultural societies at the end of the year was 223 and of these 9 had not been started.

(b) *Strength—Classification by profession and caste*:—The number of members rose from 8320 at the commencement of the year to 8732 at its end. Of these, 6594 were agriculturists, 770 were non-agriculturists and 1368 depended partly on agriculture and partly on other means of livelihood. The agriculturists consisted of 746 non-cultivating land-owners, 5408 cultivating land-owners, 333 tenants and 107 field-labourers.

Arranged by caste, members on 30-6-24 consisted of 736 Brahmins, 6834 non-brahmin Hindus, 153 Christians, 493 Muhammadans, 501 Adi Dravidas and 15 other classes.

There were arrears under interest in societies of all Unions, except Punganur, while they were very heavy in Chittoor, Vayalpad and Gurramkonda Unions.

Under principal, again the Chittoor Union topped the list succeeded by Vayalpad and Gurramkonda Unions. As a result of the exertions of those responsible for the work in the Tiruvalangadu Union, the arrears have decreased.

The considerable decline in the condition of societies is mainly due to the want of rain and failure of crops coupled with the indifference of the societies, panchayat and neglect of the Unions, Governing Body. It is not rare in some societies that large amounts held as cash balance are allowed to be appropriated by office-bearers for long periods or reduced by fictitious loans.

Non-Credit work in Credit Societies.

A few societies in Gurrampakonda, Pakala and Tiruvalangadu Unions purchased a grass-cutter, Konkona and Monsoon ploughs valued at Rs. 295-8-0. Societies in general are not so developed as to readily undertake non-credit work nor its members so adaptive as to undertake improved methods of agriculture.

Besides the two Agricultural Demonstrators stationed at Chittoor and Madanapalle, another with headquarters at Palamaner was appointed during the year. A large number of Sindewahi furnaces were erected and due to the incessant demand for improved pans to boil sugarcane juice an informal agricultural co-operative society at Madanapalle undertook work, transacted business to the extent of Rs. 3000 and made profit to about Rs. 400. In addition to this, the Demonstrator at Madanapalle attended the general meetings of the Madanapalle and the Gurramkonda Unions, demonstrated ploughing by Monsoon and gonkon ploughs and various selected seed grains and lectured to the delegates of societies assembled on improved methods of agriculture, preservation of manure, etc. He attended a few Jambandi camps of the Sub-Collector, Madanapalle and lectured to the ryots assembled, most of whom were co-operators.

The Unions have begun to realise the responsibility devolving on them in a larger measure than in the past and during the year. Supervisors of all Unions except that of Vayalpad where there was not one, undertook compilation of statistics independently. Though the supervision was attempted to be made in a larger measure than in the past members of the Governing Body of Unions have yet to be educated and made to realise their responsibilities. With the recent division of the Government staff, education of Governing Body members was also taken up and the Supervising Inspectors were asked to attend each of the Governing Body meetings of Unions. But in the Punganur Union there were not the necessary facilities to do the work.

Honorary Assistant Registrars. Out of the five gentlemen who held the posts of Honorary Assistant Registrars at the end of previous year four continued as such till the end of this year. M.R.Ry., Rai Bahadur V. Murugesu Mudaliar Avergal was appointed as Honorary Assistant Registrar as per Fort St. Gazette Notification dated 26th August 1924. M. R. Ry., W. C. Manikaswami Mudaliar Avergal ceased to the Honorary Assistant Registrar from 1st July 1924. The details of work done by each Honorary Assistant Registrar are given below :--

Name of Honorary Assistant Registrar with headquarters.	No. of days spent on tour.		No. of days spent on tour.	Amount of T. A. Rs. A. P.	No. of cases referred for arbitration from 1-7-23 to 30-6-24.	Disposed of during the year.	Pending at the end of the year.
	Arbitration	Inspection					
1 M.R.Ry., K. M. Singaravelu Mudaliar Avl., Kalavai ...	17	21	...	209 12 0	73	6	67
2 M.R.Ry., Rao Sahib V. A. Arunachala Mudaliar Avl., Vadanangur ...	34	..	...	242 8 0	139	114	25
3 M.R.Ry., Rao Sahib M. S. Sesha-chala Ayyar Avl., Tiruvannamalai ...	25	7	...	357 6 0	338	168	170
4 M.R.Ry., Rai Bahadur V. Murugesha Mudaliar Avl., Vellore ...	11	...	...	86 15 0	94	83	11
5 M.R.Ry., C. Samundi Gounder Avl., Natrampalli ...	...	...	...	...	13	13	...

There were 510 societies in the district at the beginning of the year, 63 societies were registered during the year, thus bringing the number of societies at the end of the year under report to 573. The progress under different classes of societies is shown.

Members. At the end of the year there were 32,638 members in 554 societies (excluding supervising unions and District Council) giving an average of 59 members to a society, the average for a society, in the previous year being the same.

Working capital. During the year the working capital of all societies increased from 63,91,043 lakhs to Rs. 74,05,963 (i.e.) an increase of about 11 lakhs, the increase in the paid up share capital being Rs. 1'39 lakhs, that of Reserve Fund being Rs. 34,857. There was a fall in the trade transactions, the purchases having decreased from 37,712 to Rs. 7,954 and the sale from Rs. 45,047 to Rs. 13,383.

Building Societies. There was one Building Society at the end of the year. During the year three societies were registered viz., Malaicheri, Arkonam and Vellore Nallampettai. Of these, the first was for the Adi-Dravidas at the locality. The question of formation of building societies engaged my attention during my tour and hope some more societies would be registered in the current co-operative year. Proposals for the formation of a Land Mortgage Bank at Ambur were submitted to the Registrar.

Local Industries. There were already two societies of the class viz., Vellore Basket Makers Co-operative Society and the Puttuthukku Weavers Co-operative Society at the close of the previous year. During the year under report three weavers societies were registered and there were five societies working at the close of the year under report.

(A) Central Banks.

The only Central Bank in the district is the Co-operative Central Bank, Ltd., Vellore, and it is one of the members of the Madras Central Urban Bank, Ltd., (Provincial Bank). The year under report is the eighth year of the Bank's working.

As regards overdraft of 2 lakhs and a half allowed by the Imperial Bank of India the Central Bank was not able to make full use of it as it was not able to lend the amount as short term loans as per conditions of the Imperial Bank of India. To enable the Central Bank to make full use of the overdraft it has since resolved in its last general meeting to reduce the rate of interest on such loans.

The increase in overdues is chiefly due to the indifference on the part of the societies to remit the dues to the financing banks in time and it must also be said that this increase is partly due to want of supervision on the part of the Unions.

Working of Central Bank. I made mention in my previous year's report that the Central Bank had resolved to grant loans to societies on the recommendation of Unions and this power was temporarily given as an experiment till 30-6-23. The Unions continued to exercise the power in the year under report and the Bank was disbursing loans to societies on the recommendation of respective Unions themselves throughout the year.

Class I Credit Societies.

The number of agricultural credit societies at the beginning of the year was 442 and that at the end of the year was 487. The net increase of 45 societies is of those on the unlimited liability basis. The number of members in these societies at the end of the year under report was 26,070. The number of admissions in the old and new societies in the year was 2540 and 1291 respectively. On the total number of members at the end of the year 20,361 members were pure agriculturists, 2473 non-agriculturists and 3236 were persons who derived their income partly from agriculture and partly from other sources. Of the total number of 20,361 agriculturists, 2766 were non-cultivating landlords, 16,833 were cultivating landholders, 607 tenants and 155 field labourers. It cannot be said that the benefit of co-operation has fully reached the tenants and field labourers in the district. The membership of all agricultural societies is detailed below according to caste.

Brabmans	...	...	1,883
Non-Brahman Hindus	...	...	20,918
Christians	...	...	340
Muhammadans	...	...	652
Adi-dravidas	...	...	1,576
Others	...	...	701

It is to be noted with pleasure that there were no arrears left on the last day of the year under principal in Devikapuram, Arkonam, Elathur, Ambur and Then Iluppai Unions and in the Polur Union the percentage of arrears to demand was 33.

It is to be congratulated that Tiruvannamalai, Wandiwash Peranamallur, Devikapuram, Arkonam, and Ambur Unions showed a nil balance under interest due to financing banks.

No doubt the Unions and the departmental Inspectors strove hard to show a nil balance at the close of the year but owing to the very bad state of affairs brought about mainly by indifference in a few of the societies in the Unions the percentages increased. While the Unions recommend the grant of loans to societies affiliated they had not realised the responsibility of exercising proper supervision and control in the matter of collection and in other matters and in a recent meeting of the Central Bank it was resolved to debar such of the Unions as had overdues on the last day of the co-operative year from exercising the power of recommending loans to societies during the succeeding year.

Non-credit operations:—The system of joint purchase and distribution of domestic and agricultural requirements of members could not be said to have been carried out during the year satisfactorily. No statistics also could be got from the societies. I note below some of the activities of non-credit work done by the societies in the course of the year from the quarterly reviews regarding non-credit work. A Konkani plough was purchased and used by a member of the Wandiwash society from the agricultural demonstrator at Tiruvattipuram. In planting sugar-cane the members of Sanankuppam and Agaramcheri societies have carried out the instructions given by the Agricultural Department and the canes were planted in about 100 acres. Sugar-cane plantation was made in the most up to date scientific method under the advice of the Agricultural Department at Ammanur, Mosur, Anavarthikanpet and Arkonam, Kunnathur in the Arkonam Union. In Cheyyar 50 lbs. of Cambodia Cotton seeds and 5 measures of green manure seeds were sold to members by the agricultural department.

The Vellore Basket Makers Co-operative Society.

During the year under report the society did not do any work. The number of members remained the same. The only transactions were the selling of the old stock. The society had a gross profit of Rs. 254-13-11 and a net loss of Rs. 929-0-6. The causes for the failure are (1) want of financial help (2) keen competition in market and (3) the rival business set up by Abdur Sukkur Sahib who turned subsequently hostile towards the society.

Weavers Societies. A Central Weavers Depot was started on 1-2-1924. Provision was made in the by-laws for admission of Weavers Societies in the district as members. This Depot was mainly started to help its society members in finding out a sale for the finished products and to sell them yarn. Twenty two individual members joined the depot and a sum of Rs. 110 was collected by way of share capital. The society has just begun work and its work will be watched with interest. The Gudiyattam Weavers and the Puttuthakku Weavers Societies admitted 10 and 29 members respectively and collected share capital Rs. 100 and Rs. 152 respectively. The work has not developed in these two. The Tirupattur Weavers society has done some substantial work. Eighty members were admitted and a sum of Rs. 842-8-0 was collected by way of share capital and a sum of Rs. 3,001 was borrowed out of the overdraft allowed by the Central Bank. Raw material to the value of Rs. 10,723-1-0 and finished products to the value of Rs. 3,424-1-5 were purchased so that the total amount of purchase was Rs. 14,147-2-5. The sale proceeds amounted to Rs. 9,221-3-11 under raw material and under finished products Rs. 2,325-15-9 so that the total value of articles sold was Rs. 11,547-3-8. The society had a gross profit of Rs. 283-0-10. Deducting the establishment and contingent charges, the net profit amounted to Rs. 30-12-8. It is hoped that this would be a model Weaver society in the district and would be an incentive for more societies being started.

The Ambur Woodcutters Co-operative Society. This society was started in the previous year and M.R.Ry. V. Manickka Mudaliar Avergal now the Honorary Assistant Registrar at Ambur took a good deal of interest in organising this society. The society contract having been closed, it may be said that the society derived a net profit of Rs. 856-11-10 as per figures furnished by the society leaving stock worth Rs. 1,498 at the end of the year.

Athimoor Woodcutters Co-operative Society. This was started in the year under report. This is in Polur Taluk and it is affiliated to the Polur Union. M.R.Ry. P. Sama Ayyar Avergal of Periyagaram now Honorary Assistant Registrar of Polur, took a good deal of interest in organising this society. Thirty two members joined the society of whom 7 were Audi-Dravidas. A sum of Rs. 129 was collected by way of share capital and a deposit of Rs. 350 was received. The accounts are to be closed annually ending 31st March 1925 after the contract was over and the by-laws also provide for this. The society's work will be watched with interest.

XII. SOUTH ARCOT DISTRICT.

4. There were at the end of 1922-1923 one Central Bank, 15 Supervising Unions and 463 primary societies working in the District. During the year under report two new supervising unions and 140 primary societies were added while two societies were liquidated so that at the end of the year 1923-1924 there were in the District one Central Bank, 17 unions and 601 primary societies. Of the total number of primary societies 26 were not started within the year. Of the societies registered during the year 68 were organised by the Labour Department and the rest mainly by the staff of the Co-operative Department and a few by the non-official Honorary workers of the local unions. The societies registered during the year were.

(a) Agricultural Unlimited credit societies ...	118
(b) Agricultural Limited Credit societies (Grain Banks) ...	2
(c) Agricultural Purchase, Purchase and Sale...	1
(d) Agricultural other societies ...	1
(e) Non-Agricultural credit societies ...	11
(f) Non-Agricultural purchase, Purchase and Sale ...	6
(g) Non-Agricultural others ...	1
Total ...	140

Consequently collection work has not been very good and the overdues in the District Bank rose from Rs. 75,461 at the end of 1922-1923 to Rs. 1,31,966 while in the primary societies the overdues from members rose from Rs. 2,62,672 to Rs. 3,85,901.

10. *Trading societies.* The Merkanam Salt Licensees' society registered some years ago and started about the end of 1922-1923 was intended for bulking the salt produced by the members and selling the same to wholesale merchants with advantage to the members. The Panruti Salt Trading union was started during the year with a view to see that it will act as an wholesale agency for the Merkanam Salt Licensees' society so as to connect the producers and the consumers. The work of both these societies has not yet become consolidated. The Merkanam Salt Licensees' society was able to put into the market 14,261 bags of Salt of its members for a total value of Rs. 72,690 and realised therefrom a commission of Rs. 510. The Panruti Salt Trading union was able to sell only a few bags of salt during the year.

11. The organisation of the District Council of Supervision on a statutory basis has been undertaken during the year and proposals have been sent up to the Registrar for sanction to register the society under the Act. But no orders have yet been received.

The number of shares which can be allotted to individuals has now been restricted in the bylaws to 1,000 while the number of shares which could be allotted to societies has been raised to 5,000.

15. The total working capital of the Banking union rose to Rs. 16,45,324 at the end of the year as against to Rs. 12,67,191 at the end of June 1923 and Rs. 8,77,435 at the end of June 1922. A very large portion of the working capital is contributed by local deposits and the increase under local deposits of the different kinds and borrowings from the Provincial Bank during the three years, 1921-1922, 1922-1923 and 1923-1924 has been as under.

Particulars	1921-1922	1922-1923	1923-1924
Local deposits ...	4,51,841	6,62,919	8,37,205
Borrowings from Madras Central Urban Bank ...	3,53,031	4,54,144	6,09,378

The overdues have very nearly doubled themselves over last year's figures and the main reason is the failure of the monsoons during the past two years, particularly in the western taluks of the District. The state of the season has improved very much and all these overdue arrears will be collected during the next groundnut season. The amount remaining uncollected out of the arrear demand is due to want of interest in the Panchayat of a few dormant societies. The condition of these societies are being examined and special action will be taken to collect the overdues.

18. During the year very important changes in the constitution of the Banking union were made. The right of full representation on behalf of the societies has been recognised and each union was allowed to elect one delegate to the Board of Management, the individuals being allowed to have half the number of seats set apart for societies subject to a minimum of 9.

Agricultural Societies-Credit Societies.

19. The number of agricultural credit societies rose from 405 at the beginning of the year to 524 at the end of the year of which 23 were not started within the year. The number of members in all the agricultural credit societies rose from 15,947 to 20,641 while in the societies which were working on 30-6-1923 the increase has been from 15,947 to 17,426 or an addition of 1,479. Of the total number of members, 1,998 were non-cultivating landholders, 12,970 cultivating landholders, 722 tenants and 1,758 field labourers. Classified according to caste the members were

	as on 30-6-1923.	as on 30-6-1924.
Brahmans ...	1,593	1,849
Non-Brahman Hindus ...	10,959	13,043
Christians ...	732	992
Mohamadans ...	636	943
Adi-Dravidas ...	1,993	3,719
Others ...	99	95

The overdues are still heavy and are noticable in some of the earlier societies. But the main reason for these overdues remaining in this condition is due to the fact that we are still unable to give suitable time for repayment proportionate to the repaying capacity of members. To add to this the adverse state of the season during the last two years has also been largely responsible. Want of interest in the Panchayat of a few dormant societies also account for the heavy overdues.

25. The 524 agricultural credit societies working in the District on 30-6-1924 included also the Labour societies organised and worked by the Labour Department. There were at the beginning of the year 24 such societies and during the year 68 societies were registered thus making the total number 92. Of these 7 remained unstarted at the close of the year. The number of members in the Labour societies rose from 305 to 2152 while in the societies which were working on 30-6-1923 the increase has been from 305 to 328 or an addition of 2 members. Of the total number of members, 2 were non-cultivating landholders, 5 were cultivating landholders, 115 tenants and 1679 field labourers.

With the object of making grain advances, to agriculturist members at somewhat a cheaper rate as compared with those prevailing in the localities two grain Banks were started during the year, one at a Mudiyanur in Kallakurichi taluk and the other at Kammapuram in Vriddhachalam Taluk. The number of members in both the institutions at the end of the year was 34. The grain contributed towards shares and the grain obtained by deposit in the two institutions amounted to the value of Rs. 697. Grain advances were made in the Mudiyanur society but it was all after the close of the year. The work of these institutions will be closely watched.

union. Medals and special prizes were awarded by two of the Honorary Assistant Registrars in the District and by other Co-operators, Rao Sahib M. R. Ry. T. Sreenivasa Rao Ayl, B.A., of Chittoor and M. R. Ry. Yegnanarayana Ayyar Ayl, M.A., of the Provincial Co-operative union specially came to see the class work and were very much impressed with the way in which it was conducted. The success of this arrangement is due to the efforts of M. R. Ry. C. Rangaswami Ayyangar Ayl, B. A. L. T., Governing body member of the Villupuram union and M. R. Ry. A. Nagaraja Ayyar Ayl, B. A. L. T., Secretary of the same union and great credit is due to them. Arrangements are being made for holding similar classes in other union centres once at least every 6 months. It is hoped that by an arrangement of this kind rural Co-operators will be largely trained both in theory and practice of Co-operation.

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PRESIDENCY—

By S. H. ACHARYA.

THE CO-OPERATIVE MOVEMENT IN MADRAS AND
BOMBAY—

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REVIEWS

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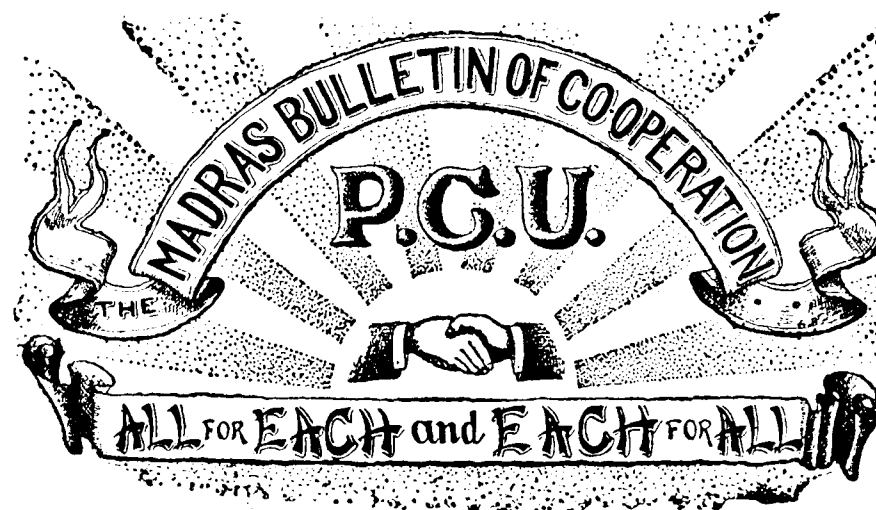
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CO-OPERATIVE SALE OF COTTON IN THE BOMBAY PRESIDENCY.

S. H. ACHARYA, G.D.C.A. OF BOMBAY.

The problem of co-operative sale, which is most difficult of all the non-credit activities of the co-operative world, especially in the midst of the large number of uneducated agricultural producers, has been tried and tried with some amount of success in the Bombay Presidency in connection with the sale of cotton. The system of sale is apt to vary according to the nature of the commodity sold. In the first place the Co-operative sale society has to be organised on lines similar to the trade prevalent in the local market. The society has then to be slowly improved and made more and more co-operative in character. Generally the members of sale societies, will have to be bound by some obligation to

sell all their produce through the sale society only. There are two models of sale societies widely known as (1) Commission sale on the Danish model and (2) buying outright on the Rochdale model. In case of cotton sale a further model of pooling together and grading and selling together in big lots is also working.

About 40 years ago the farmers of Denmark formed themselves into voluntary associations for sale of their produce, in which a person once joining it, was legally bound to sell his produce through his association itself and nowhere else. California citrus fruit growers were the first American producers to adopt the Danish system of Commission sale to their own needs. The Oklahoma co-operative cotton (sale society) marketing Association organised in 1921 got several thousands of growers into its fold and sold several lakhs of bales of cotton at the very commencement. Many such Associations have since been started and they have federated themselves into the American Co-operative Cotton Exchange.

The Indian indigenous method of cotton sale—the agriculturist putting himself in the hands of a dalal—is a great hindrance for the progress of agricultural activities. The dalal binds the agriculturist hand and foot and advances him loans on various conditions and issues his own seed, manure and also improved implements, of late, and never allows him to avail himself of the co-operative activities. The agriculturist in his turn has not yet been fully able to understand the disadvantages under which he sells his produce through the dalals. Much propaganda is necessary to bring home all these to the cultivator. On account of the unsystematic dealings of the dalals, by their own methods of disposal and weighment and sometimes of the delayed payment even after the sale is effected the producer has been feeling very uneasy and the consumer on account of the unclean and mixed up varieties of cotton that have fallen to his lot, has also his own complaints to make.

The cultivators also resort to other methods of disposing of their cotton produce, (1) by sale to big dalals of cotton markets for advances already received and the sale agreed upon, (2) by sale to petty village money lenders who have advanced loans in times of urgency on condition that the borrower should sell cotton to the extent of his loan either at an agreed price or at a certain rate less than the one ruling on a particular future date, and (3) also by sale of standing crops.

All these shortcomings are capable of being removed through the efforts of Co-operative cotton sale societies and both the producer and the consumer will be satisfied—the latter by getting pure sort in one lot

and the former by the acquisition of the knowledge of the kind and quality appreciated by the consumer and the avoidance of the middlemen who act as social parasites, and by the obtainment of correct weights and proper prices.

Organisation and method of working.—First a number of credit societies should be organised in the cotton growing tract and these societies should advance money to the cultivator members for the cultivation of cotton on condition that the produce should be sold through the co-operative cotton sale society started at the nearest possible cotton market. The sale society sells the cotton by public auction or by private contract and announces the current daily prices at Bombay market, weighs the cotton in the presence of the purchaser and the seller, realises the price promptly and remits the dues to the credit society and hands over the balance to the seller. The following points are essential for the success of the sale societies:—

- (1) The society should be fully represented by the cultivators.
- (2) The cultivators must be adequately financed.
- (3) The cultivators should be loyal to the Society.
- (4) Outside bidders at the society's auction sales must be attracted.
- (5) Proper gradation of cotton and correct weighments should be made.
- (6) The transactions of the Society should be thoroughly businesslike.
- (7) Combination among local bidders and their rings should be done away with by means of full advertisement among the mill-owners.
- (8) A competent staff should be employed.

A cotton sale society can be said to be successful when at least 90% of the total sales of the particular market where the society is situated is carried on by the society and its influence made on the general public. To do this the cultivators must be given certain advantages in the form of finance, railway facilities, and clear accounts; the big mill-owners of Bombay and Ahmedabad should be induced to buy the cotton at the Society's auction sales.

Bombay Presidency. In the presidency co-operative cotton sale societies were first organised in the year 1917, but they commenced work actually in the year 1918, first in the Karnatak, with the object of ensuring correct weighments and better prices and to cut out unnecessary middlemen. As usual with any sale society the then existing customs of the cotton market regarding brokerage, hamali and sample taking were adopted, which are being slowly improved. In the Southern Maharata Country, there are certain difficulties yet, though the societies are doing large business. The societies in Gujarat, as the Assistant Registrar

Mr. D. A. Shah, M. A., LL.B., points out, have certain distinct features. These in my opinion are very congenial for the healthy growth of cotton sale societies in all places. In Gujarat the societies sell only members' cotton. The cotton is ginned before sale. No persons are admitted as members who do not sow seed supplied by the society. Uniformity is observed in the cultivation of the same kind of cotton in a particular area. The members are loyal to the Society. Agriculturists themselves manage the society.

In Khandesh District cotton sale societies have been doing good work, but the famine conditions have been much in the way of their thorough success. These societies have very bright future owing to the proximity of a large number of cotton mills in the area. These societies will have done their work successfully, only when they show that the mills are no longer in need of going to Berar or other parts for the supply of their cotton.

The benefits of the working of these societies both from the point of mill-owners and the cultivators will be felt only when they are capable of pooling together big lots of cotton of a pure and uniform quality. In many cases the farmers are quite unwilling to mix up each others cotton, each believing that his own cotton is the purest and expects to obtain a better price. To eliminate this idea from his head the society should try its utmost to see that a uniform variety of seed is sown by all the cultivators (members) of a particular area. At present there are 26 co-operative cotton sale societies working in the presidency, of which 2 are ginning societies.

Financing of members. This is a very difficult question in connection with agriculture. Agricultural movement is an individualistic one and the cultivation will always be done by individual owners of land, living far away in villages. They are not generally acquainted with the methods of Joint Stock Banks. Neither are such banks prepared to advance loans to agriculturists, who require them sometimes not for 18 months but only for 6 or 8 months for cotton production—for current agricultural expenses leaving out of consideration the requirements of land improvements, which run over from 5 to 25 or 30 years. Further, these banks are not prepared to accept the securities offered by the agriculturists. It is, therefore, necessary that only co-operative agencies should be organised for financing the agriculturists during the time of cultivation and also after harvest, both for expenses of cultivation and also for other domestic necessities, in the absence of which, the cultivator will again be driven to the very place from where he is to be withdrawn.

Big cultivators will not require the assistance from outside, as do the middle class cultivators. These middle class cultivators depend on their produce for all their requirements and so, unless they are provided with that finance, the good they would derive from the co-operative sale will find a separate rent through the money-lender. The cultivators have to pay their land revenue in April, which comes off before the sale of their produce in June, the earliest, and in the absence of the co-operative finance they have to resort to private finance and this specially at an abnormal rate owing to the common need of the agriculturists at this season of the year. The co-operative credit societies should finance the cotton growers against the security of the crop and also advance more if necessary when cotton is stored in the sale societies' warehouse. If any of the cultivators desire to wait for a better price and if the desire appears reasonable considering the market, all possible facilities should be given to such men.

To get at the *Summum Bonum* of Co-operation, the cultivator should be given all facilities and all his requirements should be satisfied through co-operation and co-operation only. The supplying him with one of his requirements and leaving him for the others to the open world would not bring him that good for which he is asked to labour. His difficulties in times of famine should also be redressed, for in the whole history of Banking restrictive method has always failed and the expansive method has succeeded. Besides all these, much propaganda to create a strong *esprit de corps* among the members of co-operative societies is very necessary and this most difficult task deserves more attention on the part of both official and non-official gentlemen.

THE CO-OPERATIVE MOVEMENT IN MADRAS AND BOMBAY.

The three parts of the Co-operative movement in both the Presidencies are the Department, the Provincial Bank and Central Banks, and Institute and its Branches and the Provincial Union and its constituents.

The Department in Bombay consists of One Registrar, 8 Assistant Registrars, 4 special Auditors, 37 Auditors, one Industrial organiser and two special Mamlatadars; on the whole 53 officers for 3743 societies with 3,57,298 members and over 6 crores of working capital. In Madras the Department consists of one Registrar, 9 Deputy Registrars, 22 Assistant Registrars and 277 Inspectors for 9505 societies with 6,16,628 members and working capital of 839.27 lakhs. The figures are taken from 1923-24 report. The working capital is small for the number of societies in

Madras, while their number and membership are large. The total cost to the Department in Bombay including travelling allowances of Hon. Organisers is Rs. 4.15 lakhs while in Madras it is over 7 lakhs. The reason for the low expenditure in the Madras in spite of an enormous staff is the employment of a poor quality of Assistant Registrars and Inspectors on a low salary. Bombay makes a contribution of Rs. 22,000 for the funds of the Institute and Rs. 4000 for the conduct of the Provincial Conference. In Madras a sum of Rs. 1200 is given to the Provincial Union and a sum of Rs. 1000 each to two District Federations directly by the Department. In Bombay the field staff do nothing but audit work. In the Madras Presidency an attempt was made two years before, to divide the staff into administrative and audit staff, with a view to improve audit and eliminate the weakness of audit of societies by Inspectors responsible for their administration. But in many districts both the staff are put on the duty of collections during the last part of the co-operative year. The administrative staff is of a poor quality to influence and improve Local Unions and Societies.

The principle underlying this fundamental contrast in the working of the Departments, namely a huge staff in the Madras Presidency and a small staff in the Bombay Presidency, is that Bombay has realised that the movement cannot be strengthened nor expanded, the co-operative societies educated and trained, and a higher standard of keeping up to obligations kept up before the rural societies except by a highly paid staff commanding influence by reason of their capacity and position. It would be impossible for the State to find the money for entertaining highly paid officers for improving the societies, leaving alone the question how far such a policy would tend to non-officialise the movement. Hence Bombay works by the following methods:—

1. Half the cost of the 4 propaganda officers appointed by the Institute, thus putting on the field a better sort of men than our inspectors and Assistant Registrars.
2. Grants to the Institute for the work of propaganda equal to the amount raised as subscription.
3. Government and the Provincial Bank to meet one half of the cost of the inspection of societies for 5 years in the case of Dt. Banks not in a position to pay more than 6½ per cent as dividend on shares.

The Bombay Department has to rely on non-official supervision as their staff restricts itself to audit. Hence they rely on the staff of the Provincial and Dt. Banks regarding inspection and supervision of societies, and on the staff and honorary workers of the Institute regarding education and training of societies. So they encourage more individuals to come in

the Institute and its branches as members for educational work and the Dt. Banks to take an active part in supervision. The Registrar, Bombay, unceasingly harps on this point. In Madras it is said that the individual of the Dt. Bank has a banker's point of view and he will never take interest in the education and improvement of societies in co-operative principles and practice. While the Bombay Registrar praises the excellence of the high quality of the staff employed by the Provincial Bank and some of the Dt. Banks, in Madras such a policy is tabooed and not only that, they are asked not to interfere in matters of supervision of their own societies. The Madras Dt. Federation by-laws gives them a half-hearted place, more as a matter of concession than as a matter of right. Hence while the Bombay department persuades the Dt. Bank individuals to take a larger and larger part in supervision, here the individual of the Dt. Bank has to request the Department to permit him to improve his societies.

It may be said that the Bombay system is not strictly co-operative. The ideal of merging the borrower and the moneylender in one institution by so working the Dt. Banks as to reach the goal of borrowing primary societies running them and by so working supervisory and educative federations of rural societies with a view to set up a high standard of co-operative conduct to the rural societies is not lost sight of in Bombay. The Bombay Provincial Bank is as much interested in making the societies subscribe for shares in their bank but they want to secure the same object by means of propaganda (Registrar's report 1923-24 page 24) rather than by official pressure while the society is in complete ignorance of the significance of the share holding in the Dt. Bank. The Provincial Bank works by the system of 8 branches only in areas where Dt. Banks have not come into operation. It has an advisory committee of societies to aid the work of the branches. While there is co-ordination in matters of finance in Bombay as the Provincial Bank takes the lead, in Madras that co-operation is wanting. Dt. Banks are run here without the supervision of the Provincial Bank and some with their own finance. In both the Provinces the ideal of educating co-operative societies to run Dt. Banks is recognised. In both the importance of the individuals in the running of Dt. Banks in the present stage of the movement is recognised. But while in the one case the individuals of the Dt. Banks are asked to take the lead in the matter of improving the societies, in the other the exclusion of Dt. Banks in the supervision of societies has accentuated a difference not conducive to the healthy growth of the movement.

Regarding supervision work Bombay too has recognised the need for local supervising unions for training borrowing rural societies to federate themselves for supervision and education. Inspection by the Dt. Bank staff alone cannot improve matters. But here too the department yearns after the co-operation of individuals to supervise, and educate local unions when formed. Bombay means to give 3 months training to supervisors. The Bombay Governor has announced a grant of 10,000 for the same. Small federations of borrowing rural societies, otherwise called local unions, comprising representatives of primary societies not having any financial responsibility, nor the vigilance of local depositors over them nor a high sense of duty to the movement, will hardly work efficiently in the absence of outside control and supervision. This is being sought to be achieved in Bombay by forming Divisional Boards consisting of the representatives of the Department, the Institute and the financing agency. This proposal is referred to in page 19 of the recent report of the Institute. While Bombay recognises the place of interested individual co-operators by taking the Institute as a member of the Board and that of the individual of the District Bank by getting the financing agency in these Boards for guiding and controlling the Local Unions, in Madras a body called the District Federation is being formed for the same purpose where the place of the individual and the District Bank are half-heartedly recognised.

An argument ordinarily levelled against the policy in Bombay is that by centralising the work in the Provincial Bank and the Institute, it has eliminated the scope for the representatives of societies to be trained in managing their central banks and supervising themselves through their own bodies. What is meant by centralisation? If the financial policy is to run District Banks and the Provincial Bank only as money lending agencies for individuals and not for co-operative societies and not to train the latter to gather more of local resources and conduct themselves on the co-operative basis, then it can be held as centralisation. If the educational policy of the Institute is only to tap subscriptions to pay travelling allowances to individuals for propaganda but not to educate the society representatives to federate themselves for the propagation and preservation of the movement, then it can be held to be centralisation. Regarding finance it has already been shown that the Provincial Bank and the District Banks have a policy of building up the co-operative societies and training them for their work.

As regards propaganda, even when conducted by an organisation of individuals having no society representatives it will have only the effect of educating the societies to take a larger part in the work of the Institute.

and its branches. On the other hand there were in the Institute 3659 societies and 812 individuals during the last year as members spread in all the branches. It is tacitly recognised that our primary rural societies cannot be expected at present to take up the larger work of educating and supervising themselves, spreading the movement in all its aspects, maintaining the true principles of co-operation unaffected by internal weaknesses, and defending them against external capitalistic competition. But this is the goal. And who is to train them to reach the goal? Bombay seeks the aid of the educated enlightened individuals for this work. Hence it gives grants to the Institute and its branches to develop its educational and supervisory work; In Madras in the name of the goal of running pure type of federations, and because with its numerical staff the department could afford to work without the help of individuals, it does not encourage them to come in. The object of Bombay is not to build up an unco-operative movement propped up by individuals but to build up non-official organisations with aid of individuals. What is important therefore in deciding whether a system will reach the goal of a federation of rural and urban co-operative societies for purposes of supervision and propaganda is not the formation of a pure type constitution of borrowing societies ill-trained and ill-disciplined for the work of running the movement, but the formulation of a policy of building up the organisations of societies for finance, supervision and propaganda.

One fine morning we cannot expect the societies to take up this work. A tradition and discipline have to be built up. Hence Bombay recognises the Institute and its branches to develop this tradition and discipline. The bond is strengthened among them by the Department dealing with the Institute and asking the latter body to give the educational grants to its branches. In Madras whatsoever the number of District Federations created and in spite of the existence of the Provincial Union, the department would like to deal directly with the bodies at the bottom as the local unions and even with the primary societies direct though the convention is that society shall deal through the local union in all non statutory matters.

There is another aspect to this question. Where local Unions and District Federations are weak, surely the Provincial Union should be strengthened in Madras to improve them if one day we are to reach the goal of a federation of societies deciding matters of policy and procedure. But we are told that it is centralisation to do so. It is said that the Local Unions and District Federations will always be weak if pulled up by the Provincial Union. Is it not centralisation when the department officer

controls these bodies? Is it centralisation, only when some interested individuals of the District Banks or enlightened co-operators take an active interest in improving the Local Unions? What is therefore important is that the functions of each of these bodies, Local Unions, District Federations and the Provincial Union should be defined. The larger body may do the necessary work for the smaller, stimulate them to do it and educate them to do it. The more and more the smaller unit becomes trained for the work, the more and more the larger body will withdraw from it and devote itself to bigger problems. This is exactly the policy of the Bombay Institute. If in the name of centralisation, the department itself controls societies without permitting them to get disciplined under their federations at no time can we expect the building up of a close relationship and a healthy tradition and discipline among non-official bodies.

The real problem in Madras is official centralisation which strikes at the root of building up of non-official organisations. The angle of vision of the Madras department should change, they should trust the English educated men to take a larger part in the movement specially in educative and supervisory organisations, and not exclude them under the cry of improving the rural ryot and building up his organisation. The principle of trusteeship of the masses, in politics has been exploded but it is introduced in the co-operative movement under meaningless words as centralisation. If educated individuals interested in co-operation and having local influence and position could not be trusted to educate the ryot, why should a paid State staff poorly paid and ill equipped for the work be trusted to educate the ryot in civic spirit and co-operation? The department should give the individual the funds to work the movement, to educate the rural societies, and build up Local Unions, and encourage him to come into the movement.

II. Non-credit Co-operative work is under the Agricultural Department in Bombay. Seven Agricultural organisers work under this department. In Madras the Agricultural department is not charged with the work of developing agricultural co-operation. There are Taluq development Associations in Bombay consisting of individuals and Societies subsidised by the Agricultural Department, to a maximum of Rs. 2000 employing Agricultural Demonstrators and aiding the Agricultural officers in non-credit co-operative work. They are recognised as agents for propaganda and supervision of non-credit Societies by the Institute. In our Presidency the local Unions should learn to utilise the services of Agricultural Officers and be subsidised by the Government for appointing

Agricultural demonstrators and spreading agricultural improvements. The Local Union is the only available organisation here. But a new policy is being pursued of so restricting its size from the point of view of credit Supervision and recommendation of loans which will prevent its development as the Agricultural association of the area, even though this is one of the objects as provided in the byelaws of the Union.

BISHMA

RURAL CO-OPERATION AND ITS BENEFITS.

BY G. VENKATRANGACHARI,

Secretary, Co-operative Supervising Union, Tiruturaiyudi.

I. Agricultural indebtedness in villages:—India is said to contain 300 million people. Ninety per cent of the population, viz., 270 millions are dependent for their livelihood on agriculture. The agriculturists in villages are now in a state of chronic and hopeless indebtedness. If we take a village we find at least 90 per cent are debtors. Taking Kilayur as a typical village there are 400 mirasdars owning 1200 acres. That works out an average of 3 acres per mirasdar. Let us take a family to consist of 5 souls at least on an average and each to live on one kalam of paddy and Rs. 4 per month for his or her bare sustenance. That comes to 12 kalams and Rs. 48 or equal to Rs. 84 a year, taking the worth of a kalam as Rs. 3. As per above calculation a mirasdar or a family will get a gross income of 72 kalams per year taking an acre to yield 24 kalams which is no doubt a high calculation. The cost of cultivation, labour, seeds maintenance of cattle, such as purchase of fodder, oil cakes and cotton seeds etc., and cost of manuring, will at least come to 50 per cent on the total income leaving a net income of 36 kalams out of which the Revenue kist cesses to the extent of Rs. 20 will have to be paid. This leaves only a surplus of 30 kalams or Rs. 90 available out of which the family is expected to maintain itself, whereas as per above calculation a family requires Rs. 420, thus each family or mirasdar living on agricultures finds himself minus Rs. 330 annually.

As a matter of fact on a careful examination it will be found that each such mirasdar is a debtor at least to the extent of Rs. 500. That means that he has to pay Rs. 60 in the shape of interest besides. Or taking the expense of each member at Rs. 5 a month as per the late Dewan Bahadur Srinivasagavachariar's book written about 30 years ago, which limits the cost of each Hindu at Rs. 5, the cost of maintaining each such family comes to Rs. 300. The price of necessities of life has since risen cent per cent and more and therefore my above calculation of the expense

of each family will only be less than actual. Such state of things going on from year to year increases the indebtedness of the agricultural population and it is no wonder that they are hopelessly involved, not knowing as to how they have to get out of their chaotic condition. Of course the above calculation of expenditure does not include the necessary purchases of clothes and performance of marriages and other ceremonies. Such a state of poverty and chronic indebtedness in India has been proved by eminent experts including the late Dhadhabai Naoroji. The Government having admitted the state of things in a way wanted to relieve the agriculturists out of this heavy burden of indebtedness and with a beneficent view passed the Co-operative Societies' Act of 1904. In spite of this Act we find at present that the indebtedness continues and the creditor has only changed hands but probably the indebtedness has been and is increasing. The ruling high prices of land and paddy for some years past have encouraged the debtors and they have borrowed to the extent of even 75 per cent of the increased price. It is a matter of regret that they did not make any calculation about the net income in their lands or their capacity to repay the annual interest and capital at least in a number of years. The mistake, unfortunately, was not noticed in most cases and they went on lending on the alleged value of the lands alone without considering the repaying capacity as above noted. For instance the rapid march of indebtedness may be seen in a way from the Kilayur Society itself. The society was started in 1911 and it borrowed Rs. 5000. The Borrowing is now Rs. 25,000. So it is a proof that rural indebtedness is on its rapid onward march.

II. The suggested remedies for relieving the indebtedness of the Agriculturists through co-operation :—

- (1) Securing supplemental occupation such as spinning by each individual male or female by each working at least one hour a day.
- (2) Introducing the above in schools compulsorily.
- (3) Maintaining buffaloes and cows and carrying on ghee trade jointly through societies and stores.
- (4) Every member of an agricultural household including females doing manual labour in cultivation, viewing the same as an honorable profession.
- (5) Joint purchase and sale of agricultural produce through unions and stores.
- (6) Rearing bull-calves.
- (7) Joint purchase of manures, such as bonemeal, fish manure and punnacks, agricultural implements and seeds,

(8) Manufacture of ropes from cocoanut and other fibres, mat-making out of korai grass, palmyrah leaves and thalai leaves, basket making and brief bags making etc., out of palmyrah agani and leaves again.

(9) Joint purchase of daily necessities of life.

(10) Avoiding luxurious ways of life and wearing cheap and durable kaddhar clothes (male or female).

(11) Cutting short to minimum the extravagant and unnecessary expenditure on marriage and other ceremonial occasions.

(12) Habituating oneself to live within means economically.

(13) Each trying best to put down the drink especially among the depressed classes and juvenile smoking.

(14) combination to improve pure water supply which is quite essential to put down many of the dreadful diseases and epidemics.

(15) To educate the students and the people in general on the utmost importance of combination in times of unforeseen and sudden calamities.

(16) to combine for the silt clearance of village channels.

(17) borrowing on the present pledge system of their agricultural products and selling them at convenient seasons.

(18) To give technical education even from lower classes, if possible compulsorily and to watch the nature and aptitude of the pupils and specialise them in such subjects as they have a taste for.

(19) To start land mortgage banks on a liberal scale.

III. How the agricultural department can help in this direction by conjointly working with the co-operative department.

(1) Selling manures, seeds and agricultural implements through the agency of co-operative societies and supervising unions.

(2) opening demonstration farms in selected areas of advanced societies,

(3) by the touring of the Agricultural demonstrators at least some days in a month along with co-operative Inspector and supervisor by previous arrangement of programme and doing propoganda work.

(4) The agricultural department getting railway concession of low rates for the transport of manure.

(5) prohibiting the export of manurial products such as bonemeal fish manure and oil cakes etc.,

(6) the department purchasing manure and agricultural implements cheaply and at convenient seasons and entrusting them to specially selected unions and societies for sale to the agriculturalists,

Conclusion.—The agriculturists of Ireland—a similar country like India—were a century ago, in a hopeless state of indebtedness. By means of co-operative methods, following the wise example of Germany, France, Denmark and other Western countries, they have been not only able to relieve themselves from the indebtedness but are in an advancing progressive and prosperous condition. It is hoped that we, in India, will study their methods of combinations and follow them and then we shall have a bright and glorious future.

SOME SUGGESTIONS TO CO-OPERATORS.

The following paragraphs are intended not as a criticism on the present working of the rural co-operative credit societies, but only as a few suggestions for their better working and results. Many of the societies now do not promote the economic welfare of the members to any great extent nor make them thrifty and morally advanced. The agriculturists are not given adequate education for the practical application of co-operative principles as in European countries. Hence the majority of the credit societies have not been able so far to produce the expected results.

Statistics will tell us that millions of people in India are members of co-operative societies and many millions of money are in the movement in one way or another. But the question is whether the rural population of the members enjoys as much benefit as can be expected from a co-operative credit society. When enquiries are made to the members in what way the societies were helpful to them and what amount of benefit worthy of mention they have derived by being members in societies, the information given is not at all satisfactory. The inference that can be drawn from this, is that the societies have been able to play the part of village banks only and nothing more. This is due to the defective system of organising the societies and the unsatisfactory method of working them. Want of real educative propaganda is another great defect. There are many who have been members of co-operative societies ever since the movement was launched in this presidency and yet do not know even the elementary principles of co-operation. Then how can practical application of the principles be expected of them? Societies may not be able to raise the economic position of such members, much less teach them thrift and morality.

Every village, especially in this Presidency, does stand in need of a co-operative society. But the methods that are being employed in organis-

ing societies in villages are not quite satisfactory. As an outcome of these methods of organisation and work, there are many sad tales to be told. Societies that were started without sufficient educative propaganda have become burdensome to members in some places. So they were driven to the necessity of being disloyal. In some cases they even abhor the very existence of societies.

The organisation of a society should not be done merely with the object of courting the esteem of Departmental Officers nor should it be a device for accommodating the surplus money of the financing institutions. A co-operator whether he be an official or a non-official, who visits a village with the intention of organising a society should know the mentality of the people at large, their economic position, the scope of working one efficiently, the attitude of the influential and the rich towards the agricultural classes and the possibility of getting enough of human material to work one successfully. Only if these conditions give him satisfaction, he need try to organise one. It has become a routine with the organisers of societies to visit the rich persons only in a village and through their influence organise a society. The support of the rich is essential, but a society run by the rich or a headman of a village for the poor cultivators will prove to be only a one man society. This defect is prevalent in many places. When the working class aims at independence of labour, this sort of co-operative societies will stand in the way of their progress. Before a society is organised, the necessity for the existence of one should be explained and infused into the needy and a sort of enthusiasm should be evoked in them. Enough of human material should also be found out from among the cultivators themselves; else the society will never become an association of free choice. They should be made to realise that the existence of a society and its efficient working both on the credit and non-credit side will lift them up. If a voluntary request for the organisation of one comes from them in all earnestness, only then a society should be organised.

Organisation is not the only work of a co-operator. He should teach the Board of Management on what lines the society can be worked successfully to the best advantage of the members. The members should be taught the needs of better cultivation and the ways of better production through co-operative societies. Better seeds, up-to-date implements more fertilising manures and methods of agriculture are the essentials of better production and the members should be encouraged to substitute them for the existing ones, with the aid of the Agricultural Demonstrators.

Another important line of education is the non-credit work by credit societies. Without non-credit work no credit societies will be able to produce the expected results. We know as a matter of fact that labour is being exploited by capital. The poor agriculturists are always at the mercy of the middlemen and the rich for their necessities of life. Ready cash is a rare commodity among village folk. If co-operative societies do take the work of the middlemen in supplying the needs of the members, they will no more be after the middlemen. They will be able to know then, how to reserve for themselves the benefit of better production. The agriculturist members now do not get even the bare remuneration for their labour. The middlemen give the members the necessities of life on credit at a very enhanced price—a price which would cover the actual cost of the articles and a gain of 50 per cent the least on them—till the harvest season. As soon as the harvest is over the debtors are to pay the value of the articles not in cash but in grains. The grains will have to be given up far below the market price. There also the borrowers are made losers. By doing so, the villagers run short of their grains in no time after the harvest and they are forced to approach the middlemen again. It is a matter of daily occurrence that the grains exchanged for other necessities are resold to the very village people in the course of a few months at a higher rate. This system is not only draining the poor labourers but also making them perpetual debtors and, consequently, poorer. The only course left to root out this pest is to take up non-credit work by societies themselves on behalf of their members. The members should be advanced or loaned not only money but its worth also in necessities on the guarantee of the harvest. The societies should act as the agents of the members for joint purchases and sales. This can be satisfactorily conducted in village societies without detriment to the Directors' other duties, as the membership is few and the area of operations limited. If joint purchase of articles is made when the market is low and joint sale of the produce is effected when it is high, the members will be really benefited by the rural societies. The application of these principles is in practice, the real outcome of co-operative education.

The working of the movement depends not on the number but on the healthy existence of societies. The present increase of rural credit societies without non-credit work within them, is but the bare exhibition of the onward march of indebtedness and poverty among the villagers. It is only a transfer of debt from individuals to societies. Only non-credit work will free the rural co-operative members from debts and teach them thrift. If particular attention is not paid in this direction, the economic position of the peasantry will be in the same level as it was years ago. If greater attempts are made by the department and non-official co-operators to educate the existing members of societies than mere preaching they need not, in course of time, devote their attention to organise more societies in villages, as they would come to exist of their own accord.

UTTERANCES OF THE DAY.

I. The Speech of the Hon'ble the Minister in charge of Development Department delivered at the time of opening the Co-operative Training Class on 1st October, 1925.

In declaring the Co-operative Training Classes open, the Hon. Dewan Bahadur T.N. Sivagnanam Pillai said:—

Sir K. V. Reddi Naidu and Members of the Provincial Co-operative Union, —I thank you most heartily for the great honour you have done me in asking me to deliver the inaugural address on this very important occasion. When I read in the papers, some three weeks ago, that you were proposing to organise a free school for imparting an advanced course of training on the principles and practice of co-operation, I welcomed the announcement with great delight. Co-operators in our country have been greatly feeling, in recent times, the need of a systematic training in co-operative principles and methods for the non-official workers and our young hopefuls. The Co-operative Organisation Society of Calcutta and the Institute of Bombay have had the start of us, and have been doing some useful work in this direction for some time past. And we, in Madras, realised only very recently, that we were left in the lurch. The Provincial Co-operative Conference that met in December 1923, urged on the Provincial Co-operative Union the necessity of making arrangements for co-operative education. They also requested the Government to give an adequate subsidy to enable the Union to undertake the work. The Registrar of Co-operative Societies recommended the grant of the subsidy sought for; and the Government in spite of the adverse financial conditions prevailing at the time of framing the current year's budget, allotted a sum of Rs. 1,200 for the purpose. They further allotted a grant of Rs. 1,000 each to two district federations, one in Chingleput and the other in South Kanara. Now it is in the fitness of things that the Provincial Co-operative Union should have taken the lead in the matter and set the example to District Federations and Unions.

The invaluable nature of the kind of co-operative training which the Union proposes to give can hardly be over-estimated. The basic principle of co-operative activity is simplicity itself. The combination of a certain number of men inclined alike and working conjointly by honest means towards a common economic end is the essence of the co-operative idea. However, the practical application of this central idea is not quite so simple. In the economic cycle, which can be broadly divided into supply and consumption, production and sale, there is not a single activity to which the co-operative idea cannot be applied in one form or other. In the history of co-operation in Europe, it will be seen that this idea has found expression in countless forms of co-operative activity. Different countries have contributed in different ways to co-operative life, but it will be seen in common, that each country developed a particular form of co-operation out of the social and economical conditions peculiar to itself. In England, Robert Owen developed the native English genius for shop-keeping,

and the Society of Equitable Pioneers of Rochdale, which arose out of the economic condition of England about the middle of the nineteenth century, is the best exponent of what co-operative distribution can achieve. In France, the success that attended the application of the co-operative principle to joint production owed it in a large measure to the triple virtues of liberty, equality and fraternity congenial to the mind of the Frenchman. Sir Horace Plunkett in Ireland took stock of the economic condition of the Irish people and evolved the application of the co-operative principles to the agricultural industry. Reiffesen and Schulze-Delitzsch developed the co-operative credit systems out of the circumstances obtaining in their times in Rhenish and South Prussia. All these applications of the co-operative idea to human activities tell the same tale—they were the direct outcome of the social and economic condition prevailing in each country at the time. Now, we in India, following in the wake of the pioneers in co-operation in the Western countries, have availed ourselves of their experience, and have been developing with varying degrees of success different forms of co-operative work for the last 20 years. If the co-operative idea is to thrive in our country, it will be recognised that it must be adapted to local conditions. This adaptation, necessitates a thorough grasp of the social and economic conditions of our people. And this can be made possible, only by a proper education of those who are interested in co-operation, in the history, principles and practice of co-operation in other countries, and by a thorough training given them, in carrying out a systematic scientific enquiry into local conditions.

Again, the consolidation of the co-operative movement, so far as it has gained ground in our country, and its future development, depend in a large measure on the successful working of the primary societies which form the pivot of the whole movement. The primary societies can work successfully only if their personnel and management are strongly manned by those who are familiar with the technique of co-operation and are conversant with the principles, application and possibilities of the movement. The defects attributable to most of the unsatisfactory primary societies are due to the lack of proper knowledge of co-operative work in their office-bearers, staffs, and in general, in the members constituting them. In the early years of the movement, the departmental officers were helping such societies in their proper working. But when the movement steadily grew apace, the societies rose in number, and the volume of transaction expanded, the office-bearers have been thrown on their own resources to help best the working of their societies. It will therefore be seen that a course of systematic training is indispensable to the non-official workers connected with the various societies.

Proper education alone will pave the way for the speedy realization of the co-operators' ambition to rid the movement of official patronage and take the management in their own hands. The syllabus of study proposed to be gone through in the training class, indeed covers a very wide field. I am sure that those who avail themselves of the co-operative training which will be given here

will be greatly benefited by it. Not only those who are employed or seek employment in co-operative institutions, but also those who are engaged in co-operative work as honorary organisers, will feel wiser and more efficient for having undergone the training. The co-operative movement itself will be endowed with longer life and greater strength. It may also be hoped that the training will prove a step taken forward in the direction of greater de-officialisation of the movement, towards the attainment of which the Government and the non-official workers have been straining for some years.

It is gratifying to learn that well nigh 350 students have responded to the appeal made by Sir K.V. Reddi, and I fully believe that the classes inaugurated to-day will live through many years doing useful service in the cause of co-operation. In view of the importance of co-operative training and the far-reaching possibilities of co-operation. I make bold to appeal to those who have faith in the potentialities of the movement to come forward with their contributions and donations which will go to supplement and finally supplant State aid. Let me also suggest that, as it is proposed to hold examinations at the end of the course, prizes may be awarded to students distinguishing themselves so that they might prove as an incentive to evoking right zeal and earnest application in those who take the course.

Finally, my thanks are due to those voluntary workers, official and non-official, who have agreed, may be in some cases at great personal inconvenience, to assist in the conduct of the classes by delivering lectures and holding examinations. Theirs indeed is a laborious task, but one which will bear rich fruit in the fulness of time. It is a happy augury for the future of the movement in this province that we have been able to secure the services of so many leaders at the very outset. All honour to them, for to their labours shall we owe all the success we hope for in the movement inaugurated this day.

II. Speech delivered by the Hon'ble Diwan Bahadur T. N. Sivagnanam Pillai Avergal, Minister for Development, at the Cuddapah District Co-operative Conference held at Cuddapah on the 21st November 1925.

GENTLEMEN,

I thank you most heartily for your kindness in according to me the privilege of opening this Second Cuddapah District Co-operative Conference. I also convey to you my hearty congratulations on your having secured my friend of two decades, Mr. T. Adinarayana Chettiar, to preside on this occasion. I am sure, he will prove an invaluable guide and adviser to you in the proceedings of this Conference. I shall therefore content myself with a general review of spread of the Co-operative movement in this District in recent years.

The Ceded Districts are in general less advanced than the other districts in this Presidency in co-operation as in other matters, and the District of

Cuddapah is no exception to this rule. Perhaps I may also add that Cuddapah has to put forth more strenuous endeavour if it should keep abreast of even the adjoining district of Anantapur. It is the earnest wish of one and all interested in co-operation, that the movement should be spread so wide that even the remotest village in a district will come within it, commanding co-operative society of its own. And no co-operator should rest satisfied till the co-operative movement is made to be perceived as a living force, and the Co-operative Society realised as a powerful institution, in the affairs of every village. This must be the ideal in the light of which every co-operator must endeavour. It may not however be possible to realise this ideal in the course of a few years within which we might wish we realised it. But we must not lose heart. We must press forward gaining ground inch by inch. We must not feel discouraged by the slowness of our progress. We must on the other hand feel the satisfaction that the progress though slow is yet sure. Slow progress is only expressive of the fact that the initial difficulties are great. During the years when these difficulties are faced and eliminated one after another, the progress must necessarily be slow. When once the difficulties have been surmounted, we may look forward to a more rapid progress of the movement even in the most backward districts. From statistics it would appear that at the close of the co-operative year ending 30th June 1925, the movement in the district touched only 0.96 per cent of the total population, as against a Presidency average of 1.46 for 1923-1924; and that, taking the case of villages served by the society, there were only 260 societies for 396 villages, as against a total of 4025 villages in the district, giving a percentage of 6.63, as against a Presidency figure of 19 per cent for 1923-1924. Again nearly one half of the total number of these Societies remain unaffiliated, because there is a large number of them situated in remote and isolated areas. The District Bank has not succeeded in attracting sufficient money from local sources, and depends on the Madras Central Urban Bank for nearly half its working capital. These facts are not quite encouraging, but I hope that the co-operators of the district will strive to show a better record from year to year in time to come.

Another feature that I observe is the uneven distribution of co-operative societies in the taluk, and the unequal enthusiasm shown by the people in the various parts. I am ready to concede that conditions of soil fertility and irrigation facilities differ from one group of taluks to another. But I fail to see why taluks enjoying more or less equal conditions should not keep equal pace in co-operative progress. As for instance, while the Cuddapah taluk has as many as 66 societies, the Siddavattam taluk, which is contiguous with it, and enjoys more or less equal facilities with it, can boast of only 5. Again, the Pulivenda taluk has only 15 societies, and is much behind-hand of the adjoining taluks of Jammalamadugu, Kamalapuram and Royachoti, which can claim to 29, 28 and 31 societies respectively. It may perhaps be said that Pulivenda suffers a great handicap on account of local factions. But co-operators must realise that the movement is one of goodwill and mutual benefit, and that has possibilities of reconciling rival parties in the common endeavour for their economic betterment,

I must therefore urge on you that wherever facilities exist the possibilities of co-operation must be tapped thoroughly.

I must also emphasise here the importance of punctuality on the parts of the members in their transactions with their societies. Statistics for the district tell a distressing tale of arrears both in principal and interest, in agricultural and non-agricultural, credit and non-credit, societies alike. The percentage of balance to demand in the agricultural credit societies for the last 3 years has been as high as 64.23, 64.00 and 63.02 respectively. This would show that arrears under principal have been distressingly heavy for this period. And no improvement under interest could be perceived either. The figures for non-agricultural credit societies are equally gloomy. In the case of some societies it is understood the heavy arrears are due to the fact that benami loans are raised by certain members, and that money thus gets locked up in the hands of a few. If this be true it is to be greatly deplored and severely condemned. It means a total negation of the ideal for which co-operators stand. The possibilities of a recurrence of this sad state of things must be prevented. It is only when every member recognises his responsibility to the society with which he is connected, and pays his dues punctually on the appointed day, the society can keep up to its engagements, and maintain its credit unimpaired, with the central organization which finances it.

I should also like to suggest to you that the commercial and industrial forms of co-operation would afford great scope for co-operative progress in this district. I learn with pleasure that a District Agricultural Association has been organised in Cuddapah with the object of catering to the agricultural needs of societies in Kamalapuram and Cuddapah taluks. It is not at the same time quite encouraging to hear that the Cuddapah co-operative stores has been living a precarious life for some time past. I can hardly over-rate the good that a Distributive Society can do to the members constituting it. I fervently hope that you will not willingly let it die. It is gratifying to learn that cotton, turmeric and ground nut are raised in this district as commercial crops in such large scale as would augur great possibilities for co-operative enterprise. If speculative traders are able to raise loans from Bankers on stocks of such produce, I wonder why co-operative societies properly organised cannot undertake the work of traders, and make it possible to earn the middlemen's profit for themselves. I also understand that there exists possibilities of organizing tape and carpet industries in Jammalamadugu and Pulivenda taluk: I hope that enthusiastic co-operators will undertake to do the necessary pioneering work. It is disappointing to note in general that while only poor and needy members patronize co-operation, the rich and well-to-do section of the people keep out of the movement. I however, hope that with the progress of industrial and commercial undertakings the moneyed class also can be drawn in. In these days of mill crisis and bank break-downs we can't prospect a happy future for the country only if industrial and commercial undertakings are run on co-operative lines.

I am glad that 81 out of a total of 267 Societies in this district are specially devoted to the economic uplift of the backward and depressed classes. I am

also glad that special types of societies of field labourers and coupe' contractors have been organised, and that they are doing good work. The co-operators owe a debt of gratitude to the Y.M.C.A., the Christian Missionaries and other Honorary Workers for their noble endeavours to spread the movement among the backward classes.

I once again thank you for the honour you have done me to-day. I have much pleasure in declaring the Conference open, and bidding you Godspeed in your labour of love, of light and of leading.

PRESIDENTIAL ADDRESS

AT

III. CUDDAPAH Dt. CO-OPERATIVE CONFERENCE

BY T. ADINARAYANA CHETTIAR, BAR-AT-LAW, M.L.C.,

21st November, 1925.

It was in the autumn of 1904 that the Co-operative Societies' Act was placed on the statute book and thus the movement in this country attains its legal majority this year. It is but fitting that we take a survey of its achievements so far with a view not only to plan for the future but also to see that we avoid the mistakes of the past. But to judge whether we have done well in the past, it would be necessary to pass in review before our mind's eye the aims with which we started.

Co-operation, as we contemplate it under the Act, is admittedly new to our country. We are, therefore, naturally forced to consider what noble aims and high purposes inspired the fathers of the movement in Europe, the Rochdale Pioneers, the Owens and the Neales. The aims of the Rochdale Pioneers—beginning as they did at a time when co-operation was considered to have died—were no doubt extremely modest. They aimed at the pecuniary benefit and improvement of the social and domestic condition of the members. Their second object was the building, erecting or purchasing of a number of houses for the members who suffered from bad housing conditions and high rents. The second object was to reduce the evils of unemployment and low wages by starting the manufacture of such goods as were to be decided upon. The fourth object was the renting or the purchasing of an estate or estates of land to be cultivated by the members of the society who might be out of employment or whose labour might be badly paid. It was also suggested that for the promotion of sobriety a temperance hotel might be opened in one of the society's houses. Lastly, they aimed at unrestricted co-operation on the part of all the members for every purpose of social life.

Robert Owen was not only the father of the Co-operative movement but a great social pioneer as well. He spent his time and resources in trying to prevent exploitation of child labour, the sweating of industrial workers by the capitalists, which had come in the wake of the introduction of power-machinery in England,

specially in the textile mills of Lancashire, and in the improvement of education and restriction of facilities for drink. In short, the pioneers aimed at the creation of a new world from which serfdom and poverty would be abolished, where men should be fellow-workers and not rivals, brethren of one family to whom indeed the great inheritance of this earth has been given but only on condition that it shall be used and enjoyed in the spirit and according to the will of Him who created it. A study of co-operation abroad tells us that the dreams of those great founders of the movement are coming to be realised. This is said of the Swiss citizen. "He tills his field well in the consciousness of his being free. He votes; takes a full part in the settlement of both local and national affairs with the same independence as his more affluent neighbour, and revels in the sense of equality. He loves his village because its life is part of himself." Of the Italian co-operative societies with the *societa' humanitaria* at their head, it is said, "it is the central point in which high and low meet on a footing of equality". Of continental societies, says Mr. Wolff, "a village with a genuine Raiffeissen society established in it—one of those societies which banish theft and intemperance, make people honest, temperate, peaceable and mutually helpful and knit neighbours together as in an enlarged family." Of the General Savings Bank in Belgium it is recorded that it makes the savings of "the people" serviceable for the supply of the wants of "the people" and thereby raising up prosperous and contented-communities. Of English co-operation it is said: "there is a freemasonry among the 'co-ops' which tends to hearty social union and blossoms richly in such products as education—upon which large sums are actually spent—halls, libraries, social gatherings and the like—all these made possible not through patronising philanthropic help but from the savings effected through co-operation by the nearly four million co-operators in the land."

The early co-operators in India who lighted their modest rushlights at the great fountain-head in England were inspired by great hopes and fired by great ambitions. They saw in the new movement the one means of uplifting the millions who having lost their magnificent heritage of a perfect village administration were fast sinking into poverty, indebtedness and intemperance. And they were not without justification. For India had every necessary condition favourable for the growth of the new movement—vast acres, teeming millions, traditional honesty, character and above all poverty.

And yet after two decades when we ask ourselves whether the high aims of the pioneers have been realised I confess we have to own to a sense of failure to a large extent. Of course as regards the number of societies and their transactions we have substantial progress to our credit but speaking for our Presidency at any rate we must own that on the educative and moral sides the progress have not been very great. With almost ideal conditions existing we have not achieved those results which have been undoubtedly achieved in other countries. For example, we are told the Italian societies do not accept as members those who cannot sign their loan applications themselves with the result that wholly illiterate cultivators learn to write from their children and

grand children in order to qualify for membership in the credit society. We are not therefore surprised that in the co-operative world to-day Italy leads with a strongly socialist movement of rural workers of every description whether agriculturists or not, capturing for themselves employment and occupation of land which latter they cultivate in freedom. Again the French it is said have their 'associations syndicales', the members of which execute work concerning them all and requiring a comparatively large force of muscle and limbs (such as surface draining, the cleaning of ditches and so on) in common, carrying co-operation to the point of bombarding the sky collectively, fumigating their vineyards to keep off the frost. (Is the ryot of the Ceded District capable of concerted action to keep out grasshoppers?)

Ideal Far From Realised

We realise then that we are yet very very far off from such achievements. It would then be worth our while to find out the causes of this state of affairs. Achievements presuppose the existence of ideals kept steadily in view by the workers and it is common knowledge that bureaucracies, however well-meaning and honest in their intentions, are the last people in the world to be expected to keep high ideals in view always. Inordinate love of statistics, red-tape, pet theories, false notions of prestige, narrowness of vision and want of adaptability are the familiar characteristics of a bureaucratic form of Government not responsible to the people over whom it is set in authority.

Only a Department of Government

I am afraid the administration of the Co-operative Department in our province has begun to suffer from almost every one of these evils. On the top of these, the subtle influence of communalism and the increasing, if not the studied, avoidance of the natural leaders of the people have made the realisation of these higher ideals even more difficult. Thus co-operation, a great moral movement which twenty years back was hailed by far-seeing statesmen as the most potent factor in revivifying corporate life in our villages making the people prosperous and contented, has become but a department of a foreign bureaucracy. This is not the case however in the other parts of the world. In Germany the great network of Raiffiessen societies for the poor and the land banks for the higher and middle classes have very little concern with any Government department. During my four years' stay in the British Isles with a close touch both with the co-operative union at Manchester and the Plunkett House in Dublin I never had much occasion to know there was such an individual as the Registrar nor did I hear of a Deputy Registrar almost claiming the right to attend the ordinary committee meetings of Central Banks at the expense of the patient long suffering tax-payer. Yet, in the United Kingdom the number of co-operators is estimated at four millions; over 20 members in the House of Commons are said to be connected with the co-operative movement and it would appear that in a recent general election, two million pounds were spent out of co-operative coffers. During the

great war the Government in England sought the advice and active help of the non-official co-operative organizations in organising the commissariat of the nation and of the troops in the trenches with the result that I can bear personal testimony to the fact that prices never went abnormally high whereas the other belligerent nations suffered untold miseries.

Government's Attitude towards Non-Officials.

But in India, especially in our own province, non-official effort is not encouraged. For instance in the case of the premier non-official organisation, viz., the Provincial Co-operative Union, it has taken years to recognise it and even then it is given a pittance of rupees one thousand two hundred a year and that too under conditions which though perhaps not humiliating but such as would make it sink deeper into the 'anti-self-reliant swamp' as Mr. Wolff would call it. Even a non-political publication like the Tamil bulletin of co-operation which the Provincial Co-operative Union publishes must have a Government Servant on its editorial board. The scant respect with which an almost unanimous resolution of the annual conference conducted by the premier non-official co-operative organisation in the province was treated will be referred to later. The Departmental attitude towards non-officials was presented in a rather lurid light when some years back the individual shareholders of the Central Banks were sought to be hounded out, from that institution. Fortunately, however, this has since been put a stop to. But the evil once started by a powerful Sircar dies but slowly in this country. The legacy of hatred thus inculcated is still manifest in the relations existing between the individual and society, in several Banks and District Banking unions.

Co-operative Education.

This then, is the sum total of the Madras Government's efforts to enlist non-official co-operation and to help co-operative education under a reformed constitution and a popular Minister! The great co-operators in the world, Mr. Russell (A.E.) and Sir H. Plunkett have laid the greatest stress on co-operative education. Mr. Wolf says that such education will not be personal benefit only to those being educated but a public benefit to the whole nation. Adds the same high authority: "for the promotion of education, the state need not stint public money. The main point is that in organising village life we must work with proper (country) tools, organisers qualified for their offices men who can secure for themselves the confidence and therefore the willing hearing and ready following of their intended pupil and seek to create union and common action and mutual goodwill". Who else except non-officials, the natural leaders of the people, may I ask, are fitted to carry on such educative propaganda in the country?

Appointment of Honorary Assistant Registrars.

Let us contrast the noble policy sketched out by Mr. Wolff with that pursued in our province as regards the recent appointment of Honorary Assistant Registrars. When a practically unanimous resolution of the provincial conference had asked, in no uncertain voice, for the abolition of the anachronism and

suggested money subsidies to the non-official unions, the popular Minister seeks to stifle the voice of the people and create 250 Honorary Assistant Registrars when the people objected to even 80. The conditions under which this bounty is to be got are humiliating to say the least of it. A union must ask for an Honorary Assistant Registrar to get it. So, if a Union will not ask for one, it will not get the benefit of the services of an Honorary Assistant Registrar, however much the co-operative work in that area may stand in need of the services of an Honorary Assistant Registrar, granting for argument's sake that the institution is a useful one as the department seeks to make out. This is truly what Wolff meant when he used the phrase "sinking into the anti-self-reliant swamp".

Again the tight grip of the Sircar on the movement has (indirectly no doubt) encouraged the growth not only of many unco-operative practices in co-operative societies but in some cases given a premium to some dishonest practices as well. The vigilance of neighbours having been relaxed in favour of inspection from the Departmental staff, is it any wonder that human ingenuity has been at work in circumventing rules and circular orders? That great authority, again Mr. Wolff, and I need not apologise for quoting him so frequently, referring to official interference, said: "the rather degrading supervision which the Ministry has secured for itself in the latest Act which places landlords as well as tenants in a state of tutelage and fixes upon them the stigma of not knowing their business as well as a gentleman in Whitehall will not mend this state of things. The proper remedies for the evils complained of are increased facilities for non-officials and education." It is common knowledge that Sir H. Plunkett attributed his wonderful success mainly to the association with him of public spirited non-officials.

'Red Tape' and Absence of Sympathy.

It is unnecessary to dwell on the evils of red-tape; but when it is allied to want of sympathy, it makes the situation even worse. I shall give only one illustration. Taking the building societies—for the housing problem is a pressing question all the world over, whether it is to enable the wage earner to own his cottage or to provide sanitary dwellings in healthy surroundings in plague-infected areas—the attitude of the Madras Government has not been one of helpfulness. The fact that Government makes profit out of the loans to such societies, the ratio which their monetary help bears to the subscribed capital (one-third I believe) forms an eloquent contrast to the helpful attitude which Governments in other countries adopt towards such institutions. In Belgium, for example, the acquisition of a building in rural parts as well as in urban is rendered very easy to the acquirer by advancing practically the entire capital required for the building. The Savings' Bank provides nine-tenths but there are philanthropic societies which supplement such advance by the missing tenth on which business the managers declare they make no loss. And yet, very recently, when a building society for the Government employees in the city of Madras applied to have their borrowing limit raised from the present three to nine times their paid-up-share-capital, the Registrar was willing to

raise it to five; but Government could not go beyond four and the Finance Department was shocked even at this. I do not know how far this rumour is true; but if it should be true, it shows how liberal is the attitude of the official mind towards the co-operative movement.

Agricultural Conditions and Need for By-industries.

The tendency of the official mind to keep aloof from the non-officials except on their (officials') own terms and the false ideas of prestige are among the causes that retard the expansion of the movement in innumerable possible directions. Otherwise it is hard to conceive how in a country of almost chronic famine and want where agriculture fails owing to droughts or devastating floods, the organisation of a secondary occupation has become a vital necessity to the people. Government has pursued a policy of studied inaction.

Take for instance the district of Coimbatore, where the prevalent famine conditions formed the subject of an adjournment motion in the Legislative Council. In this part of the country known as Kongu Nadu there are thousands of women who have not even now forgotten the art of handspinning. The Congress Organisation finds employment for over five thousand women in this locality. That there is a demand for the produce of this the most suitable and most desirable cottage industry is evidenced by the fact that during the last Deeppavali the Kaddhar sales in Tiruppur went up to two lakhs. Yet, has the Department raised its little finger to revive this industry and solve the famine problem as well? The fact that the necessary raw material is grown in the very place and that no expensive machinery or costly foreign experts are needed to revive this industry makes the negligence even more regrettable. While such is the case in our province, let us see what is being done in other parts of the world which are more or less dependent on up-to-date machinery and whose economists are wedded to ideas of mass production and capture of foreign markets.

Cottage Industries in Foreign Countries.

We read of the prosperity of the Japanese peasants with their diminutive little holdings the cultivation of which is in almost every case supplemented by by some other calling and where under the fostering care of an observant and wide-awake Government small industries have entered upon a new era of prosperity. The Government of Japan gives ample protection to these cottage industries. Statistical inquiries instituted not long ago and at about the same time in countries so far apart as the U. S. A. Belgium, France and Switzerland have disclosed the fact that rapidly as large industry is advancing, juggernauting in its progress, much of its older rivals' forces, small industry, the industry carried on according to a conventional standard, in workshops or out of them, employing not more than five persons is likewise advancing, cleverly dodging its more powerful rival and discovering new openings for itself.

What our Government might do.

To teach the people to make small industry articles of the best type, artistic and useful ones, according to the best patterns manufactured with the greatest economy and under ideal happy and healthy conditions, using hereditary skill, the Continental Government more particularly those of Austria, Hungary and Germany—establish at public expense so many technical educational institutions with exhibitions permanent and periodical to supplement the teaching. In Hungary according to a recent account, there were no fewer than 666 elementary schools, 40 per cent of the total number of schools in existence in which, as a matter of obligation for the teachers, cottage industries were taught.

In India if by-industries are to be successfully organised, as supporting buttresses to small cultivation of land it is evident that such industries must be chosen, the products of which are pretty certain to find a remunerative market and ways must be explored to organise them on a co-operative basis. If a beginning on the right lines has been made, it would be found that these industries have come to be practically part of themselves, as the capacity for swimming is of a duck and it is a well known fact that the people born to the work have acquired such a proficiency in it that in rapidity and accuracy they can compete with any machine. But organisation is the key-point, and the most effective help to small industries in practice is co-operation.

Official Vagaries and Pet Theories.

Besides the evils almost inseparable from the form of Government and alien bureaucracy—we have also occasionally to suffer from the vagaries and pet theories of certain officials of the department who for the moment have the ear of the head of the Department. Some of their performances would be truly comic but for the fact that the consequences are serious. We had recently some instances in point. One Deputy Registrar insisted on the entire share capital of the members who applied for the registration of a co-operative society to be paid in advance as a necessary condition of registration. In the Local Legislative Council it was brought to light the other day that in the case of Panchamas the would be members are asked to build up deposits as a condition necessary for their being organised into a co-operative society. But, says Mr. Wolff:—"Where there is a Raiffeisen Credit society providing money without issuing payment down, you can operate largely. There are steam threshing machines with engines, tractors and the like which have been purchased without any of the members even having had to put his hand into his pocket. In Ireland even commercial Banks are ready to lend huge sums on the personal security of the members of co-operative societies." This in spite of the tall talk about the elevation of the depressed classes! Does the Government think a Panchama has no character or have the Government still to learn about "capitalisation of character"?

Co-ordination of Agriculture with Co-operation.

Government again have been callous to the repeated demands of the people for the amalgamation of the two departments of co-operation and agriculture. The poor ryot is bewildered by the number of departments and the hierarchy of officials for whom he has to raise the salary with his tiny plough and emaciated bulls. Even if the day when village panchayats taking into their hands the entire administration of the village may be far off, the sister departments of agriculture and co-operation ought to be combined at an early date. The existing co-operative movement is in a position to render most valuable service to the cause of agricultural organisation while at the same time in return reaping substantial benefits from the extensions of its own trade. The need of re-organisation of our agriculture is recognised on all hands and it is said that the Viceroy-designate is an authority on agricultural organisation. The neighbouring enlightened State of Mysore has, I believe, as a result of the recommendation of the Committee on Co-operation of which I had the privilege of being a member—recognised the need for the combination of agricultural instruction with co-operative guidance.

Wanted A Committee of Enquiry.

I have had time to deal only with a few aspects of co-operation as practised in our Presidency. I apologise to you for having so far dwelt only on the defects or rather what I consider to be the defects in the practice of co-operation. But I assure you that I have done so solely with a view to draw the attention of the public to the various points raised. I hope I have succeeded in showing that there is need, urgent need, for appointing a committee to enquire into the methods hitherto adopted; define the limits for official initiative and Departmental Interference and to suggest methods whereby not only will non-officials be more largely associated with the movement than at present and the co-operative principle may be applied to various aspects of our rural and urban life so that the grand results achieved in other countries by the practice of co-operation may be achieved in our country also. I hope co-operation in this Presidency will agitate for the early appointment of such a committee.

Conclusion.

For faulty co-operation, with whatever flourishes brought upon the scene, is sure to bring about its own decay. But with co-operation heartily accepted and genuinely practised, a new existence may be made available and a new horizon opened to the millions in this ancient land.

THE DEVELOPMENT MINISTER'S SPEECH AT BELLARY.

* A REVIEW AND A CRITICISM.

Mr. Sivawamy first dealt with the definition of Co-operation as it has grown with its growth in the several parts of the world, then with the connotations of Indian Co-operation, with special reference to this presidency. It is characterised, he said, by three features, namely, it is an instrument for remedying indebtedness and not a method of building up a new co-operative order of society. It stands by official cementing. Thirdly, the basic principle of its structure is borrowed from Germany. He then referred to the recent speech of the Minister at Bellary where reference is made to unco-operative panchayats of rural societies, arrears of members, their want of loyalty to the society and absence of thrift habits. It is necessary, he said, that we should examine the reasons for this state of things, specially after twenty years of progress, and when it comes from a minister charged with the duty of improving societies organised by the State and under their direct control and supervision. Want of civic education, social and economic evils in society, non-development of agricultural co-operation, and the existence of vested interests against whom an official department can hardly be expected to fight may be considered as the four reasons for the present state of things.

It should first be noted that the speech of the Minister is the official expression of the defects of the rural credit societies. It cannot be said that the Government does not understand that a mere registration of certain stereotyped by-laws cannot build up a village on the co-operative basis. Neither can it be said that the large staff of the Department has not attempted the improvement of the rural societies. Day and night they devote themselves to this task and they do realise the moral responsibility that lies on them to see that the societies registered by them keep up their obligations to the Central Bank. But the Minister confesses with a candour that the societies have not risen up to the mark. The rural co-operative society in this presidency depends for its working in many areas on a few men who have to take up the Panchayat work as a labour of love. Rural leadership is deficient in civic qualities which have to be created. Secondly a broader and more liberal education has to be given to the ryot which will give him that sound culture to work as a member of an organisation. To enthuse panchayatdars with public spirit and prevent dishonesties by the setting up of a higher standard of conduct, we want non-official missionaries for the work. The State stereotyped

Public Lecture delivered by Mr. K. G. Sivaswamy, propaganda Secretary of the Madras Provincial Co-operative Union at the Kellet Hall,

in its functions, cannot take up such a work. Even granting that an officer of the State can do this sort of work, the State should supply officers of a high rank and position who will be able to influence the panchayatdars for good. A poorly paid administrative inspector is ill-fitted for this sort of work. The whole of the tax payers' money will be absorbed in the appointment of a high-paid staff for each union area if education of the right type is to be undertaken. Lastly it has to be noted that a paid officer is hardly the man to educate a panchayat or office bearers not to take remuneration for he has to break his preaching in his own case. Secondly there are social and economic difficulties in the progress of co-operation. We are unable to solve them but they bar the progress of co-operative credit. Social life and customs play a large part in fixing the standard of life of the poor ryot and unless a social reform propaganda is undertaken and the ryot's outlook widened and the women at home educated, the little earnings of the farm will be absorbed in occasional extraordinary expenses. Here is a field more for the non-official than the official. Further the system of produce sharing in zamindari areas, the system of tenancy in Malabar, the evil of the drink habit in some of the agriculturists and the field labourers are problems which the officer can hardly tackle.

Thirdly, credit, for its success, depends on a steady agricultural income of the ryot. Agricultural improvements have to be introduced. Obstacles to land improvements as fragmentation of holdings, want of water facilities, have to be removed. The agricultural conditions of an area have to be studied. But the co-operative officer hardly possesses any agricultural knowledge. Hence in Bombay the Agricultural Department is in charge of non-credit work and 7 agricultural organisers work under it. While here the Local Union, the only association of the ryots for an area, does not consist of rich and enlightened landlords interested in agriculture, and does not give the scope to the Agricultural officer to guide its affairs. In Bombay the Taluqua Development Associations consist of individuals and primary societies and work under the advice of the Agricultural officer. The Associations develop non-credit work and supervise them. Some of them have engaged agricultural demonstrators and the State gives grants to them to a maximum of Rs. 2,000. Agricultural non-credit work requires expert knowledge in agriculture as well as trade. Credit work is entirely dependent on improved agricultural production and marketing. Credit by itself leads to so many abuses and its use will hardly be controlled for productive purposes unless the direction for such societies comes from an agricultural officer interested in improved methods and charged with that duty.

Lastly the co-operative movement has to fight against a number of vested interests. Unity in the political field is easier to achieve by pointing to the common danger of a foreign rule. But in co-operation, local adjustments in the society have to be made, and a clash of interests reconciled. Take the field of co-operative credit. In the absence of local vigilance of the village over the affairs of the society, the latter gets easily into the hands of one or two people. It requires a rare courage of a high type for a co-operative officer to reform the influential few of the village. Many will avoid it in so far as co-operative opinion is weak to back them up. And the reforms of such panchayats has to be done by an inspector of no standing and influence. Secondly inspection by the State does not give that publicity to the affairs of a society which alone can cure its ills. Take the field of labour societies rural and urban. Very few societies exist for the factory labour of this presidency, as the department should get the co-operation of the employers in this respect, which is not easy to obtain. The close coordination of Trade unions and co-operation which we find in the West is absent here. Take again rural agricultural labour. The Department comes against the local landlord or they have first to prohibit drink where again they come in clash with the Excise Department. If any joint cultivation society is formed for rural labour, the landlord or his agent is made its president, as a result the co-operative society becomes more helpful to the landlord to collect his rent than for the labourers to improve their economic condition. Take again rural non-agricultural labour, for road and bund work. Unless the Government have a policy to help labour organisations it is not possible to expect a sympathetic encouragement from the public works or the Local and Self-government departments regarding the contract works. Even when such an organisation is formed and contracts are obtained the departmental officer would rather like to work them with the aid of the existing contractors. So much so that smaller contractors unable to find the capital to compete for tenders would willingly join these organisations to feather their own nests. Makeshift arrangements, compromising the principles of co-operation, will be the only result of labour organisations started under the aegis of Government Officers. Take again the organisation of supply societies for supplying agricultural requisites to the ryot. If the agricultural department considers that it is not their duty to promote co-operative concerns for this purpose, while they may achieve their object through private firms, the co-operative department even with the best of intentions cannot progress very far.

Thus there are limits to State co-operation. The remedy lies in a clear understanding of the limit to which State aid can go in furthering a

people's movement as co-operation, specially in a country of ryots wanting in enterprise and civic spirit. Where people have to be organised and educated, where civic organisations have to be daily watched, supervised and made to walk on the straight path, where rural adult education has to be carried on, where people have to be enthused with a new spirit which is akin to the propagation of a new gospel, and where the enthusiasm has to be steadied by constant training in the principles, the voluntary worker has a place which cannot be replaced by any number of State Officers. In India where the new spirit of patriotism and the ideal of service for the public make at least an intellectual appeal to the English educated and enlightened individuals, their co-operation alone will place the movement on a strong basis. Education and training of the rural ryot, building up of rural leadership, creation of a band of loyal co-operators are all possible only with their help. The representatives of primary societies can hardly be expected to take up this large work. The registration of a Local Union or a district federation or a provincial union consisting purely of representative of borrower societies cannot build up the machinery of co-operative credit. Provision should be made in the constitution of these bodies for the admission of the individual who takes interest in these things. The rural high school can play a large part in improving local unions. The high school will be not only serving the adults of the area by educating them but also profitably enriching the contents of their course in the school itself. The mofussil colleges can play a large part in the working of the District Federations. Provision should also be made in the constitution of Dt. Federations and Local Unions for the individuals of the Dt. Bank to take an interest in their working. In the name of improving the rural ryot, a certain amount of trusteeship is claimed by the Department to the exclusion of the few individuals who take interest in the movement, and while they are considered good to make deposits, and take a restricted dividend on shares, they are considered as dangerous elements for the co-operative education of their own constituent societies.

But the Minister is not unmindful of this fact, for he himself says, "The Government have not failed on their own part to fully recognise the additional strength the movement will gain in the local influence of non-official agencies." But he says that it is for this purpose that a large number of Hon. Asst. Registrars have been appointed. Non-official organisations cannot be built up by building up the individuals of the several areas who are a fluctuating and varying factor in the progress of the movement. The Minister himself has accepted in one of his early speeches that it would be impossible to transfer powers or functions to individuals

but such a delegation could be made only to organisations. Neither the conferment of an official title nor the pampering of an individual in a Local Union with special privileges will build up the local organisations. The State has to realise that it can build up the local influence of non-official agencies by sufficient grants to these bodies. Broaden your constitution, opening wide your portals to any one who wants to build the movement, and finance such organisations. It may not be out of place here to remark that if it is granted that the local non-official alone is better fitted to build up the co-operative organisation than an officer of the State, and that, even if the officers of the State could build up a true band of loyal co-operators in every village, it would be impossible for the State to entertain a highly paid service for the same, the State has no other recourse in building up the movement than resort to the aid of local non-officials. You cannot expect the latter to find the money for the education of the rural side. In fact this is the chief difficulty felt at present by honorary workers. Here is ample opportunity for the State to help.

Having created a broadbased organisation from the Local Union to the Provincial Union and financed it to do its great task of propagating the principles and supervising their practice, the State has to build up a close relationship among them if a co-operative discipline and tradition are to be formed among the non-official bodies. A scrupulous care in educating the societies to respect the decisions of their supervisory federations and an equal amount of care in retrospectively oneself that the prestige and influence of the large body is not undermined by direct dealings with the subordinate organisations are required on the part of the State if at some future far off time they want to see the movement running on its own legs and their indispensability also eliminated. Lastly the policy of the agricultural department should be so changed as to give them a direct controlling influence over Local Unions for the introduction of new and improved methods of cultivation, the supply of agricultural requisites, and the marketing of produce. The State should subsidise these bodies for appointing experts certified by them to do agricultural propaganda work. The constitution of the Local Union and the Dt. Federation should provide for the admission of individuals interested in agriculture.

The President Mr. T. K. Hanumantha Rao appealed to the audience to strengthen the consumers' movement as by that time, after hearing the lecturer, they would have seen the various defects and dangers of the rural credit co-operation. The Consumers' movement can hope to get an intelligent general body in towns, will create capital for the poor man, and with its growth employ the consumers in several of the productive concerns.

SPECIAL TYPES.

XIII

Audit order of M.R.Ry., O. N. Ramaswamy Ayyar Avl., M.A., Deputy Registrar of Co-operative Societies, Trichinopoly on the accounts of the Anaikkaranchattram Co-operative Labour Union Limited, No. 1055, in the Tanjore District, for the year ending 31-3-1925.

The Union was started in the month of December, 1924. 18 Individuals and 5 societies joined the Union during the year and paid Rs. 98-0-0 as share capital.

This Union incurred a net loss of Rs. 6-5-6. This is due to the fact that the entrance fees realised did not cover the cost incurred for contingencies.

The Union was started with the idea of securing the river conservancy works of P.W.D., and other local fund works. But so far, it has not been able to secure any such work though it tendered without success for the metal supply to the District Board roads in the Shiyali Taluk. It is hoped that in the current year the union may get works of P. W. D. and can justify its existence.

XIV

Audit order by M R.Ry. Rao Saheb J. Venkatesam Chowdari Garu, B. A., Deputy Registrar of Co-operative Societies, III Circle, Bellary, on the accounts of the Hospet Co-operative Building Society Limited No. 9669.

The society was started on work on the 17th March 1924. This is the second year of its working. The number of members at the beginning of the year was 11 and the paid up share capital that was outstanding at the beginning of the year was Rs. 2,650. Six new members joined this year, and one man withdrew. A sum of Rs. 5,250, was received under share capital and a sum of Rs. 150 was repaid during the year under review. The number of members at the end of the year was 16 and the paid up share capital that was outstanding on 30-6-25 was Rs. 7750.

A Government loan of Rs. 14,050 was received during the year and nothing was repaid to Government. This amount plus the outstanding balance amounting to Rs. 2,650 has been outstanding at the end of 30-6-25.

Loans to members.—16 loans amounting to Rs. 3,800 were outstanding on 1-7-24. During the year the society disbursed 35 loans amounting to Rs. 20,650. The total amount outstanding on 30-6-25 amounts to Rs. 24,450 which is covered by 51 loans. No repayments were made during the year under review.

The society earned a net divisible profit of Rs. 508-0-0 which is distributed as below as per its bylaw No. 59.

		Rs.	A.	P.
25 per cent shall go to the Reserve Fund	...	127	0	0
7½ per cent Common Good Fund	...	38	1	7

The balance available for distribution as dividend to members subject to a maximum of 9% on their paid up share capital which amount should not be disbursed in cash but should be adjusted to their loan account ... 342 14 5

The total Reserve Fund at the end of the year under review comes to Rs. 139-0-11. This society is requested to invest Rs. 123-5-0 as per details given below * in the Hospet Central Bank towards the credit of its Reserve Fund.

* Amount to be invested	...	...	...	127	0	0		
		Rs.	A.	P.	Rs.	A.	P.	
Deduct excess in the Reserve Fund	...	3	0	10				
Interest allowed by the Hospet Central Bank on the investment already made	...	0	10	2	...	3	11	0

General remarks.—Construction of buildings is progressing except in the case of a few members. The directors are requested to hurry up construction of buildings and collection of dues.

XV

Audit Certificate of the Bodinaickanur Labour Co-operative Society Ltd., A. No. 840 (Started on 13-3-1924).

The year in question was the second year of the society's existence.

Membership and shares:—The year opened with 150 members (A class 15 and B class 135) on the rolls with a paid up share capital of Rs. 476-12-0 covered by 439 (A class 23 and B class 416) shares. 70 members joined and 27 withdrew during the year. The causes of withdrawal were as follows:—

- (1) Died 2
- (2) Non-residence 25

There were therefore at the end of the year 193 (A class 15 and B class 178) members with a paid up share capital of Rs. 1533 (A class Rs. 336 and B class 1197) covered by 590 (A class 27 and B class 563) shares. The share capital fallen due and remained to be collected at the end of the year was Rs. 558-8-0 which may be collected without delay by enforcing the provisions of the by laws.

Deposits with and Borrowing by the Society:—Besides its paid-up share capital, the societies working capital consisted of Provident deposits of coolies Rs. 56-4-0. The Society had also a temporary deposit of Rs. 500.

Loans to members:—6 loans amounting to Rs. 258-8-0 were outstanding at the beginning of the year while 10 loans to the value of Rs. 510 were disbursed and 7 loans to the value of Rs. 315-8-0 recovered during the year. The loans outstanding at the end of the year were 9 in number amounting to Rs. 453. Of these 8 loans amounting to Rs. 52 were overdue. The overdues under interest came to Rs. 6-3-11.

Profits:—The Bank earned a gross profit of Rs. 138-15-4. Deducting therefrom Rs. 4-4-6 representing expenditure incurred during the year (Establishment and contingencies amounting to Rs. 3-14-6 and the other items Rs. 0-6-0), the net profit of the society came to Rs. 134-10-10 as against Rs. 63-9-9 of the previous year. This net profit will be distributed as below under bylaw 55:—

- (i) Reserve Fund ... 25 per cent...Rs. 33-10-9.
- (ii) Common Good Fund 7½ per cent.
- (iii) Of the remaining a sum not exceeding 9 per cent may be paid to the members proportionately to the amount of share capital held by each.
- (iv) The balance may be divided among the B Class members who have worked for more than 180 days in a year in proportion to the number of days they have worked.
- (v) Balance to be added to the Reserve. The exact percentage of items ii to iv to be decided by the General body.

Note.—All undistributable and indivisible profits will be added to the Reserve Fund.

Reserve Fund:—There was a sum of Rs. 15-14-6 to the credit of the reserve fund at the beginning of the year. Adding to this Rs. 33-10-9 the Reserve Fund declared for the year under review, the total Reserve Fund of the society at the end of the year amounts to Rs. 49-9-3. Deducting the amount already invested in the Madura Ramnad Central Co-operative Bank Ltd., viz. Rs. 15-15-0 the sum now to be remitted to the Madura Ramanad Central Co-operative Bank comes to Rs. 33-10-3 less Rs. 0-3-1 the interest on reserve fund already invested in the Bank. The undisbursed profits of Rs. 47-11-3 as per audit order of 1923.24 should either be taken to reserve fund or disbursed early.

Supervision Fund.—The amount to be contributed towards Supervision Fund for the year under review amounted to Rs. 0-13-3. This should be remitted to the Periakulam Local Co-operative Union.

General.—The society's working during the year was satisfactory. It is hoped that the Board of Management would develop the society vastly in the current and succeeding years.

S. P. PERUMAL PILAI,

Deputy Registrar,

6-11-25.

REVIEWS.

Money by W. T. Foster and W. Catchings (Published by Houghton Mifflin Company, Boston and New York. \$ 3-50.)

This is the second publication of the Pollak Foundation for Economic Research, one of the characteristic American Organisations for the study of Economic problems which the Great War has been responsible for. This volume maintains the high standard of excellence established by the first book of the Series, the Making of Index Numbers by Mr. Irving Fisher, the great American authority on the subject. Both the authors of the work under review are well qualified to handle this very popular but elusive subject, the one being the Director of this new school of Economic Research and the other being connected with the business world of America, thereby capable of supplying that practical knowledge to the discussion of the several intricate questions in Currency and Banking, the lack of which mars the value of many a book on the subject written by University men.

As is pointed out on the cover of the book, "Money is the subject that touches the interests of more people more frequently than any other." But unfortunately it is also the subject least understood by them. Even Economists of repute have floundered in the mire of monetary problems. Not to go far back, the post-war currency conditions in almost every country of the world have been engaging the attention of financiers and academicians and various panacea have been prescribed and administered by them to the suffering people but few of them have benefited the patients. In our own country immediately the War was over, a strong committee of experts was appointed to tackle the problems and it managed it so skillfully that its report has been stinking in our nostrils ever since and it has been necessary for the Government to appoint a fresh commission to go into the whole question and advise it as to its future course of conduct.

This book is quite timely for the Indian Readers unlike Keynes's Book on Indian Currency and Finance, whose publication preceded the appointment of the last Commission on Indian Currency and Finance which anticipated its conclusions. This is not an apology for any pet scheme of money manufactured in the office of a Banker or the citadel of a bureaucracy. It is written solely in the interests of truth and is intended to clarify the vision of the reader and not to cloud it. It is a book on the general principles of money, its meaning, its functions and its effects on the working of the Economic system of a Country. Everywhere the authors attempt to go to the root of the question and expose it to the view of the reader. They start by knocking on the head the classical view that money is an insignificant thing in the economy of society and that it is a mere contrivance for sparing time and labour. We in India are not likely to be taken in by this sophism. The whole face of India bears indelible marks of the ravages of the money economy of the 19th century. In fact, since 1893 the whole economic system is being skilfully manipulated by a few irresponsi-

ble officials who are in charge of the currency operations in India and who work havoc on the poor cultivator or petty artisan without his knowledge or without any hope of relief for him.

They point out that "in the interests of the social welfare itself we need clearer insight into the individual process of making goods, the business process of making money and the way in which both sets of activities are related to each other and to the individual's life." The first question does not come within the authors' purview but the other two are explained at great length and with remarkable clearness in the book. After defining the money and other kindred terms they explain the primary functions of money viz., as a medium of exchange and as a measure of value, and then pass on to deal with one of the live problems of monetary economies viz., Inflation. Even a bare repetition of the paragraph headings of that interesting chapter which is as follows:—"definition of Inflation, the vicious spiral of Inflation, Inflation through Bond Issues, Taxation costs a Nation less than Bond Issues, Inflation is indirect taxation, it is morally disastrous, induces racial unrest and is economically disastrous as also deflation" will show perspicacity and thoroughness of the Writers. The next two chapters deal with the gold and commodity basis of money, respectively. And, in the latter place the authors discuss the ingenious plans of two of the living heroes of the American World, Henry Ford and Thomas A. Edison, to stabilise prices by making commodities their basis. They very correctly point out that the relative value of farm products upon which Mr. Edison would like to build his system is no more constant than that of money, and that the volume of farm products is not a true index of the volume of trade and conclude "that no basis has ever been used that it is as satisfactory as gold" (page 121). It would be good that the currency experts in our own country were made aware of this and are compelled to accept it as the basic principle of our monetary system. The so called gold exchange standard which is in vogue here is based neither on gold which is an international commodity nor on National production nor on National Trade, but on the accidental balance of trade between a tributary country and a dominant sovereign power, and the following remarks of the learned authors are quite appropriate in a criticism of the Indian System; "However interesting and even ultimately profitable it may be to try to devise a perfect form of currency for a different race of human beings the immediate need is for a monetary system that will come nearest to perfection in actual use among human beings as they are. And, throughout the long history of the processes of Exchange from primitive times of Barter to recent War financing, the human beings who have come nearest to preserving the one most exclusive quality of their currency namely its stability, are those who have not departed from the gold basis. Whatever the defects of this system, therefore, and whatever modifications must be made in the interests of a greater stability of value than any currency has attained, it seems that we, human beings—with all our defects upon our heads—must, at least for a long, long time to come, make some use of a gold basis" (page 125). We may add that

the gold basis should be maintained not merely for foreign exchange purposes but also for the sake of internal trade and industry.

There is a very interesting chapter on Money and International Trade, in the course of which the following remarks occur,—"If the purchasing power of inconvertible paper money could have been guaranteed during the world war it would have been more eagerly sought than gold, because gold itself was unstable in value" (page 142). If only the majority of the Indian Currency Committee of 1919 had been aware of this, they would not have attempted to fix the value of the rupee in terms of gold bullion as they actually did. Again, "it is not high or low price levels but rapidly fluctuating price levels that hinder foreign trade" (page 146). In the course of the same chapter, they expose the fallacies frequently offered under the name of 'a favourable balance of trade,' to some of which Indian financiers are prone.

The next five chapters deal with the relation of money to general and individual prices and would be instructive to the Academic Student quite as much as the lay business man. For example, they point out that the fundamental factors of the economic situation during the War were a need for labour and a need for materials, neither of which could possibly be fully supplied together with a dollar demand (a money demand) for labour and materials that was sustained by an expanding supply of Bank Credits." (page 181): "it is sometimes prices that affect the volume of money and sometimes the volume of money that affects prices usually it is a combination of the two reacting upon each other" (pp. 183). Prices have one major interest for society as a whole; prices do or do not move goods (page 186); if the aim of production is the satisfaction of human wants, production defeats its own purpose if it involves sacrifices which more than offset the enjoyment of the goods produced (page 196). For the most part, "profiteers" do not make high prices; high prices make "profiteers" (page 205). "Prices serve their purpose when they are in the right relation to the productive capacity of the country on the one hand and to the money in circulation on the other hand." (page 211).

The rest of the book is devoted to the discussion and explanation of this last statement in all its implications and deal with such topics as Money in Production, money in consumption, circuit flow of money etc., and form the most original and stimulating, as also the most difficult portion of the book. The concluding chapter is devoted to the practical application of the essential truths of the problem of money to the present conditions of American business.

When the reader lays down the book, he will feel that he is equipped with sufficient knowledge if not to unravel most of the mysteries of the monetary problem at least to expose the fallacies of popular writers and juggling financiers.

N. S. N.

II. AGRICULTURE IN SOUTH AFRICA.

(A REVIEW).

BY S. DORAISAMI AIYAR, B.A., -RANIPET.

The December issue of the Journal of the Department of Agriculture of South Africa is devoted entirely to the publication of the annual report of the Department for the year ended 30th June 1924. In the foreword it is stated that the practice of using the Journal for the purpose has proved very satisfactory in placing before the public at an early date a review of the activities of the department which plays such an important part in the welfare of the country. The main report is that of the Secretary for Agriculture and it is followed by 18 annexure reports of the various divisions of the department. The Secretary's report opens with the clear enunciation of the agricultural policy. He points out that reducing the cost of production of agricultural commodities is the main function of the department and remarks that it would be unwise to withhold men and money needed to solve the problem of cost of production which is hindering development. Indeed, one of the most striking features of the department is the very large number of technical men employed. There were 257 officers, excluding natives in the professional divisions and 1048 in the general divisions. The net expenditure was £1,00,5925 and the Secretary rightly remarks "While the public expenditure per head of population on the promotion of agriculture may be large, the placing of farming practice on a business footing in order to lower cost and thereby increase production, must be pursued with energy in view of the fact that it would promote and stimulate every other industry in the country".

Great attention is paid to agricultural education, the net expenditure thereon being £106,505. There are 5 schools of agriculture and experiment stations. Besides the diploma course there are, number of short courses even of one week's duration. The school seems to be very popular. One principal says "During the past four years the applications for admittance, for both long and short courses, exceeded the available accommodation. It is therefore safe to assume that the desire for agricultural knowledge is rapidly gaining ground. Five hundred and fifty students passed through the institution during the period under review and approximately four hundred had to be refused."

The Veterinary division has done very useful work in combating anthrax and many other cattle diseases. The Division of Veterinary education and research has, besides doing extensive routine work on the preparation of vaccines etc., and a good deal of travelling and extension work, done very useful research work on horse sickness and some diseases affecting sheep. The Division of sheep and wool had made very satisfactory progress in the eradication of scab. One country produces about 186,000,000 lbs of wool and great efforts have been made to grade wool and market it successfully. The Division of Dairying has done much to bring home to farmers the advantages of well organised dairy schemes. The Division of Botany and Plant Pathology has done tremendous routine work on the eradication of some plant diseases and a good deal of research work also.

The cultivation of cotton has been making rapid strides in South Africa, the last season's crop being 138 per cent over the previous one. The Division of Tobacco and Cotton reports that "with the widespread interest in cotton culture, the large stretches of new country that are being cleared and put under the plough, and the favourable season next year, we may anticipate an increase up to 20,000 bales or 300 per cent. over the season". In spite of their rapid progress it is stated that cotton culture is new to thousands of farmers. The Division has a system under which every bale of cotton is graded and certified.

The most important work of the Division of Horticulture is the inspection of fruits produced in the country and of those exported and imported. The Division of Viticulture assists the farmer, by suitable inspection, in exporting their wines and carrying on experiments with a view to improve the wine industry. The Division of Entomology has seventeen entomologists who carry on the inspection of plant nurseries and of plant, fruit and agricultural imports, conduct experiments and demonstrations with measures for suppressing insect pests and give advice to farmers on insect problems. The Division of Chemistry is doing a lot of useful work in the various directions. A soil survey of the Union is being made and inoculation of soil with cultures of legume bacteria is being pushed through. The Division has also some very useful research work on hand. All the Government's chemical work is entrusted to the division and consequently hundreds of sample of foods and drugs, wines, spirits, etc., leather and toxicological and forest specimens are analysed.

The Division of Publications conducts the journal of the Department in English and Vernacular which have over 2700 subscribers and 7686 on the Free mailing list. Included in the free distribution are 4354 crop correspondents who receive the Journal in appreciation of their voluntary services to the department. The numbers of farmers receiving the journal is about 6500. The Division also publishes the bulletins and crop reports and distributes them to the farmers.

The Divisional Extension helps to bring the expert staff of the department into closer touch with rural population by obtaining the necessary lecturers and demonstrators for "farmers' week" and "farmers' days", conducts exhibitions and shows and runs the agricultural demonstration train. The train consists of a number of coaches carrying all the requirements of lecturers for giving demonstrations or instruction. Among the coaches are a fully equipped dairy and a travelling chemical laboratory. The Railway administration undertakes the free transport of the train while the Department provides the lecturers and the equipment.

South Africa has been fortunate in having a number of small islands where very large deposits of guano are obtained during the breeding seasons of penguins and other birds. The guano is a very valuable manure and the demand for it very greatly exceeds the annual supplies. Though the year under review was not very favourable yet over ten thousand tons were collected and distributed. The price was £7 per ton.

The greatest enemy of South African Agriculture is the locust. During the year under review the infestation was the heaviest and it spread all over the country. The Division of Locust administration has done very wonderful work, in fighting the locust. Two thousand and four field officers were appointed who with the Co-operation of farmers of standing and influence led the campaign successfully. The total cost of the campaign was £ 323,260.

Among the other activities of the Department is the Home Economics section whose aims are,

(a) to get into touch with women and girls in rural areas, to impart instruction by means of lectures, demonstrations and practical classes in matters pertaining to the home,

(b) to promote economy by teaching women to manufacture articles from materials produced on the farm, and also dressmaking, millinery, furnishing, etc.,

(c) to teach the principle of nutrition by means of cooking demonstrations etc. and

(d) to develop a better application of the value of farm work. It is pleasing to note that attempts are made to organise clubs which will enable the woman to capitalise labour as through medium of canning, preserving and saving clubs she ought to produce saleable articles.

ADMINISTRATION REPORT

For the year 1923—24.

I. PUDUKOTTAH.

The following extracts from the report of the Registrar of Co-operative Societies of Pudukottah would give us an idea of the progress of the movement in that State during the last co-operative year.

Summary of Progress:—18 new societies were registered in the year which began work immediately and the number of members increased by 14 per cent and the working capital by about 49 per cent. The actual position compared with that of last year is shown hereunder :—

Type of Societies	No. of Societies.		No. of Members.		Working capital in Rs.	
	F 1332	F 1333	F 1332	F 1333	F 1332	F 1333
Central Bank ...	1	1	71	88	96,304	1,85,183
Agricultural ...	48	66	5,002	6584	1,48,175	2,10,260
Non-Agricultural ...	11	11	2,834	3063	2,32,857	3,13,821
Unions ...	1	1	10	12	...	...
Total ...	61	79	8,517	9747	4,77,382	7,09,264

General Remarks:—The movement has come to stay, though it has touched the fringe only. The popularity of the measure among the depressed classes is an encouraging feature. Applications for new societies are received from time to time which is an indication of the movement gaining popularity with the people. A course of lectures was given to the teachers under training on co-operation with a view to its spread in the villages. The holding of General Body meetings during inspection of societies has evolved interest in the members who, before, had contented themselves with simply entrusting the management to committee members or Secretaries.

Central Banks:—No. 37 The Pudukottah Co-operative Central Bank, Limited, made much progress during the year under report. The Bank had on its rolls 88 members (16 individuals and 72 societies) on the last day of the year under report against 71 members at the end of the previous year.

The Bank enjoys the privilege of depositing its surplus in the State Huzur Treasury at 5 per cent. This facilitates the bank to maintain a sufficient fluid resource to meet the demands of depositors.

NON-CREDIT SOCIETIES.

Purchase and Sale:—The Farmers' Association at Alangudy is the only society under this head. This is a propaganda and distributive society for the supply of seed and manure to its members. It is publishing a quarterly Journal on Co-operation and Agriculture.

Supervising Unions:—There is only one society of this type, viz. the Vallanad Supervising Union. The Union was started last year with 10 society members. Two more societies registered during the year, joined the Union. Thus there were on the rolls of the Union 12 members at the end of the year. The members on the Board of the Union did good work during the year rectifying three backward societies affiliated to it, Mangamviduthy, Kolavoipatti and Onangudy.

Miscellaneous:—The Elementary teachers, under training in the Tirugokarnam Training School were taught the principles of co-operation and the method of maintaining accounts of primary societies.

The Attitude of the Public:—The public are beginning to realise the beneficial effects of the movement in the State. With the starting of a number of societies in the year a wider public has been brought into touch with the movement. The non-official gentlemen who have devoted their time and labour to furthering the movement deserve congratulation. The Co-operative Central Institute was registered after the close of the year and I hope and trust that the honorary workers who have done much in the past will continue to persevere in the noble task of doing greater intensive propaganda work in the State.

S. K. Y.

II. COORG.

Summary of General Progress:—The movement shows a fairly satisfactory progress on the whole, notably in the increase of membership and share capital of all kinds of societies. Four agricultural societies were registered during the year; five bad grain banks were weeded out. The total number of societies stood at 152—one less than in the previous year. Four Supervising Unions were also registered. The registration of four Cattle Insurance Societies was cancelled and liquidators were appointed. This brings the total number of societies (including the Central Bank and Supervising Unions) to 165. Nine applications for registration were pending at the close of the year. The Central Bank has become very popular so much so that deposits are coming in beyond its requirements. Agricultural Credit Societies again recorded a slight improvement in recoveries, but it still requires much exertion on the part of the Supervising Agency to reach a creditable standard in this direction. Non-Agricultural Credit Societies as a whole did not show satisfactory progress. The Cattle Insurance Societies proved a failure.

The Central Bank:—The following remarks of the Registrar about the fluid resources of a Central Bank would be of great use to all such institutions.

The main thing is that the Bank should not only satisfy the legitimate demands of its clientele but also inspire confidence in its depositors by punctually meeting their demands. This can only be possible if the time for the return of deposits is made more or less to coincide with the inflow of dues from the borrowing societies. Now the bulk of the loans due to the Bank is realised in March each year. While the present system of accepting deposits for 12 months from any date the depositors may choose to deposit their money on, has not done any harm so far, it is of the utmost importance that great care should be exercised in fixing the date of termination of deposits in future.

Supervising Unions:—Four more Supervising Unions were registered at the close of the year which brings the total to 6 Unions. The total number of societies affiliated to these Unions was 45 with a membership of 2,331 and working capital of Rs. 1,26,714. The two Unions registered last year did nothing as the work was novel to the members and required minute instruction and close supervision by an Inspector. It is however hoped that it will be possible for them to show appreciable progress during the year 1924—25.

The following extracts on Teachers' Co-operative Store and Cattle Insurance Societies, especially the latter which have recently been started in this Presidency, would be read with great interest.

Class II. Teachers' Co-operative Store:—The membership stood at 119. The Share Capital (Rs. 807) increased by Rs. 57. The value of books and other articles purchased was Rs. 3,983, an increase of Rs. 566 over last year's figure. The value of stock sold (Rs. 4,590) was

better by Rs. 209. The net profit realised was Rs. 301 against Rs. 200 of the previous year. The reserve fund rose from Rs. 412 to Rs. 613. Although the results of the working of this store are better than in the previous year, it cannot be said that the improvement is appreciable. The headquarters of the store have now been changed to Virajpet and it was decided to watch the working of this store for a year more.

Class V. Cattle Insurance Societies.—The registration of four societies was cancelled during the year as they did not work. They are under liquidation. The number of cattle insured again fell from 237 to 129. The value of stock insured fell from Rs. 2,905 to Rs. 2,760. Twenty-three policies of the value of Rs. 256 were redeemed. No policies which were ripe remained unredeemed. All the societies worked with a profit. Including the value of stock pertaining to the societies whose registration was cancelled, the total capital was Rs. 3,309 against Rs. 3,401 of the previous year. The capital exceeded the total of the risks insured by Rs. 549. The reserve fund amounted to Rs. 1,999 against Rs. 2,058 of the last year. The whole capital has been invested in Co-operative Credit Societies at 8 per cent interest per annum with the exception of Rs. 228 relating to the Murnad Cattle Insurance Society. There is no improvement whatever in the working of these societies and the scheme wholly lacks public support.

Steps have been taken to popularise the scheme of lantana eradication on a Co-operative basis.

S. K. Y.

III. REPORT ON CO-OPERATIVE SOCIETIES IN MYSORE FOR THE YEAR 1923-24.

The report, as usual, is a record of solid work done and affords very interesting reading.

The chief work done by the Department was consolidation of the movement as recommended by the Mysore Co-operative Committee.

"Special endeavours were made to revive the working of dormant societies and to weed out such of them as showed no signs of improvement. Correct ideas of co-operation were spread among the people by means of lectures at General and Committee Meetings. A leaflet in Kannada on the Ten Points of Co-operation was also prepared and distributed to all the rural societies. It was read and explained to the members at the time of the inspections, and many societies were induced to keep it framed, and hung up in a prominent place, so that it might attract the attention of the members and remind them of their duties and responsibilities."

Consequently there was a small decrease in the number of societies, the number at the end of last year, the number of societies registered and cancelled

during the year and the number at the end of the year being 1541,59,113 and 1487 respectively. But the total amount of deposits drawn, total transactions and profits, Reserve Fund and the amount of loans sanctioned all showed an increase from the corresponding amounts of last year.

"The increased activity is not merely on the credit side, but also in non-credit forms of co-operation. Attempts were made to mitigate the difficulties felt in the interior Malnad parts in getting the necessary articles and clothing for the members as cheaply as possible by means of stores societies. Sixteen stores societies have so far been started, and they sold articles valued at Rs. 73,000 and earned a net profit of Rs. 4,900 during the year.

The scheme of helping the areca-growers in the Malnad in disposing of their produce to their best advantage without the intervention of the middleman and releasing them from the clutches of sowcars was successfully tried during the year. At the beginning of the year, there were three societies for undertaking this work in the Sagar Taluk and one of them was chiefly engaged in collecting the necessary capital. The other two older societies at Heggodu and Hakre achieved substantial results during the year. Their transactions amounted to nearly Rs. 95,000. The members were not only enabled to get very fair prices in the market for their areca produce, but were also able to realise a sum of nearly Rs. 10,000 over and above the amount they used to get before they organized themselves into societies."

In accordance with the recommendation of the Committee there would be only one Apex Bank for the State and hence the Bangalore Central Co-operative Bank Ltd. has converted itself into an Urban Bank allowing the Mysore Provincial Co-operative Bank to develop itself into the Apex Bank.

We are sorry to see that the District Bank cannot show such a good kind of work as any of our District Banks can.

"They were chiefly started in order to attract sufficient local capital for financing the societies in a district and also to be of great assistance in the development of the movement by exercising supervision and control over them. But, owing to some reason or other, they have not been able to tap the local capital to any appreciable extent and make it available for the societies, nor have they been able to do much work with the help of the capital borrowed from the Central Institutions. The relationship that should exist between a District Bank and the Provincial Bank has to be strengthened before the Banks could be expected to do any good work. With the formation of an Apex Bank the working of the District Banks also, it is hoped, would improve."

The stores societies are as bad as they are anywhere else in India; "but the upward tendency in the prices of all articles of domestic consumption

has opened eyes of the people in Cities and Headquarter Towns to the usefulness of Stores Societies, and indications are not wanting to show that the only remedy for people with limited incomes during these days of high prices lies in their joining Stores Societies as members".

The experiment of having separate societies for the joint purchase of agricultural requirements and for the joint sale of agricultural produce has been tried though not with entire success.

"Naturally, there would not be sufficient work for the societies throughout the year and some difficulty was also experienced in collecting the necessary working capital for even their modest requirements. For these reasons, the members did not show continued interest in the affair of the societies, and consequently many of these societies remained dormant. As, in spite of best efforts, they failed to show progress, they had to be cancelled.

"Under the existing plan, such societies will be formed, as far as possible, as adjuncts to credit institutions, or independently where good landholders or agriculturists come forward to undertake the work of these societies."

The Weavers' societies too continued to do fairly good work.

At present, the weavers' Societies are chiefly doing credit business by supplying the members with small cash loans. The question of starting a Central Depot at Bangalore for the wholesale supply of yarn and other raw materials to members through these societies and for the sale of articles manufactured by the weavers is engaging the attention of the Department. The chief difficulty consists in attracting the necessary funds required for a large concern of this kind."

The following extracts from the Registrar's report about the working of three good societies in the Bangalore District would be read with interest.

The Bangalore Engineering College Co-operative Society, Ltd.—This society was formed solely for the benefit of the students of the College of Engineering at Bangalore. It had 99 members at the close of the year; its share capital amounted to Rs. 954 and the total working capital to Rs. 15,000. It purchased books and stationery articles to the extent of Rs. 1,198, and sold them to the extent of Rs. 1,626 during the year. Recently, this institution has been granted a cash credit of Rs. 1,100 by the Bangalore Central Co-operative Bank for developing its business. The society is yet in its infant stage and is full of promise for the future."

The question of having similar societies for the students of the Central College and High School in the Bangalore City is engaging the active attention of the Department.

"*The Bangalore City Co-operative Society, Ltd.*, which had a membership of 952 did excellent work during the year under report. Though it was started as

a credit concern, it showed a greater activity in its Stores Branch and is second to none of the Stores Co-operative Societies in the State. It purchased articles to the extent of Rs. 1,32,778 and sold to the extent of Rs. 1,32,963 during the year. It has attracted a share capital of Rs. 73,939, a provident fund of Rs. 59,065 and deposit of Rs. 1,13,456. Its total transactions amounted to Rs. 18,91,954 resulting in a net profit of Rs. 11,736. Its reserve fund amounted to Rs. 43,060. This is one of the best Credit Societies in the Bangalore City."

"*The Malleswaram Co-operative Society, Ltd.*, which is doing stores business only is the best Co-operative Stores in the State. It had a membership of 572, a share capital of Rs. 26,377, attracted deposits to the extent of Rs. 39,647 and accumulated a reserve fund of Rs. 8,306 at the close of the year. It purchased articles of domestic consumption to the extent of Rs. 1,28,890, and sold to the extent of Rs. 1,26,828. It transacted business to the extent of Rs. 9,16,352, resulting in a net profit of Rs. 1,562."

"The ten Shields graciously instituted by His Highness the Yuvaraja of Mysore with a view to create a healthy spirit of emulation, one to the best Industrial Co-operative Society, one to the best Agricultural Co-operative Society and eight to the eight best Credit Societies in the State, one for each District, were presented to various societies that earned them.

"For carrying on propagandistic work among the masses, by means of pamphlets, journals, delivery of lectures etc., a Co-operative Institute has been started recently on the lines of similar Institutions in Madras and Bombay."

We are glad to note there was hearty co-operation between this department and the allied Departments of Agriculture and Industries. We hope the Registrar will enlist the services of the staff of the Department of Education also for propaganda.

The Registrar deserves to be congratulated on one more year of his successful administration of the nation-developing department.

S. K. Y.

TANJORE DISTRICT CO-OPERATIVE CONFERENCE TIRUVALUR.

Dated 21st November 1925.

RESOLUTIONS.

This Conference deeply regrets the untimely death of the Hon'ble Diwan Bahadur L. D. Swamikannu Pillai, a veteran Co-operator and sends its condolences to the family of the deceased.

2. This Conference requests all co-operative societies in the district to take one share to enable the Shiyali Agricultural and Industrial Society to find the necessary working capital needed for its operations.

3. That the question of the formation of Federations of Unions in the District be referred to the members of the managing bodies of the two Financing

Banks who will be requested to consider the question in all its details and to submit a report to the Registrar before the end of December.

Kumbakonam Secretary to be convener.

4. That the Central Banks be requested to reduce the rate of interest on loans to societies from 8 to 7½ per cent so that the societies may lend at 9½ per cent.

5. That the Conference requests the Government, Local Board and Municipalities and Railways to make use of the labour unions in the execution of their works.

6. That loan and sale societies be organised at each union centre and that Government be requested to give subsidies towards the construction of Godowns.

7. Resolved that the Government be requested to prohibit the export of bones and phosphoric nodules and other manures from India and to levy an export duty thereon if necessary.

8. That the Conference urges on all Co-operative Societies the desirability of helping ryots with timely loans for payment of Government kist on the security of produce, etc.

9. That this Conference trusts that the Revenue Officers will help the Co-operative Societies in realising the existing overdues due from members.

10. The Co-operators present have heard with deep regret of the death of the Queen Mother Queen Alexandra and wish to record their sense of the great loss the public have sustained.

THE II NELLORE CO-OPERATIVE UNION DIRECTORS' CONFERENCE NELLORE.

28th and 29th March 1925—Nellore Town Hall.

RURAL SOCIETIES.

The Conference commends to Primary societies, irrespective of the I.M.B.P. of their members, the grant of short term loans to the members repayable within a year on the pledge of harvested produce, finished products, subject to the necessary restrictions.

2. Resolved that where there is a general desire on the part of the members in a primary society to make repayments in kind and when the general body is of opinion that there is a proper panchayat and that proper safeguards can be provided for the custody of the property, it is desirable to encourage this method of repayments in kind as a step towards joint purchase and sale.

3. This Conference exhorts all primary societies to regularly prepare and submit at the close of every month to the Unions concerned, a statement of receipts and charges and a list of overdues from their members and those of societies to the central Bank once in three months in the first half and once in two months in the second half of the Co-operative year.

4. This Conference draws the attention of all rural societies to their legal obligation mentioned in model bylaw No. 59. regarding submission of annual statements as prescribed by the Registrar after the close of the Co-operative year and urges that timely and effective arrangements should be made to have the statements submitted by the 15th August.

5. This Conference strongly impresses upon the primary societies the necessity for and importance of liability registers and property statement registers and requests the societies to correctly maintain them with details of survey numbers.

6. This Conference is of opinion that time has been reached in the progress of Co-operative movement, when I.M.B.P. in societies may with reference to the local circumstances be more liberally fixed provided the interests of the poorer members are not prejudiced.

7. This Conference strongly urges on the agricultural department the necessity for the establishment of agricultural demonstration plots for experimental purposes in suitable centres preferably at the headquarters of each Union.

8. This Conference is of opinion that the rural societies should encourage spinning and weaving among its members by providing them with spinning wheels and at least one handloom where necessary.

UNIONS.

9. This Conference urges on each Union to collect indents from primary societies for agricultural manures and implements and consolidate them for wholesale purchase in favourable markets for distribution to societies.

10. This Conference requests the Registrar to authorise the Assistant Registrar to forward applications for execution direct to the Tahsildar so as to save much delay and unnecessary postage.

11. With a view to attract men of better qualifications to the grade of Union Supervisors, this Conference considers and accordingly recommends to the Registrar, that it is highly desirable that selections for the grade of Inspectors should be made as far as possible from among qualified men serving in the Supervisors grade.

12. In view of the necessity for a systematic treatment of overdues in primary societies, this conference resolves to urge upon the attention of the Unions that it is necessary that with the commencement of every co-operative year, a close examination of members' overdues should be undertaken by the panchayat (the union undertaking the same in the event of panchayat failing to do so); that the reasons for non-payment in regard to each individual defaulter should be ascertained; that extension should be granted where they are deservedly called for; that the probable month of payment is noted in remaining cases in which promise to pay in a specified time is made by the defaulter, such promise being to the satisfaction of the panchayat; that in cases in which in

the opinion of the panchayat the overdues cannot be recovered except through coercive processes, the necessary action in the matter of filing arbitration cases or civil suits be taken immediately and that all these proceedings should be completed by September.

This Conference further considers it necessary that every society should send to the union a statement showing the result of the above enquiry and that the union should review the progress made month by month.

This Conference also considers that it is necessary that unions should furnish a similar statement with figures for each society for the information of the Central Bank.

GENERAL.

13. This Conference urges on the unions the desirability of every rural society becoming a subscriber to "Andhra Sahakari".

14. This Conference is of opinion that the Government be pleased to select Honorary Assistant Registrars from among men connected with the union after consulting the union.

15. This Conference requests the Registrar to facilitate the early organisation of a land mortgage Bank at Nellore.

16. This Conference urges upon the attention of Co-operators in the district the desirability of starting of a grain Bank in the District.

29th March '25. }
NELLORE.

(Sd.) M. CHENGAYYA,

President.

PROCEEDINGS OF THE P.C.U. GOVERNING BODY MEETING HELD ON SUNDAY 29TH NOVEMBER, AT 8-30 A.M.

Present:—Sir K. V. Reddi Naidu Kt., M.L.C., B.A., B.L., (in the chair.)

M.R.Ry. Rao Sahab T. Srinivasa Rao Avl.

" A. Siva Rama Menon Avl., B.A., B.L.

" T. Adinarayana Chettyar Avl., Bar-at-Law.

" K. G. Sivaswamy Iyer Avl., B.A.

" S. K. Yeganarayana Aiyar Avl., M.A.

" G. Sri Ram Babu Naidu Garu B.A., B.L.

I. Read the correspondence regarding the use of Unstamped Cheques (Reference by Bombay Central Co-operative Institute—The Registrar's Reply—Central Banks Practice):—

Resolved that the Madras Government be addressed to restore the concession.

II. Read the file of papers regarding the Raising of the Maximum Borrowing Power of Central Banks from 8 to 12 times the Paid-up Share

Capital plus the Reserve Fund (Reference by the Gunttoor District Co-operative Bank—Opinion of the other Central Banks, mostly in favour of raising):—

Resolution:—The Governing Body is in favour of raising the maximum from 8 to 12 times the paid-up share capital plus Reserve Fund.

III A. Read the file of papers regarding the formation of the Tamil Language Federation as per Resolution No. 43 (clauses 1 to 3) of the Last Provincial Co-operative Conference (page 394 of January 25, English Bulletin).—Opinions of Central Banks, District Federations and Unions.

Resolution:—Adjourned; reminders will be sent to expedite replies not yet forthcoming.

B. Read Office Note regarding the formation of a Sub-Committee for drafting the Bye-laws of the Tamil Language Federation.

Resolution:—Adjourned.

C. Read Office Note regarding the early Registration of the Tamil Language Federation before the next Provincial Conference in Easter.

Resolution:—Adjourned.

IV. Read Office Note regarding the Draft Changes (as per Last Provincial Co-operative Conference Resolution No. 43 clauses 4 and 5, page 394 of the January 25 English Bulletin) in the Bye-laws of the P.C.U. consequent on the formation of the Language Federation. Inclusion of Language Federation and other alterations suitable to its Provincial Nature:—

Resolution:—Adjourned.

V-A. Read Office Note regarding the holding of the XIV Provincial Co-operative Conference in Easter i.e., from 1st to 6th April 26.

Resolved to hold the next Conference in the Easter (April 1926)

B. Read Office Note regarding the Place of holding the same in Tanjore or Trichy and requesting Mr. K.G. Sivaswamy Aiyar to arrange for it at Tanjore or Trichy with the co-operators of those Districts.

Resolution:—The next conference will be held at Madras. The invitation, if any, for the year 1927, from any mofussal centre will be considered by the Conference. For this year's Conference the following members will be requested to form into an Executive Committee to take preliminary steps.

M.R.Ry. Rao Bahadur A. Vedachala Aiyar Avl., and all Secretaries, with Mr. K.G. Sivaswamy Iyer as the convener.

C. Read Mr. A. Vedachala Aiyar's suggestion regarding the General Election consequent on the postponement of the Provincial Conference in Easter.

Resolution:—The General Election will take place as usual at the time of the Conference.

D. Read Office note regarding the Selection of the President for the XIV Madras Provincial Co-operative Conference.

Resolution :—The Advisory Body will be requested to consider the name of Mr. Panchanan Das Mukerjee for the Presidentship.

VI. Read the request of the Co-operative Union, Manchester for a donation for the Rochdale Pioneers' Memorial :—

Resolution :—A sum of three guineas will be sent.

VII. Read the letter dated 20-9-25 communicating the Resolution of the Triplicane Urban Co-operative Society to pay to the P.C.U. only what is due under Bye-law VI-(1) of the Bye-law of the P.C.U, instead of Rs. 100 as hitherto :—

Resolution :—The contribution will be assessed on the basis of Bye-law VI-(1)-(e).

VIII. Read the application and the temporary appointment of Mr. B. Narayana Rao as typist clerk from 9-10-25 for a period of 3 months, i.e. till the close of the training class.

Resolution :—This will be considered along with the other expenditures connected with the training class.

IX. Read Office Note regarding the closing of the Training Classes on or about the 15th of December and holding of written examination during X-mas week.

Resolution :—This has been left to the Educational Committee.

X. Read Office Note regarding the Budget of the Training classes as approved by the Educational Committee.

Resolution :—The Budget is passed.

XI. Read Office Note regarding the Printing of extra copies of the Tamil Bulletin as an experimental measure :—

Resolution :—The extra expenditure is sanctioned.

XII-A. Read Mr. M. S. Seshachala Iyer's order sanctioning Rs. 15 for Mr. Kesava Rao as remuneration for despatching July Tamil Bulletins.

Resolution :—Sanctioned.

B. Read the papers regarding remuneration for Mr. Kesavarao and P. S. Ellappan for the extra work done by them in despatching the August and September Bulletins.

Resolution :—Rs. 30, for Mr. Kesavarao and Rs. 18, for Ellappan are sanctioned.

XIII. Read the letter from the East Godavari District Co-operative Federation and Bandar L.C. Union requesting to depute Mr. T. Srinivasarao for carrying on Propaganda in the Godavari and Kistna Districts.

Resolution :—A sum of Rs. 50, will be placed at the disposal of Mr. Srinivasa Rao for the purpose of going to Kistna and similar sum of Rs. 50, to go to Godavari District.

XIV. Read the Resolution dated 29-8-25 of the Vellore District regarding T. A. to Governing Body Members.

Resolution :—Recorded.

XV. Read letter dated 10-8-25 from Mr. G. Srinivasa Raghavachariar regarding Government subsidy to Unions for Propaganda.

Resolution :—Adjourned—Mr. Srinivasa Rao will be requested to prepare a memorandum for the use of the Governing Body at its next meeting.

XVI. Read letter dated 5-11-25 from the Secretary Gopalasamudram Co-operative Society regarding the splitting up of the Shiyali Co-operative Union.

Resolution :—The letter will be referred to (1) The Central Bank, Kumbakonam. (2) The Deputy Registrar and (3) Shiyali Union for their views.

XVII. Read request of Unions to publish the extracts of their General Body Meetings in the Tamil Bulletin.

Resolution :—The editor will, as far as possible, publish such of the resolutions as are of General importance.

XVIII. Request of the Vellore District Council of Supervision to have their resolution published in the Bulletin regarding the circular issued for the abolition of Honorary Assistant Registrars.

Resolution :—Recorded.

XIX. Read letter dated b-2326 251 dated 24-9-25 regarding the supply to the P.C.U. of copies of circulars issued by Assistant Registrars.

Resolution :—The subject will be placed before the meeting of the Governing Body for March 26.

XX. Read the invitation for the XIV Bombay Provincial Co-operative Conference.

Resolution :—Messrs. Sivaswamy Aiyar and Sri Ram Babu Naidu have kindly consented to attend the Bombay Provincial Co-operative Conference at their own expenses. A sum of Rs. 60, each will be placed at the disposal of Messrs. Yegnanarayana Aiyar and Srinivasa Rao for the same purpose.

Proceedings of the Annual General Meeting of the Shareholders of the Madras Central Urban Bank, Ltd. held at the Bank Premises, Luz, Mylapore, on Sunday, the 25th October 1925, at 4 p. m.

Present :—11 Preference Shareholders in person and one by proxy and societies holding 2948 ordinary shares were present by their representatives.

The Secretary read the notice convening the meeting.

Subject.

1. To consider the Administration Report and Statement of Affairs for the year ending 30th June 1925, also Registrar's Audit Order dated 4th September 1925.

Resolution.

Report adopted and the recommendations of the Executive Committee approved. Considered and recorded the Audit Order of the Registrar of Co-operative Societies dated 4th September 1925.

2. To appoint an Auditor for the Annual and concurrent Audit of the accounts of the Bank (including Town Branch) and to fix his remuneration.
- Resolved that Mr. C. C. Reddy be appointed as the Auditor for a period of 12 months from 1st November 1925 on a remuneration of Rs. 900 (Nine hundred only).

3. Mr. V. C. Rangaswami who had given notice of an amendment, did not desire to move the same as also Rao Saheb M. S. Seshachala Iyer had given notice of a similar resolution.

4. Dr. B. Pattiabhi Sitaramayya moved and Rao Saheb N. Krishnamachariar seconded that in the 2nd paragraph of bye-law No. 29 after the words "so decide" the following be inserted "(1) a Common Good Fund not exceeding 7½ per cent. of the net profits." Mr. V. Ramadas moved as an amendment that the following be inserted after the expression "Common Good Fund," viz., "devoted to the charitable purposes mentioned in Sec. (2) of Act VI of 1890." The amendment was accepted by the mover and the amended proposition was carried.

S. SWAMINADHAN,
President.

V. C. RANGASWAMI,
Secretary.

LUZ, MYLAPORE, }
25th October 1925. }

THE MADRAS CENTRAL URBAN BANK, LTD.
(The Provincial Co-operative Bank for the Presidency).
NINETEENTH ANNUAL REPORT AND STATEMENT.

The Executive Committee have the pleasure to submit herewith Audited Statements of the affairs of the Bank for the year ending 30th June 1925.

The Net Profits amounted to	Rs.	2,07,714	12	7
Less amount added to Reserve Fund being 1/4th of the Net Profit	...	51,928	11	2
Balance	...	1,55,786	1	5
Add balance brought forward from last year.	...	9,619	13	1
Total available for disposal	...	1,65,405	14	6

The Executive Committee make the following recommendations for the disposal of this amount :—

1. To pay dividend on Preference Shares at 9%	RS.	3,562	2	0
2. To pay dividend on Ordinary Shares at 9%	"	47,095	0	1
3. To appropriate towards the Building Fund being 15% of the Net Profit.	...	31,157	4	0
4. To add to the Preference Share Redemption Fund 77 Shares at Rs. 60	...	4,620	0	0
5. To pay Bonus to the Establishment	...	2,219	0	0
6. To carry forward to cover the probable three months' working expenses	...	13,683	3	0
7. To add to Reserve Fund	...	63,071	4	10
Total	...	1,65,405	14	6

With the additions made and to be made as above, the Reserve Fund would amount to Rs. 5,00,000.

With the increase in the working capital, the Committee have increased the holdings in Government Securities. Since the close of the year, Government Paper for Rs. 9'50 lakhs have been purchased, so that the total Government Securities now held by the Bank amounts to Rs. 22,46,496-4-8.

The Registrar having registered the amendments to bye-laws passed at the Extraordinary General Meeting held on 23rd May 1925, the revised bye-laws have come into force from 5th August 1925.

There are now 227 Preference Shareholders holding one share each. The Registrar of Co-operative Societies has stated that *at present* he does not propose to direct their redemption; if however any preference Shareholder desires to have his share redeemed, the Registrar has no objection to have such share redeemed. The Executive Committee has provided for the redemption of 77 shares.

The Executive Committee desire to thank the Department for help rendered and advice given during the year and further convey to the Imperial Bank of India their thanks for the financial help rendered during the year as in previous years.

(By order of the Committee).

MADRAS, }
29th September, 1925. }

V. C. RANGASWAMI,
Secretary.

THE MADRAS CENTRAL
(Balance Sheet as

CAPITAL AND LIABILITIES.	RS.	A.	P.	RS.	A.	P.
Paid up Share Capital—						
Individuals (Preference) ...	23,000	0	0			
Central Banks and Societies (Ordinary) ...	5,71,700	0	0	5,94,700	0	0
Reserve Fund ...	3,85,000	0	0			
Building Fund ...	99,295	8	8			
Preference Shares Redemption Fund.	180	0	0	4,84,475	8	8
Deposits—						
Fixed, Current, Recurring, Savings and Provident Deposits...	2,02,879	0	1	1,00,80,866	15	1
Sundry Creditors and accrued Interest.	2,583	4	3			
Overdue Interest per contra ...				2,05,462	4	4
Profit and Loss—						
Balance from last year's account ...	9,619	13	1			
Profit for the year as per Profit and Loss Account ...	2,07,714	12	7	2,17,334	9	
Total ...				1,15,82,839	5	9

URBAN BANK, LIMITED, MADRAS.

on 30th June 1925.)

PROPERTY AND ASSETS.	RS.	A.	P.	RS.	A.	P.
Bank Premises ...	3,961	6	8	59,750	5	6
Furniture and Fixtures ...	917	6	8			
Less Depreciation ...				3,044	0	0
Loans (considered good) —						
To Central Banks ...	81,60,605	0	0			
To Depositors ...	1,64,097	0	0			
To Primary Societies ...	31,626	0	0			
Against Employees' Provident Fund...	209	0	0			
Overdrafts ...	3,12,397	10	8			
Fixed Deposit—				86,68,934	10	8
With the Bengal Provincial Co-operative Bank, Ltd. ...				5,00,000	0	0
Investments in Government Securities—						
3½% Promissory Notes of the face value of Rs. 2,33,500...	2,08,254	1	8			
5% War Bonds of the face value of 50,000...	47,500	0	0			
6% " " " 10,82,700...	11,04,046	14	0			
6½% Bombay Development Loan face value of " 15,000...	15,000	0	0			
Total ...	13,74,800	15	8			
Depreciation written off ...	77,085	15	0	12,97,715	0	8
Sundry Debtors and Accrued Interest.				1,54,972	11	2
Cash and other Balances—						
Cash on hand ...	92,322	4	2			
On Current Account with the Imperial Bank of India ...	8,06,100	5	7	8,98,422	9	8
Total ...				1,15,82,832	5	9

Profit and Loss Account for the year ending 30th June 1925.

DEBIT.	Rs.	A.	P.	CREDIT.	Rs.	A.	P.
To Interest on Deposits.	4,91,911	6	10	By Interest earned on			
„ Establishment ...	27,023	13	5	Loans and Advances ...	6,88,616	14	4
„ Directors' and Auditors' Fees ...	5,087	6	0	„ Interest on Government Securities.	53,328	10	9
„ Rent and Taxes ...	4,104	2	8	„ Commission, Fees and other receipts ...	2,425	3	7
„ Printing and Stationery ...	2,988	3	4				
„ Contribution to Employees' Provident Fund...	1,602	3	6				
„ Postages ...	898	4	9				
„ Advertisement, Electricity and miscellaneous ...	2,123	0	11				
„ Depreciation on furniture ...	917	6	8				
„ Net Profit ...	2,07,714	12	7				
Total ...	7,44,370	12	8	Total ...	7,44,370	12	8

T. RAGHAVENDRA RAU, A.I.A.A.,
Accountant.G. NARASIMHAM, F.A.A., F.R.S.A.,
Auditor.V. C. RANGASWAMI,
Secretary.

RURAL SURVEY

BY RY RAJANI KANTA DAS M.A. M.Sc., Ph., D.,
(Director of Rural Survey, Virva Bharati)

Rural decadence is the outstanding feature in modern India. It is clearly seen in almost every phase of village life such as :—

(1) Breakdown of the irrigation system, (2) Degeneration of domestic animals, (3) Diminutive size of farm, (4) Decrease in the yield of farm products, (5) Decline of the craft system, (6) Congestion of homesteads, (7) Absence of schools, (8) Increase of litigations, (9) Lack of Co-operation. While these are mostly the cases of positive loss to the village, there has not been much actual gain in the facilities of modern progress in cultivation, communication, marketing, education and culture as compared with those in other countries. Arts and crafts have therefore declined and have been followed by moral and intellectual degradation of the people. In fact, the village is no longer capable of offering opportunities to enterprising young men in the pursuit of their intellectual and economic

mic career. Intellectual exodus to towns has been the natural consequence, leaving in the village comparatively uneducated and unambitious people.

There are many causes, both social and political, which have more or less contributed to the decay of the industrial organisation of the country including the village, such as the estate system, child marriage, woman seclusion, increase of population and foreign rule. But the fundamental cause is economic. It is the inability or unwillingness, on the part of India to adopt modern productive processes, which has brought about economic disintegration. Indian cultivators and artisans with their antiquated tools and obsolete methods of production and exchange have to compete with the industrial workers of Europe, America and Japan, who are provided with productive processes of up-to-date discovery equipped with machinery and implements of latest invention and backed by industrial captains and national Governments. Indian ryots and craftsmen are losing-ground every-day even in their home market. While the craft system is practically doomed unless revived on a new basis, agricultural industry has also received a severe setback. For example, 44 per cent of the arable land of the country were left uncultivated in 1920-21 and only 6 per cent of the cultivated area were devoted to the production of more than one crop. Even the area sown with crops was very inefficiently cultivated. Taking the average of the world's crops as base, the index of India's productivity amounts to only 85, and in point of the efficiency. India stands 22nd among agricultural countries. When it is pointed out that most of the farm produce is exported as raw materials and not as manufactured goods and that more than half of the fisheries, forest and mineral resources remain untapped, unafforested or unmined it becomes easier to understand why India is the poorest country in the world.

The vital problem of India to-day is that of industrial re-organisation with a view to augmenting social capital and national dividend. The supreme need of India is the introduction of modern art and science into productive processes, of which agriculture forms the pivotal point in both national and village economy. It is upon a solid industrial organisation that a sound and progressive national life can be built.

Modern industrialism has already established itself in India especially in manufacturing industries. But its field is not limited to the textile industries.

Modern industrialism is not an unmixed blessing. Its indiscriminate adoption may cause more harm than good. The old village was not only an industrial unit, but also a social and political whole. It had its own individuality which had withstood the ravages of ages under the rise and fall of dynasties and empires. Real solution of India's problem must come from within and not from without. What is needed is to help India to evolve an industrial system which will form the substructure of her culture and civilisation and at the same time ensure political development and social progress.

The re-organisation of the village with this object in view will necessarily raise such pertinent questions as follows:—(1) What are the essential features of the village? (2) Why and how has the dis-organisation been brought about?

(3) What are the institutions through which modern science, art and philosophy can be infused into its social, industrial and political aims and objects? (4) How can the people be awakened to strive for fuller and richer self-realisation?

These and similar questions cannot be adequately answered without a comprehensive survey of village life. Like the diagnosis of a disease, rural survey must precede rural reconstruction. A survey of this kind will naturally take into consideration such features of the village organism as land, people, industrial systems, political organisations and social institutions.

Such a comprehensive survey is bound to be very broad and will encroach upon the domain of several of theoretical and applied sciences, both natural and social. But when studied from the large aspects of sociology with economics as the background, all the diverse elements and parts will be correlated into an organic whole, which is called collective life or society.

(From *The Welfare*, January 1925.)

CO-OPERATION IN RURAL RECONSTRUCTION.

(By S.C. SARKAR, M.A., M.R.A.S., B. & O.C.S. RETIRED).

Even if one casually surveys the economic condition of a present-day village in Eastern India, one will not fail to be struck with its random and topsy-turvy character, the result of many factors inhering in a decadent age. The need of a reconstruction on economic lines will, at the same time, make itself felt. The need has been there for many a long day: but is reconstruction possible? To a great extent, yes; yes, only if all the constituents of a village cohere and co-operate. In factions, there is no hope of well-being; in rivalries there is no good: competition and ambition to dominate, are vain. Mutual service, helpful co-operation is the force, the moral attraction, that may reconstruct, and bring forth that desirable harmony, that hoped-for progress, that wished-for peace and good-will, which many an earnest spirit is now dreaming of.

Ordinarily and generally speaking a village community is composed of the land-owning classes; the peasantry and the landless labourers; the rural artisans and handicraftsmen; the petty traders and the grain or money lenders. In a co-operative reconstruction, the best interests of all these classes of the population will have to be served: combining self-service with the service of one's neighbours, to the advantage of both.

Village landlords, in these days, are, more often than not, prone to keep aloof from a common life in the village. They draw their income from their tenantry in the shape of rents, and derive their food and labour resources from the land in their direct occupancy; but that income is largely and frequently spent, in very many cases, away from the village. With the spread of ideas for a higher style of living the tendency in them, is to migrate to towns, and in the bigger of the lot to cities; leaving the rural folk to shift for themselves. The

ostensible reason given is of course the general unhealthiness of the villages; but have not villages become, and are fast becoming unhealthy, owing to the exodus of the well-to-do *en bloc* from these localities, which has left the poorer classes to their fate? Drainage channels have been neglected; embankments have been thrown out of repairs; drinking water-tanks and irrigation reservoirs have deteriorated; roads have been untended; markets have declined; regular large scale rural festivities are things of the past; petty disputes amongst rural folk are no longer locally settled, with the amicable and fatherly intervention of the village land lords. In fact, in all ways economic, the withdrawal from their own sphere of the landed classes drawing sustenance from the land, has been surely resulting in gradual disintegration and impoverishment in every direction.

The income of the village from land being not spent or circulated, in and about the rural neighbourhood itself, peasantry unaided, cannot have their holdings improved. They are generally thriftless, and the landlord who has capital, is not on the spot, to help them in need. The village grain and money lender has stepped in, in the absence of the landed proprietor, and to him the cultivators are becoming indebted, more heavily, and holdings are changing hands in consequence.

The day labourer's lot is similarly growing harder, as the chief employer of labour in the village, the landlord, is an absentee. Cottage industries, as well are suffering—and languishing, for want of local patronage, for, the natural patron is far away, patronising arts and crafts that towns and cities boast of, and the poor country-side cannot produce.

Things are left in the village to be managed by landlord's agents, who can have no local and earnest interest in their work,—and who naturally turn to the aim of personal gain,—to the detriment of the interest of the helpless cultivators, as also to those of their masters in the long run. These absorb a large part of the substance, helping the rapid decline of rural prosperity.

There is not a doubt in the fact, that, "absentee landlordism" is an economic evil of the first degree. Even a tyrannical owner of land, dwelling on his own estates and spending money within his own demesne, haphazardly, will economically prove to be far better on the average than a kind-hearted proprietor who avoids the village altogether and lives in luxury elsewhere with the money collected from his villagers.

What is wanted for the improvement of a village is the creation and circulation of wealth within its bounds. This cannot be achieved if the chief capitalists (that is, the land-owners) refrain from doing it. It is widely said and claimed, that the landholders are the natural leaders of the people" in these parts. True, but "the leaders by nature would not, and cannot, possibly retain leadership, if they cease to function fully in their own spheres. Land, Labour and Capital in a rural estate, must combine and co-operate before one can expect the estate to prosper towards orderly progress from the economic view-point. In co-operation, (under the Co-operative Societies Act) lies in our view the

economic salvation of rural population. Therein the rich and the poor, the learned and the ignorant, the classes and the masses in each village unit, may well join hand for one another's well-being.

At the start, co-operative societies in the villages may, for better working, be composed of husbandmen alone, or artisans by themselves, or traders apart. But, supposing there are different co-operative groups in a given local area of a more compact nature, they may after some experience on their part, co-ordinate themselves into a "Guarantee Union", for mutual aid and check; or get themselves affiliated to a Peoples' Bank or "Union", organised in the village or on a central spot in the midst of a number of villages. There is not only no bar or objection to all the villagers joining a given rural society,—agricultural or otherwise—but, the idea of co-operation in a village, really means and requires that, none of its residents should be ultimately left out of the organisation of self and mutual help, and of credit.

In this organisation, the landlord can stand forth as a "guarantor"; the peasant can put in his small savings for deposit, while obtaining credit for his agricultural requirements; the landless labourer, whose only capital is the labour of his hands and simple honesty can give his labour for the public works of the area, and draw funds on credit to keep himself going; the artisan can get his wares sold through the society, and command timely financing on advantageous terms; the trader or dealer can work as the society's local agent for distributing the produce of the fields, or the products of industries in the area; and even, the grain lender or the money-lender can join, by financing the society at a perfectly secure and regular rate of profit for his surplus funds, instead of hazard-ing out petty advances to individual borrowers at a great risk.

A rural co-operative society ought, ultimately, to aim, then, at nothing less than all-round improvement and general well-being of the village and the village community. The lands of a village must be intensely cultivated, and made to yield their best. The produce of lands must be stored, in the first instance, to a quantity sufficient to meet the food requirements of population for a year, with a margin for exigent circumstances. For this storage, the village would require a co-operative granary or "gola" to which each and all may contribute, and from which each and all may borrow, according to occasion and need. The surplus over consumption and storage, should be distributed at a profit, through a "co-operative sale society". The provision for common pastures for the village cattle, and for their health and the improvement of their breed, should be the look-out of another group in the community in question. The care of the village roads, and roads leading to the nearest and best markets and distributing be the earnest concern of another body of men in the village, to whom may be entrusted also the task of looking to irrigation wells and tanks and embankment and drainage. Next would come sanitation, and medical aid in disease, which a rural society may take charge of for its own circle. Already in Bengal, co-operative societies with cognate object, to wit, for combating malaria, have

been started, and are being successfully worked in many villages. Primary and vocational education in the villages may, similarly, be the aim and object of another such society. In these days, universal and free education, for the masses and the classes alike, is the thing needful above all the rest; and the problem can be solved by devoluting the system, and giving power to village co-operative societies. Attention has been drawn already to this practical side of the question in many district board areas, where, the boards have been advised to make "block grants" to Central Co-operative Banks, for primary education in the villages; to be applied by local committees under rural co-operative societies. At present this is done under grants-in-aid idea. This idea may, by and by, be replaced in rural areas by rural societies themselves raising the funds required on the co-operative principle of unlimited joint and several liability, for mutual credit and benefit. If boys and girls in the villages, are trained in vocational education (*pari passu* with literacy) the articles turned out by their labour can be made to bring an income sufficient to cover the expences of working the classes, and leave a margin for profit. The village school should have its own plots of land for agriculture and gardening, and its own sets of tools and implements, on and with which its pupils may be taught to work its own little workshop and equipments whereby they may turn out goods by industry, suited to the requirements of the village people.

Now, all these several items of business in the village for common as well as individual good, may be attended to by the villagers themselves with pleasure and profit, only if they would and could unite and co-operate. It is not natural, nor necessary, nor ultimately good, for others and strangers to come and take up this work of economic and social amelioration, which they only are interested in, and only they could do throughout, without abating. The items enumerated, (and other such, found locally necessary) may be included in the aims and objects of one big society registered under the Co-operative Societies Act, or several such societies with separate lines of work co-ordinated and affiliated to a common co-operative organising society, or union or bank. It is absolutely necessary, in order to see the fruits of the endeavour in a few decades, to open out work in all the lines simultaneously.

As I have stated at the outset, it is the village landlords who should come forward and take the lead in rural reconstruction. They can do it with ease and grace, and command the confidence of their tenantry, without having to win it by a labourious and patient process. The spirit of the age may be said to be democratic, but even a democracy wants suitable leaders that can show the way to the good of the people at large and work it out themselves. And, surely no nobler task for the landed aristocracy can be conceived than to become the willing and faithful instruments of the modern co-operative movement which is calculated to weld together the classes with the masses, and uplift the whole in a spirit of service.

If landlords will only think of it, this co-operative endeavour is bound to re-act for the good of their own class in several ways. With a prosperous

tenantry in the village estates, their income will certainly be stabilised, and probably improved with the improved outturn of land. For instance all central co-operative banks to which village co-operative societies look for finance, as a rule endeavour to make their constituents become regular in payment of rents to the landlord, and repayments of debts to the Mahajan. Not only that, it is the avowed policy of such banks that offer arbitration and conciliation, on behalf of the village members to those with whom they may happen to be in dispute; thus obviating harmful litigation to a large extent. When landlords and tenants will be working together for mutual good in the villages, friction and misunderstanding leading to litigation, are bound to disappear in time. And in a peaceful atmosphere of mutual good-will, necessary rural public works, improving the land, will be far easier of accomplishment, than now, when forces working for real good have become disorganised. Neighbouring landlords can, where needed, also form themselves into a separate co-operative society, for land improvement, and works of public utility, affecting more village estates than one. In actual and beneficial working the Co-operative Banks and the Co-operative credit societies working under the Co-operative Societies Act, indeed afford a better and a more permanent way for the solution of rural economical problems and the betterment of the peoples' condition in general, than the isolated methods hitherto in vogue resorted to by fits and starts by private landlords or tenants apart or even the occasional advances given out in times of scarcity to them under the Agricultural Loans Act and the Land Improvement Act.

(From *The Welfare*, January '25)

INDIA AND THE CHALLENGES OF DEMOCRACY.

The Great War has proved greater in its aftermath than in its stupendous gruesome actualities. It has been a great leveller both internationally and socially. Invidious distinction is fast disappearing as between the Powers—great and small—and the minor states that do not aspire to that rank. Even more rapidly and irrevocably are all distinctions, prestige and privileges being repudiated as between race and race, class and class and man and man. A great, towering, all sweeping wave of Democracy is fast annihilating the most cherished dreams and the most permanent achievements of the different past and recent civilisations of the world.

What is India going to do to meet this great onrushing tide? That the wave will invade, has invaded, even this sleepy outlying corner of the world there can be no shred of doubt. Already we can feel its under-ground rumblings and witness the havoc it has worked. Already has it brushed aside the most fundamental auxiliaries of our social structure. It is revolutionising our ideas and ideals of morality and politics. It has rendered permanently untenable the vantage grounds and the special preserves of our economic competitive and capitalistic systems. Our village organism, which had withstood centuries of internecine shocks and foreign invasions, has been demolished never to rise

again in its original rudimentary solidarity. Our whole national and individual life has inevitably to answer the powerful challenge of this universal upheaval.

Social, economic and political unrest is the order of the day all the world over. Humanity is dazed and perplexed at the magnitude of the destruction that follows the march of this devastating tide. Staggered and despairing it has grasped at straw after straw that seem merely to hasten the drowning. Panacea after panacea have been tried and found wanting. Bloody revolutions have followed bloodier anarchy merely to lead to unspeakable chaos. Socio-economic shibboleths, which its passionate votaries had fondly imagined to be the surest harbingers of peace on earth and the glory of Man, have one after another failed to stave off the awful disintegration of national and personal life. Everywhere the new Sun has refused to rise and the transitory Dawn has woe-fully disappointed in its promise of the glorious Day. Humanity has tinkered with its hoary and comfortable capitalistic organisation, it has bungled into aggressive and wasteful socialism and plunged headlong into promiscuous and heartless communism; all merely to flounder into unreasoning and wanton Bolshevik nihilism. And yet everything is NOT for the best in this best of all possible worlds. Collectivism has moderated its social excesses and industrial expropriations by introducing the insipid variations of Fabianism in its politics, Centralised or Sydiculist Trade Unionism in its industry and idealistic Guild Socialism in its economics; and still its Utopias have refused to materialise.

The reason pure and simple is that liberty is NOT license and sheer destruction and disruption can lead nowhere except to an aching void. The only system that can stand the challenge of the hydra headed Demos is one that recognises Freedom NOT as liberty to do what we please, but as free and equal opportunity to all to realise themselves, to work out their destinies and to enjoy and achieve all that they are entitled to without interfering with the rights of others. While citadel after citadel of our social and national fortress are being rased to the ground, it is no wisdom merely to join hands with subversive forces and pull down a few more walls of the existing edifice. The *felo de se* of merely fanning "Divine Discontent" against the established order of things will never, has nowhere, fortified the Divine Rights of exploitation, capitalism and competition. Lastly social, political or economic reconstruction can never be salutary or permanent if it merely obeys the dictation and safeguards the interests of any particular coterie, trust, caste, class or party. The yearnings of the awakening masses can only be satisfied and the discontent of the restless labourers and the ever present unemployed and the eternal poor can only be allayed by a constructive movement which guarantees economic equality of opportunity, which by its very nature ensures the dignity of man and in which the masses can be active, honoured and recognised partners in conjoint united effort at all round improvement, reform and progress.

Such an humanitarian movement and such a democratic reform, which concentrates its initial strivings on economic and industrial regeneration, has at last been discovered in Co-operation. Here we have all the necessary elements

which are essential to meet the grave situation that has arisen all over the world: a situation that is all the more serious in India where capitalism had long degenerated into the most shameless excesses of extortion and usury and where exploitation is writ large across the whole life, tradition and recent history. The masses have long—too long—been carrying a void in their stomach and an ache in their heart. If we mean to prevent them also from now carrying a volcano in their brain—as their *comrades* elsewhere are doing—we can only do so by inviting, inducing, welcoming and perpetuating their open-eyed, whole hearted and zealous participation in the Co-operative movement. With all its present limitations in India, which are only incidental and a historical curse of the black past, this is the only movement for economic, social and rural reconstruction which is the enemy of none, which has room for all and where invidious preference is denied equally to class, party and creed. Its central slogan "each for all and all for each" is the future Magna Charta of the universal recognition of the dignity of man as man. And yet it seeks to usher in the Kingdom of God and to ensure a place in the sun to the lowliest son of the common Father NOT by annihilating society and civilisation or by depriving or despoiling any party or individual, but by gradually and surely earning its own economic salvation and social well-being.

That Co-operation has proved the most stable, radical and satisfying remedy for our social ailments and the evils of our economic and organic structure would be amply proved by the most cursory study of the short history of the movement wherever it has been seriously tried. That it tends to the most equitable distribution of prosperity among the agriculturists and a general levelling up of the standard of life and a levelling down of iniquitous advantages has been amply demonstrated in Denmark, Ireland, Argentina and elsewhere. That it is the steadiest and most harmonious transition from capitalism and competition to economic co-ordination and industrial peace and plenty has been proved by the cheerful co-partnership of labour, capital and enterprise which prevails in the huge Co-operative industrial concerns of Italy, France and Russia. That it can withstand even the terrific exploitation of profiteering trusts and powerful mercantile combines has been demonstrated in England and Germany and in America—the Heavens of machinery, of science and of the all-powerful Dollar. That it has already achieved great triumphs in India itself is patent to those who have followed its course so far in Bombay, Madras, the Punjab and Burma. That our own record in Bihar and Orissa has not been insignificant has been adequately proved by the recent pronouncements of the Minister in the Annual Co-operative Congress and the appreciative remarks of one of the greatest of Indian co-operators, Mr. Devadhar of the Servants of India Society.

But are we in India sure that we are giving the fullest and fairest chance to the Co-operative movement to work out our economic and social regeneration? Is there perfect harmony and understanding between the few sections that have taken up this great and unfailing prescription of rural and industrial reconstruction? Has the movement really taken root or is it merely a set of reforms

artificially imposed from the top and from outside? While claiming to work for the people: are we really also trying to work *with* them? Have we jealously guarded ourselves against the natural failing of enthusiasts to consider and treat the *machinery* of reform as more important than the *purpose* which it has to subserve? Have we always treated our work as a bare duty which we owe to the masses rather than as another "boon" conferred upon them by their more fortunate professional and literate brethren? Instead of pluming ourselves on what little we have achieved, have we given serious thought to the huge burden of debt we owe to our poor agriculturists and artisans for the generations of cumulative exploitations which our forefathers had, illegitimately or legitimately practised?

All co-operators of this country who have a firm faith and a living hope in the Co-operative movement must have had the above searchings of heart at some time or another. They must have regretted that in some quarters there is already visible a gradual slackening of effort; a tendency to rest on our laurels. Undoubtedly even our ultra credit Co-operative movement has achieved much when we consider the benign relief it has brought to the debt ridden agriculturists and the tied down artisans. More sunshine has come into their hard driven and starving families; their future is less uncertain to anticipate. There is some appreciable solidarity and mutual self-sacrifice among the Co-operative members. Increasing deposits give sure, if fitful, indications of growing thrift. Wanton and cruelly ruinous litigation, which seemed to be the only off-season employment of generation after generation, is almost disappearing as between member and member and is increasingly rare as between member and non-member. Public confidence in the movement is evidenced by our swelling outsider's investments. Our recent exploits in criminal tribe re-formation and agricultural, industrial and educational co-operation have focussed public attention on our movement as never before.

That is all to the good. But what are we to do now to prevent that inevitable stagnation and retrogressive drift which have elsewhere followed in the wake of the limited achievements of credit obsession. If we want our movement to *grow* and not merely *extend*: If we wish our movement to benefit not only the few who borrow, but also the many who are sensible enough not to and are yet helpless in their isolation to adopt the cumbrous and expensive machinery of modern large scale production: If we desire our members to remain loyal and to continue taking a living interest after their immediate financial crises are over: In short, if we wish co-operation to pervade, enrich and ennoble all departments of our national, economic and social life; the only royal road to success is to make all our activities downright, direct and effective. We co-operators yield to none in our sincere desire to serve the mother country and in our earnestness to serve and uplift the masses. What we often lack in, however, is proper organisation, a clear definite idea of the methods to follow, and the actual problems to tackle. This is what accounts for occasional looseness of talk and uncertainty of the immediate

purposes and processes as can be noticed in the deliberations of some of our co-operative bank directorates, congresses and conferences and other meetings. The work is so various, the prospect so vast and the goal so dazzling, that we may often feel lost in the wilderness of our rising aspirations.

(A Message to Co-operators of Behar and Orissa)

CORRESPONDENCE.

ON ORGANISATION OF FARMING SOCIETY.

Villupuram, 2nd December 1924.

To

THE ASSISTANT REGISTRAR OF CO-OPERATIVE SOCIETIES,
SOUTH ARCOT DISTRICT,
CUDDALORE, N.T.

SIR,

We have great pleasure in submitting herewith an organisation report for Valavanur Co-operative Farming Society Limited, and requesting you kindly to register it at an early date.

2. The Society is organised for a specific purpose, to carry on farming jointly. The applicants are experienced farmers, some of whom possess fairly large holdings. In this case they intend to cultivate a piece of land about 25 cawnies in extent which they lease out from a neighbour. Sugarcane has been found by them to be a profitable crop after some half a dozen years' experience. Sugarcane cultivated on scientific principles with the newest (Fig. B) variety planted with the necessary precautions as regards trenching, watering, manuring and protection from animals.

3. There is good water supply, and a ten-horse power engine, the property of the landowner, has been promised to be placed at their disposal. It is expected that it will supply the farm with all the water that they require. Should it fail or should any further supply become necessary, a second engine, in another part of the estate conveniently enough for water to be supplied from that source, is also promised to be put at their disposal.

4. The land itself is very good and for some years has been put under intensive cultivation, the crops raised being some Sugarcane, plenty of groundnut and cereals, and rarely Cambodia cotton, cultivated in rotation. The people are not cakes, fish guano and Chili nitrates. Even now there are more than 10 acres of land under canes and next year it is expected that not less than 50 acres will come under sugarcane.

5. The history of sugarcane growing in South Arcot dates back to the beginning of the last century. Kallakurichi seems to have led both as regards

the area under cultivation and the regularity with which it was cultivated. Parts of the adjoining taluk of Tirukkoyilur came next. The rest of the District was a bad third. The location of the distilleries and the sugar factory at Nellikuppam seems to have given an impetus to its cultivation in that area. Messrs. Parry & Co., the agents, gave advances to the ryots living round about the little town and themselves undertook the cultivation of the crop. It has become popular in the locality and the profits reaped are estimated very high.

6. But the kinds grown, Nanal and Rastali, gave poor results. As early as 1839, attempt seems to have been made to introduce varieties from Mauritius, without success. But, when, in the beginning of this century, the Government introduced into their Palur Farm the different kinds that had been experimented on in Samalkota, the results were different. Very soon the red Mauritius variety absolutely displaced the customary ones. But red Mauritius had the disadvantage of growing to a great height and was exposed to strong winds which made them sag greatly. Barbados, Java and other varieties have been tried but the Figi B has been found, after acclimatization to grow short and stout and to be a heavy yielder of good price. It is now the ruling favourite and the profits realised are found to be highly tempting.

7. The soil of Valavanur and generally of the adjoining tract on the low shore land of this part of the district is particularly suited for the growth of this crop. There are good facilities for irrigation; while the sub-soil water available is so great that many villages, until recently, depended almost absolutely on spring heads and spring channels for all cultivation purposes. Wells are perennial in these sandy lands and one has to call to mind the sub-soil river which Dr. Slater mentions in his "Some South Indian Villages" as rising in the Western Ghats and flowing in an easterly course into the Bay of Bengal.

8. The question may be asked, if the land is so good for sugarcane cultivation, why was it not cultivated more largely than it seems to have been. Considering the circumstances under which the cultivator had to undertake it—the provision of a big sum for cultivation expenses, the depressed condition of the market owing to the dumping into the country of cheap bounty-fed sugar, the advantage taken until recently by sugar manufacturers of the ignorance of the poor men and a number of other circumstances, the wonder is how residents of these villages, in view of the possibility of other crops being grown at (in these years) equal profit with less expenditure of energy, of money, went on cultivating that much of extent, when canes had to be taken to the Nellikuppam factory. In fact, Mr. Venkataranga Ayyar, the gentleman who has taken a prominent part in the organising of the Society, told us that, when in 1918, he had 2 acres under a very fair crop of sugarcane, he actually sustained a slight loss owing to the expensiveness of carting, the want of 'friend' in the locality, the necessity to wait before a 'pass' could be obtained while the precious juice was drying up, and the petty Rs. 24 a candy paid by the factory before the days of the sugar Committee. The same Mirasdar told the Assistant Director of Agriculture that, two years ago, he realised Rs. 600 on an acre of groundnut—a remarkable figure, as that Officer acknowledged.

9. Things have since greatly changed. Messrs. Parry & Co., advance good sum on the security of the standing crop. They themselves pay the cartage. Their Overseer advises that the canes should not be cut till a "pass" is within sight. The rates for a Candy of jaggery calculated to the portion of sucrose in the extracted juice or 34 plus a bonus proportionate to the increase in the price of manufactured sugar, on the first of May following, over a minimum. This stood at Rs. 7 to 8 for the past three years.

The introduction of new varieties has again raised the quality of the juice and the profits expected to be realised from an acre of sugarcane, so far as it can be judged by its present growers in Valavanur, came to the high figure of Rs. 600 a cawnie; (kindly see in appendix for details). An additional inducement for the cultivation of the crop is the possibility of Messrs. Parry & Co., reopening their factory in Valavanur this year or the next.

11. The cost of cultivation has been estimated at about Rs. 400 a cawnie. The preparation of the soil is expected to cost Rs. 15; setts Rs. 75; manure Rs. 150; and water supply another Rs. 150. The rent for land has been settled at Rs. 120 a cawnie. Of these, the lease amount of Rs. 30 a cawnie for the use of the engines are to be paid after the harvest. The balance, about Rs. 360, is proposed to be obtained by borrowing from the financing Bank at the rate of Rs. 250 or less a cawnie and securing at a fairly late stage, an advance of Rs. 100 a cawnie from Messrs Parry & Co., the latter being deemed necessary to facilitate the obtaining of passes in proper season by the creation of an interest in the crop for the company.

12. An advance of Rs. 360 (the correct figure is probably Rs. 25 less owing to the balance of share capital left in the hands of the Society after the purchase of 12 fully paid up shares) in Valavanur, under the circumstances described above, is, it may be remarked in passing, not high. The Agricultural Department has recommended (please vide their digest No. 24 for June 1924) Rs. 200 an acre for the lands under sugarcane in the neighbourhood of Kallakurichi, as a safe advance to be made by the Agricultural and Industrial Society there. The Parry Mills in Nellikuppan have a much higher crushing power (95 to 98 per cent) and consequently the quantity of juice extracted is greater. While, after all the trouble of crushing, boiling and other work in the making of jaggery, the Kallakurichi ryot can only hope for a possible Rs. 40 a candy. Messrs Parry at present pay for the trouble of taking the cane to them, a sum of Rs. 41 to 42 a candy. Deducting Rs. 10 to 12 from the amount realised in Kallakurichi for the cost of labour, charges for carting from inland tracts far removed from Railway conveniences (Valavanur is a Railway Station), the balance left is Rs. 28 to 30 and is less by Rs. 12 to 14 a candy or Rs. 400 a cawnie.

13. Again, the first claim on the Society's property is the lending Banks. The factory people come in only when, short of a tornado or a tidal wave, nothing can destroy the crop.

14. It is to obtain this Rs. 250 a cawnie without encroaching on the other funds of the farmer that this organisation is proposed to be formed. The

maximum borrowing power of the Society has been fixed at five times the share capital plus reserve fund and already before the organisation is complete, 24 shares have been subscribed for, the full value Rs. 50 a share having been already paid up. There is still a large demand for shares, but the temptation of letting the Society expand until the initial experiment has been found a success, has been withstood.

15. We request your kind attention to the bylaws. They were framed before we were favoured with those of the Mukandagiri Society; but we have compared both and find that except for the difference in the main object and the necessity that consequently arose in fixing share capital etc., the two practically agree. The proposed Society does not intend, as at present arranged, to cultivate lands by letting them on sub-lease. From the proposals in the Mukandagiri Society to allot one share for every five acres of dry land and to borrow only 4 times the paid up share capital, the modest estimate of the Mukandagiri farmer to cultivate one acre of such land comes, including his share capital, not expended in the purchase of District Bank shares, to Rs. 9. The proposed Valavanur Farm is also dry land and the cost is estimated at 50 times as much.

16. The term of membership is here 3 years as against 10 in the other Society; but we feel, with the success we anticipate, that there will be little difficulty in altering it later. We have found it also possible to include a clause to the effect that the produce from the farm may be finished or sold at the discretion of the Directorate.

17. As regards profits, it will be impossible to adopt the Mukandagiri by-law or even agree to allot 25 per cent as per the Rules and the Act. The profit on the cawnie is estimated at Rs. 600 a year. 25 per cent of this amount comes to Rs. 150 or Rs. 100 more than the share capital of the Society calculated for every cawnie it cultivates. It would be a heavy demand on the profits of the Society as it is indivisible and can on no account be divided among the members at any time. The Society is sure to expand very greatly (there is plenty of good land in Valavanur) and it appeared to us anomalous to benefit future members by making so great an encroachment on the profits of the pioneers. However much one may try to overlook it, a deduction in profits of nearly annas 8 (II in Appendix) on every Rupee borrowed in the name of the Society seemed to be more glaringly disproportionate than the rates charged by the worst usurer. Cahill, in his report on German Co-operation, spoke of 10 per cent going to the Reserve Fund in agricultural Societies. This seems to be the rate fixed in the Triplicane Urban Co-operative Society. In this case we think that 5 per cent of the profits will be sufficient and have therefore proposed a new by-law with reference to the method of arriving at net profits. We have considered that after deducting all expenses of cultivation, rent, interest, from the gross returns, 80 per cent of the balance should be divided among the members before profits are arrived at. This will leave a decent margin and 25 per cent on that margin will go to form reserve. (III in Appendix).

18. Before undertaking the organisation of the Society, we visited Valavanur twice, the second time in the company of the Assistant Director of Agriculture. We discussed all the details with the prominent applicants, an intelligent set of people, and satisfied ourselves that there was every chance of the Society proving a great success. We visited the site proposed to be taken on lease and inspected the irrigation facilities. We ascertained that Messrs. Parry & Coy. hoping for an expansion of sugarcane cultivation in the area, are bringing their factory here once again into working order.

19. We have tried as far as possible to make this Society a workable proposition. We think that it is only such organisations that can solve the question of scientific Agriculture. Where individuals lag behind, this Society can boldly, not recklessly, make experiments in the introduction of new crops, in the use of new manures, in the provision for use of the subsoil water and in other ways calculated to advance the interests of the teeming population of this land. Speaking of Central Europe, a German geographer said in 1887, "with soil susceptible of improvement, it has, thorough culture, good irrigation and the addition of valuable chemicals to develop its nutritive qualities, been so much improved, that in many places its original poverty can hardly be traced beneath the rich cultivation."

23. We hope that a similar achievement will be possible in this tract. Land here, we have already said is very fertile. Sunshine and subsoil water are plentiful. Careful culture can do wonders. We are of opinion that this Society whose work will be watched by the neighbourhood with attention will be the forerunner of several such enterprises making for the practice of yet another kind of Co-operation among our people.

We remain, Sir,
Ever your most obedient servants,
(Sd). V. Krishnama Chari,
(Sd). C. S. Rangaswami,
(Sd). A. Nagarajan,
Organisers.

APPENDIX.

It is expected that 70 cartloads of 400 canes each can be obtained from a cawnie. Sugarcane generally grows to a much greater height, but, for our purpose, the average growth of canes is taken to be 6 feet. A modest estimate of the juice extracted is 110 to 120 gallons a cartload.

2. Sugar in the juice forms 13 to 16 per cent and works out in practice to 265 or more lbs of jaggery to a cartload. This means 37 candies of jaggery to a cawnie (a candy 500 lbs),

3. Messrs Parry & Co., guarantee Rs. 34 a candy and a bonus which has ranged from Rs. 7 to 8 for the past three years. Taking the value to be only Rs. 40 a candy, the gross return for a cawnie works at Rs. 1,480. We have put our estimate at Rs. 1,200.

CORRESPONDENCE.

Expenses: -

For preparing the soil ...	Rs. 15 a cawnie
" Setts ...	" 75
" Irrigation...	" 150
" Manure ...	" 150
" Rent of land ...	" 220
Total expenditure ...	" 520

Estimated net profits Rs. 680 to 960.

II. For purposes of this report Rs. 600 is taken as net profits. If 5 per cent of this sum is taken as the reserve fund the total will come to $\frac{25 \times 600 \times 5}{100}$

Rs. 750.

If 25 per cent is so taken it will amount to Rs. 3,750. It means that for every 25 x 260 or Rs. 6250 borrowed from the bank, Rs. 3,750 will have to go to reserve fund or 3/5 of a rupee for every rupee. Messrs. Parry only get 6 per cent on their loans. Worked as interest it comes to 60 per cent.

III. This point is important. A great reserve fund has got its evils.

(Sd). C. S. RANGASWAMI

CO-OPERATIVE DEPARTMENT.

FROM

J. GRAY, ESQ., O.B.E., I.C.S.,
REGISTRAR OF CO-OPERATIVE SOCIETIES,
Chepauk, Madras.

TO

M.R.Ry. C.S. RANGASWAMI IYENGAR, A.L., B.A., L.T.,
Villupuram.

No. C. 989/25 D/ 12-6-25.

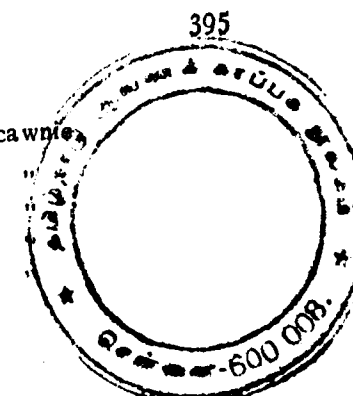
Sir,

I have perused the organisation report and the draft bylaws of the proposed Valavanur Co-operative Farming Society. I understand that not one of the applicants are actual cultivators but people who own lands and that they will not themselves do the cultivation work of the land to be leased by the proposed society. If that is so how can the Society be regarded as Co-operative. It will merely be a company of people employing the actual workers. It seems to me the majority of the members must be the actual workers and must share in the profits by means of a bonus proportionate to their labour if the society is to have any claim to be co-operative. I shall be glad to have your remarks on this point.

Yours faithfully,

(By order)

(Sd).....
Manager.



REPLY.

Reference :—Your letter No. C. 989/25 dated 12th June 25.

I beg to apologise to you for the lateness of this reply. Pressure of other work prevented me from writing to you earlier.

2. Land tenure in this country is different from that obtaining elsewhere. We have in Valavanur, as in other places, a number of small landholders owning anything between $\frac{1}{2}$ acre or less to 4 or 5 acres, who, though so poor that, in any other country they will be considered as land owning agricultural labourers, have owing to religious and other customs, not touched a plough nor milked a cow, cut a sheaf or otherwise contributed their labour in any other agricultural operation. They have contented themselves with the roll of small landlords and every bit of what may be called menial work has been done for them by others.

3. I am tempted of course to go into the Economics of this sort of arrangement and theorise somewhat on the changes likely to be brought about by the present day social and economic upheaval in our country; but that is foreign to my argument. But there it is and in seeing how Co-operation can help Agriculture we cannot forget this fact.

4. As for the actual worker himself, he is a particularly pitiable individual. He generally happens to be so ignorant and unable to profit himself by taking hold of opportunities when they offer themselves to him, that, unless one is able to devote all one's time to his uplift, one can hope for very little success in an attempt to help him. I look with bitterness to the half a dozen Co-operative Credit Societies for Labourers which I helped to start and work in these parts. When, owing to professional work, myself and my brother workers found it impossible to pay quite as much attention to the details as we were able to do in the beginning, the whole thing went to pieces; and I have on my conscience the guilt of having created as many embarrassing situations both for the members of the Societies and for the department. I have no faith in my ability to so enthuse to workers that they would immediately come forward, pay the initial share capital, and combine together to do the work in the hope of dividing the middleman's (landholders) profits.

5. But the former class of poor landholders, who are not at the same time workers, does certainly deserve our sympathetic help. They are intelligent and, once put in the way, will be able to manage the business cleverly and efficiently. And, in employing labour, they only follow the time honoured custom followed by their forbears for generations.

6. But we cannot say that they remain there only to divide the profits of the workers. The Indian landholder mentioned above gives plenty of attention to supervision, to the muster of labour, to the intelligent cultivation of crops by the purchase of manure, planting of the seedlings, watering in season and so on and so forth. Ordinarily, in his own little piece of land he does not care to cultivate such crops as I have mentioned in my organisation report. They are

too costly for him and he does not find the capital necessary to invest upon the undertaking.

7. In the course of explaining my case to a respectable Official Co-operator, I was met by the argument that money could be obtained for for all such purposes from Credit Societies under bylaw 40 or bylaw 53 of those Societies. I too have thought so but have found that, so far, very few people have cared to resort to these bylaws ordinarily for such purposes. I know that I will be met with the argument that a good part of loans of rural Societies for productive purposes are for Agriculture, but, if so, I cannot understand why a small bonemeal manufacturing business like the Tindivanam Industrial Society should not be able to find custom enough to maintain itself in the whole district of South Arcot, despite the fact that all kinds of manure have become familiar to and are appreciated by the Agriculturist in this district. My own observations based on a careful study of the question are that few Agriculturists care or dare individually to invest money upon such things.

8. A Society like the one that I have organised proposes to go in for scientific Agriculture, invest money in purchasing the best manure, the finest variety of seedlings or setts, get sufficient water supply for the purpose of irrigation by the employment of machinery and do things by combination in a way that will cheapen the cost of production and pay handsomely for the trouble. The mere fact that manual labour is not going to be contributed by the members of this Society, need not, it seems to me, stand in the way of a very desirable experiment in Co-operative Agriculture being inaugurated.

9. Once it is found that the scheme is workable, we hope to get individual farmer labourers to join the Society and get our help in the production of profitable crops on the condition that they will entrust the Society with the Supervision of their Agricultural operations and also entrust the product to us for joint sale.

10. I beg once again to request you to kindly register the Society at an early date and help us to begin operations sufficiently early in the new year. In case it is found necessary, I am prepared to go to you and further discuss this question with you.

I have the honour to be,

Sir,

Your most obedient servant,

(Sd.) C. S. RANGASWAMI.

Note.—Since writing the above, I am happy to state that the Deputy Registrar has promised to register the society in case the applicants agree to changes in the bylaws that will bring in only actual landholders and workers as members.

C. S. R.

THE GOVERNMENT AND HONORARY ASSISTANT REGISTRARS.

In the issue of the Bulletin for October 1925, page 223, "Sentinel" finds fault with the Government for having consulted unions, if they wanted Honorary Assistant Registrars or not and thereby of flouting the opinion expressed by the Provincial Co-operative Conference. "Sentinel" should know that an opinion expressed by the Provincial Co-operative Union can carry weight only if it is in conformity with the opinion of the co-operative public. The Provincial Conference if it wanted to carry conviction by its resolution ought to have consulted the several unions or the District Councils before it expressed an opinion which it wanted to pass as the opinion of the Co-operators of the Presidency. In passing the resolution advocating the discontinuance of the appointment of Honorary Assistant Registrars the Provincial Conference ought to have remembered that it contradicted the opinion expressed in the same platform in the previous year, when it itself advocated the appointment of one Honorary Assistant Registrar for each union. Again even before the Provincial Co-operative Conference met in December 1924, the Board of Management of the North Arcot District Council of Supervision had advocated the appointment of Honorary Assistant Registrars one for each of its union in its welcome address presented to the Honourable the Minister for Development. This request of the Board of Management of the District Council was again confirmed by a resolution of the North Arcot District Conference held under the presidency of the veteran Registrar issued the circular inviting the opinion of the unions on the need or otherwise of having an Honorary Assistant Registrar, many unions had expressed their opinions against the discontinuance of Honorary Assistant Registrars as had been resolved upon at the Provincial Conference. This fact will be evident from the wording of the circular itself. It will also be evident from the same circular that the Government could not take the resolution of the Provincial Conference as the considered opinion of the Co-operators of the Presidency. This is more than confirmed by the late event which "Sentinel" himself expresses that out of 308 unions consulted about 220 were for retaining Honorary Assistant Registrars. Is any further proof wanted that the Government in complying with the request of those unions carried out the wishes of the co-operators while the Provincial Co-operative Conference wanted to hood-wink both the Government and the co-operators by thrusting on them the impudent wishes of a discontented few. The very fact that in the course of one year the conference which advocated the appointment of an Honorary Assistant Registrar for each union so quickly changed its opinion as to advocate its discontinuance, will show that some discontented mischief makers wanted to keep in the dark the opinion of earnest co-operators. If "Sentinel" is sincerely ignorant of the causes that worked against the continuance of the appointment, I will suggest to him to compare the list of the names of the Honorary Assistant Registrars that were published in that year and in the year previous. Then he can spot out the persons to whom "Grapes tasted sour" and wanted others also to proclaim that grapes were

sour. "Sentinel" again wants the public to believe that the resolutions requesting the continuance of the Honorary Assistant Registrars are not spontaneous. If he really knows the misleading and mischievous circulars issued by wire pullers urging the passing of resolutions advocating the discontinuance of Honorary Assistant Registrars and ingenuous but dishonest methods advocated in one of them, namely, the misappropriations by unions of the Travelling allowance honestly earned by well meaning Honorary Assistant Registrars, he can easily conclude which resolutions were spontaneous and which concocted.

"TRUTH."

B. 3764/25.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES,

Madras, Dated 25th November 1925.

J. GRAY ESQ., O.B.E., I.C.S.,

Registrar.

Subject:—Share capital—collection in advance of admission to membership and allotment of shares or of registration of societies.

It is and has always been the practice in this Province to provide in the case of all societies except supervising unions for the payment of share capital by members. Bylaw 4 of the model bylaws for credit societies of the unlimited liability type may be referred to in this connection.

2. The value of the shares is collected either in one lump sum at the time of admission to membership or of allotment, the first instalment being paid at the time of admission or allotment, as the case may be. In the case of applicants for the registration of a society the general rule is that the share capital should be collected on or after the date on which the society is started. No society can be started until it has been registered. No share capital is or ought to be collected before the society concerned is actually registered or before the persons concerned have actually been admitted to membership or before the shares themselves have actually been allotted.

3. There are, however, a few exceptions to the general rule stated above. For example a newly started primary society has to apply for admission to membership in the central bank on which it will be dependent for finance. The promoters and original members of such a primary society may be, and generally are, ignorant of the procedure to be adopted in applying for membership in the central bank and for this and other reasons the officers of the local unions or the officers of the department who help primary societies at the time of starting advise them to remit to the central bank along with the application for membership the share capital required to be invested in the bank in accordance with its bylaws. In such cases collection of share capital in advance of admission to membership is permissible.

4. Sometimes in order to prevent over-capitalisation, central banks find it necessary to put a temporary check on the taking up of shares by primary societies but at the same time they cannot afford to refuse the remittances made by primary societies towards the payment of shares lest the money may not be forthcoming when it is required. In such cases central banks place the money remitted by primary societies towards share capital on what are called share deposits. Such payments in advance of allotment of shares are unobjectionable.

5. In some cases an individual who wishes to buy a share in the central bank may prefer to deposit the value of the share with the bank until some existing shareholder comes forward to sell his share or shares. This is of course unobjectionable.

6. As regards primary societies, advance payment of share capital is not necessary and ought not to be permitted in the case of persons who wish to join societies which have already been registered and are working. In the case of primary societies which have not actually been registered it is in certain cases permissible to collect share capital in advance of registration but such cases should be very rare. The following examples will indicate the class of cases in which such advance collection may legitimately be made.

(i) In the case of societies proposed to be registered for very poor men, it is sometimes found extremely difficult to assess their credit. In order to test their credit-worthiness and also to inculcate the habit of thrift amongst them the prospective members of such societies are in some cases supplied with "Undi-Kalams" or savings boxes and asked to put in their saving for a period of, say, 3 to 6 months. At the end of each month they should take these boxes to the nearest well-conducted society and deposit the amounts saved in their own names. When a separate society is actually started for them, these amounts will be withdrawn and transferred to the new society in their names as share capital.

(ii) Cases occasionally occur in which a few people put their signature to an application for the registration of a society simply to oblige one or more of the promoters but without any intention of committing themselves to join the society when it is actually started. In such cases it is usually difficult and sometimes impossible to start the society on its work after it has been registered. When therefore a case of this sort occurs and there is reasonable ground for doubting the genuineness of the desire of the applicants for a society it is legitimate to insist on the payment of share capital in advance.

(iii) In the case of applications for industrial or other societies where it may be doubtful whether adequate share capital will be forthcoming to enable the society to start work there is no objection to the collusion of share capital in advance of the registration of a society.

But in all such cases of collection of share capital in advance of registration it is essential that the promoters should appoint at a properly constituted meeting a provisional committee to collect the money and should authorize a

member or members of that committee to issue receipts and to invest the money collected from time to time in a central bank until it can be transferred to the proposed society as share capital of the members concerned, or otherwise properly disposed of.

7. In all cases in which it is proposed to collect share capital in advance of registration of societies the previous approval of the Deputy Registrar of the circle should be obtained. It is obviously useless to collect such share capital in advance if for any reason the Deputy Registrar finds that he is unable to agree to the registration of the proposed society. Deputy Registrars should not give their approval for such advance collections unless they are satisfied that it is absolutely necessary.

This circular supersedes Circular No. Dis. 3142/1925 dated the 10th October 1925 which has already been withdrawn.

J. GRAY.
Registrar.

25th Dec. 1925.

To All Deputy and Assistant Registrars
The Editor of the Bulletin of Co-operation
in continuation of Registrar's letter
No. B. 3764/1925 dated the 28th October 1925.

LIST OF SOCIETIES REGISTERED.

Name of Dt. or Circle.	November.	Remarks.
Agency Section.	1	...
Bellary Circle.	7	...
Guntur Dt.	12	(July to November, 25)
Madura Dt.	21	"
Coimbatore Circle.	19	...
Bezwada Circle.	13	...
Madras Dt.	3	...

NOTES AND NEWS.

Roads and their Significance.

"All the social progress resolves itself into the making of new roads" so said Ruskin and it is true in more ways than one. Taking it in the most literal sense we find it true and its deep significance would be appreciated nowhere so well as in our country. Man is by nature a lazy animal and missionaries of good causes are also human beings and they generally are not (at least all of them) burning with a zeal to win the crown of martyrdom. Hence we find plenty of co-operative enthusiasm and activity in towns that are easily accessible by convenient roads and if our gospel has not reached remote hamlets the absence of roads is one of the most important contributory causes. Rural Societies cannot better utilise their common good fund (which need not always be money, their collective enthusiasm to better their conditions is more valuable and more immediately useful) than in the construction of roads and thus make access to them easy so that the enthusiast need not sigh, "the spirit is strong, but the flesh is too weak for the ordeal of the Itteri."

* * *

District Boards Co-operation.

The possible development of democratic institutions like Municipalities, Taluq and District Boards have not been fully realised, much less utilised by the people. 'Rural Reconstruction' is the ideal of the patriot and that is the ideal also (or at least ought to be the ideal) of these Boards. Why not therefore Co-operators look to these institutions for legitimate financial help instead of always looking up to the Government for everything? If a training class is to be conducted in a district, and no district ought to lag behind in this respect, our experience goes to show that for conducting an efficient class for about a fortnight for the use of Panchayetdars and Office bearers of Rural Societies, at least about a thousand rupees would be needed and if the societies concerned contribute half and get the other half from their District Board, instead of waiting till the Government gives a grant, the progress of the movement would be far more rapid than it is now. The Board in sanctioning such an expenditure will be only fulfilling a legitimate obligation on their part to the people of the district. In other provinces like Bengal such a procedure is adopted and

therefore we would not be creating a dangerous precedent; on the other hand we would be merely following with great caution a practice which has gone beyond the experimental stage. We also know that in our own Presidency various Boards having a large number of schools under them give special grants to them for Scout Equipment. We hope this suggestion of ours would be taken up seriously by enthusiastic co-operators who happen to hold influential posts in the various local bodies and thus training classes would become a recognised part of the legitimate activities of the District Federations and of the Assistant Registrars.

* * *

Well done! M & S.N.I.

The veteran Co-operators of Madras who are never tired of enjoying cheap satisfaction at the success of the Triplicane Stores which at least in its methods of transport of goods is two decades behind the times have the pleasure now of seeing for themselves how a younger sister, the Madras and Southern Maharatta Railways, Stores has stolen a march over them. The Railway Stores purchased a car of its own which with the name of the owner written boldly upon its flanks is plying up and down the streets of the City on its own brisk business and indirectly doing a lot of advertising on behalf of Co-operation. It was only last year that we had the shock of our life when a very respectable retired officer, a prominent citizen of the city who was approached by us in connection with some co-operative business, turned round and asked, 'Pray, what is this Co-operation'. To such and many others this would be a sort of an eye-opener and let us hope that the ultra-conservative super-self-satisfied T. U. C. S. will bestir itself and justify its boast of being the premier store in India.

* * *

Our Sinews of War.

There is an old story about a fondly brought up youth. When asked, 'What will you do for your food when you grow to be a man?' immediately came the ready reply, 'Our granary will yield the paddy, the maidservant will husk it properly, mother would cook and I would eat!' Many of our readers are more or less in that blissful ignorance about the financial position of the Bulletin. The P. C. U. unlike the Central Institutions in other Provinces has no source of revenue except the affiliation fee of societies and the subscription of the Bulletin and it is not enough if the subscription merely enables the Bulletin to be self-maintaining. It must yield us a wide margin of profit so as to enable us to carry on our work of Educative Propaganda. As we have very often announced in the columns of this journal we are willing

to put into practice any constructive suggestions on the part of our readers regarding the improvement of the Bulletin. We expect our readers to do their little bit by getting more subscribers. All Urban Banks and Employees' Societies that have certain number of literate readers ought to go in for copies and all prominent Co-operators, official and non-official, also should do the same. We shall try our best to make it worth their while to subscribe for the journal and we expect their co-operation in the matter of getting larger support.

The P. C. U. as it is and as it ought to be. On a previous occasion we drew the attention of our readers to the fact that there exists needless distinction among the all too few co-operators, viz., individual co-operators and society representatives. The distinction had its origin in the early days of our district banks when the borrowing societies were not in a position to constitute themselves into a Banking Union and Capitalists had to be induced to invest their money, conduct the affairs of the Bank and create confidence in the minds of the investing public. This distinction however sticks on even in these days when many of the District Banks have converted themselves into Banking Unions and the term has now acquired a new significance. There are many prominent co-operators in each District who, in spite of their long and honourable work in the co-operative field do not succeed in getting themselves elected or re-elected to certain offices in the various co-operative Institutions of the district and have therefore to stand aloof from the main current of affairs. Their enthusiasm for the cause and their willingness for hard and strenuous work involving sacrifice of time and convenience are not a bit abated and yet owing to various causes which we need not enumerate, they find themselves out of the movement. The Department seems to recognise the utility of such people and have therefore framed the model by-laws of District Federations in such a manner as to utilise the services of these isolated individuals though the way in which these are included and the mere nominal power they have in influencing the action of the Federation etc., have met with strong criticism. The question is asked, should not the P. C. U., the Central Organisation, find a way of utilising their services by getting them linked to itself and make them its unpaid agents in every district for propaganda. The modified by-laws of the P. C. U. give them a place but the P. C. U. has not yet availed itself of it and marshalled all available men in its ranks

Patrons and Life Members.

This brings us to another question:—Should not the P. C. U. introduce a new class of members as patrons and life-members, giving them the privilege of serving their countrymen through the P. C. U. and getting from them liberal contribution as is being done in Bombay and Bengal.' We are sure that if a patron class be created and if His Excellency the Governor be induced to become a patron, (as we feel confident he would, when approached) all the Maharajahs and Rajahs, Zamindars and Mittadars, Leading Lawyers and Bankers, all will join us and bring much money and prestige with them. But that will be making Co-operation a sort of Philanthropic concern in which rich men who want to do social service may lay the flattering unction to their soul by joining us in a spirit of condescension which may not be liked by some of the young democrats of the rising generation who would prefer to keep the P. C. U. thoroughly democratic though poor. In this, as in many other matters, as the good old Sir Roger said, "much may be said on both sides."

Our Future Recruiting Ground.

Rao Sahib T. K. Hanumantha Rao, our veteran Co-operator recently addressed the students of the Pachaiappa's College, Madras, on the Co-operative Movement and the meeting was presided over by Rao Bahadur M. K. Venkitachariar, the then Acting Registrar. Both these eminent authorities laid great emphasis on the fact that most of the men who are now in the Co-operative Movement joined it when they were of middle age with no equipment except their buoyant enthusiasm and they are being replaced by a younger generation who are not fired by the zeal of the Pioneers, but who, in point of actual equipment for the work are not superior to the older generation.

Co-operation is becoming more and more a business concern as it ought to; but for running this business efficiently, workers must be properly equipped. Where can we get enthusiasm for an idea combined with a willingness to learn and thus getting qualified for work except it be among the student population in schools and colleges? Therefore there is a very great necessity if the future of the movement is to be entrusted into capable hands for finding out the "Raiffeisens" among our boys and girls. This can be done in two ways; one by giving them theoretical knowledge of the main principles of co-operation by text books, lectures etc. and taking students wherever possible to institutions like the T. U. C. S., the M. C. U. B. etc.; the other, the better way, by starting co-operative societies for boys for getting them their text books

and stationery. We hope the authorities of the Co-operative and Education Departments will work together towards popularizing the movement among our boys and girls.

The Danish Method and Ours.

Agricultural Co-operation has reached its highest stage of development in Denmark. It is a country that produces agricultural products for exportation to other countries, chiefly to England, and the Danish farmer has perfected the Co-operative machinery from his point of view. He buys his seed and implements, his manure and cattle, as cheap as possible and sells his produce as profitably as he can, having eliminated the middlemen in all the stages of the co-operative chain of his transaction. A Danish farmer is a member of a dozen Co-operative Societies. He has his interest in Co-operative slaughterhouses, co-operative egg-societies and in co-operative transport agencies, his cattle are insured in co-operative Insurance Societies and he gets his implements etc. co-operatively. He is able to manage his affairs well even though he is connected with many societies of the sort described. The question is legitimately raised whether we should accustom our peasants to be in half a dozen separate concerns, each doing its own line of work or whether, considering his simple and unsophisticated nature and his incapacity in the present stage of our national culture, to handle complex problems, it is not better for him and better suited to our local conditions to have one village society which may cautiously experiment in various lines of activity and expand step by step. We all know the prime need of the ryot is money and hence credit societies are most popular. Suppose in course of time greater emphasis is laid on joint purchase and joint sale, on crop loan and on cattle Insurance, all in the same society, the various lines of activity being the various departments as it were of the one central village society, will not this be a better way of popularising non-credit activities than starting separate societies? This is a matter on which we invite the opinion of our readers. Some valuable suggestions on this matter will be found in an article on Co-operation in Rural Reconstruction which we have extracted elsewhere.

We acknowledge with thanks the receipt of a copy of the annual Administration Report of the Civil Veterinary Department including the report of the Madras Veterinary College.

District Administration Reports for 1923-24.

CUDDAPAH DISTRICT REPORT.

Summary of progress. Season.—The year under review was no better than the previous one. Rains fell far too short of men's expectation and needs. Many lands were allowed to lie fallow. Many had to leave their homes in search of work and some had to go to far distant places such as Assam and the Straits to work in the tea plantations. The only relieving feature has been that lands under the tanks in Rajampet taluk and along the Cuddapah canal yielded a good harvest. Much of it consisted of groundnut and saffern, two of the important commercial crops and grain was as dear as ever.

Financing Bank. The Central Bank was the only one of its kind in the District.

Supervising Unions. There were four unions in the District and there were no additions during the year. Out of these three are only two years old. It has been remarked in the last year's report that their working has been far below the standard and I have nothing to add in their favour this year. The total number of societies affiliated to these was 87. There are still 115 non-union societies and arrangements are in progress for the formation of three other unions. Of these 115, 29 were limited societies and 86 are agricultural unlimited.

Societies. The year opened with 151 societies. 61 were registered during the year as against 11 in the previous year. The registration of 5 societies was cancelled during the year leaving a total of 207 on 30th June 1924. Out of the five societies that were cancelled four were unstarted ones, and these had evidently been hurriedly organised, without foundation of proper propaganda.

Members. At the end of the year there were 7191 members in 207 societies as against 5815 members in 151 societies last year giving an average of 34 members to a society for the current year. Out of the total number of members admitted during the year 1194 were admitted in new societies and 182 in old societies. Of the members 3934 were agriculturists, 2542 non-agriculturists and 716 came under both. Classified according to caste there were 1039 Brahmins, 3133 non-Brahmins, 1461 Christians, 1134 Muhammedans, 396 audi andhras and 28 belong to other castes.

Profits. The total divisible profits of agricultural societies during the year is Rs. 8931.

The attention of the department had until very recently been confined exclusively to the credit side of the movement. A new step has been taken this year in that some other forms of Co-operative activities have been introduced in the district with a view to make the movement more popular and demonstrate its many sided utilities.

Labour union. A labour union has been organised and started on work at Badvel. With the help of the District Board public contracts such as road repairs have been secured and their work up till now has gained a fair approval from the authorities concerned. It has been particularly helpful this year as this taluk is worst of those that have suffered from drought. It is hoped to follow up this move and start more societies of a similar nature in future.

Weavers' Societies. A couple of weavers' societies have been started exclusively for the benefit of the weaver community with the object of freeing them from the clutches of the capitalists and introducing among them improved and economic methods of modern weaving.

Limited Societies. Work in this direction has very largely increased. The number of societies has gone up from 8 to 26 and now each taluk headquarters has a society of its own to serve the needs of the public servants. Their increase has amply been justified during the very short period of their existence. An experiment has also been tried in working a society as a limited concern exclusively for the benefit of Elementary Teachers in a rural tract where several attempts had been made in vain formerly to start a society on the basis of unlimited liability. Its working up till now has been very successful and its good working serves as a model for the surrounding villages and may induce the ryot population to desire for some unlimited societies.

Work among the Audi Andhras. Until very recently work was confined to such of the villages as had come under the missionary influence and where teachers and catechists were found available for helping the members in writing up the accounts. A new departure has been however made this year and work has been started in a few villages outside the sphere of missionary influence where sufficient writing materials have been found.—These two are Mannur Audi Andhras and Badvel Audi Andhras Co-operative Societies. Further work among the members of this community on a larger scale is rendered difficult as the financing bank demands for a certificate of outside supervision, which is difficult to find at this stage of the movement in the district.

Consolidation of old societies. As occasionally narrated in my D. O. Narrative Reports several causes have combined towards the bad results in old societies, some of which are (a) lack of proper and constant supervision of both departmental staff and the office bearers of the unions to which they are affiliated, (b) ignorance and indifference of the panchayatdars to discharge their elementary duties towards the societies, and (c) dishonesty of some of the members. Vigorous efforts have been taken by the Co-operative Staff during the year to eradicate the existing evil in bad societies and rouse the moribund ones into working order, but it cannot be said that we have been successful in all the societies. The irregularities, at least some of them, are very long standing, extending over a series of years. If prompt and earlier measures had been taken much of the odium and evil of the societies could have been removed but unfortunately they have been allowed to grow unchecked with feeble check. As I have said elsewhere there are seven societies which

come under the C class or the worst category. The crookedness of the panchayatdars is at the bottom. Severe measures therefore are being taken either to bring these recalcitrant societies round or to wind them up for good.

Organisation was nowhere stopped on account of lack of funds.

Reasons for rejection of applications for registration.—No applications were pending at the end of the year.

Arrears to central bank. Reasons for heavy arrears.—The chief reason for arrears is that the societies which took loans from the central bank on a short term agreement lent them out to members for long term purposes. In some cases this was done through ignorance and in some other cases knowingly, as a portion at least of the working capital had to be taken in short term loans. But to members it had to be given out as long term loans for they are not eager to take loans on a short term contract. Habituated as they are they generally prefer longer periods for repayments. In all such cases instalments fell into arrears.

Again the repayments of instalments do not generally coincide with harvest seasons, so much so that the members when they get the produce use it up for their other debts and current expenses and when the instalments fall either some time after or some time before they have nothing in their hands to meet the demands. They are more in a position to ask for some more additional loans than to pay back what they have taken. In future in sanctioning loans care is being taken to see that the periods of instalment are commensurate with the harvest seasons.

A further drawback in the regular repayments is that the loans the members take are generally for clearing the prior debts and are therefore for long term purposes. This means that the money gets locked up in these things and as it is not used for immediate productive purposes and as some of them again go in for fresh debts to help them in their agricultural activities, they are not able to repay their debts to the society in time. In several cases they have been advised to take small sums for short term purposes just enough to meet their urgent agricultural demands so that they may be able to repay them out of the year's produce but they are very reluctant in taking the advice. If they want to cut away from their old sowcars they want to do so for good. So we meet with the reply that if they do so and do not pay their old debts simultaneously to their old customers these take their life out of them for not paying back their prior debts. Moneylenders forbear old debts only if new loans are being taken from time to time from them. If they smell that a society is likely to be started in a village they are afraid not only of the loss of their fat interest but also their usual services and mamuls and so they do not mind going any length in making things too hot for them till the whole debt is paid.

The inactivity of the panchayatdars in regularly bringing to the notice of the defaulters their dues is another cause. This again is the resultant of two other faults the panchayatdars have invariably fallen into. They generally take a major part of the loan advanced by the Central Bank and are not prompt

themselves in paying it back. Subject to this defect they have not the courage to demand the dues from other members who take the loans from the panchayatdars and thus arrears are allowed to get accumulated to a large extent. Benami transactions is another foul characteristic of these men. Added to their own loans they go to swell the arrear instalments. Yet another cause is that collection from members instead of finding their way to the Central Bank are misappropriated either by the Secretary or the president, whoever happens to be in charge of books and the cash balance, and in this again the amounts are sometimes never brought to the credit of the borrower till the departmental Officer appears on the stage and gets at these after some investigations. Another reason may not be out of place in this connection. As per the society's by-laws a member whether on the panchayat or otherwise can borrow only to an extent of Rs. 500 whereas his needs at one time may exceed this amount but the society is not in a position to advance him all the loans he requires. If he has not mortgaged the whole of his property to the society and in some cases even if he has, he opens up new channels of credit transactions with other people. He is therefore indebted in more than one place and finds it difficult therefore to satisfy many parties. It is a regrettable fact to note that an average man is never averse to borrowing if there are only men to lend. He never casts a budget of his receipts and expenditure allowing a decent margin for unforeseen things.

The expansion of the Co-operative movement in the district during the year has been effected in several ways in formation of new societies of different kinds, consolidation of old societies, and in extending the scope of some of the old and new societies.

Non-credit work. Co-operative staff Subordinates' Society and Nandalur Town Bank were the only two limited societies which did some non-credit work. Co-operative Subordinates' Society bought articles to an extent of Rs. 442-7-0 and sold the same for Rs. 457-8-0, thus making a profit of Rs. 15-1-0.

The department has made some attempts in exhibiting to the public some varied aspects of the movement. Badvel Field labourers' Union has been started with the definite object of securing them public contracts. The number of members of the society is 22 with a paid up share capital of Rs. 355 and a loan of Rs. 800 was obtained for them from the Madras Christian Central Bank and District Board Contract to the value of Rs. 4000 were secured for them through the sympathetic efforts of the District Board President and the District Board Engineer. They have purchased all the implements necessary for their work and these will remain the permanent assets of the union. It is hoped that with time the activities of the union will grow to the advantage of the members concerned.

Weavers' Societies. This is another aspect of the movement in the district. Two weavers' societies have been started one at Badvel and one at Kallur with the object of helping the members to get yarn at wholesale rates to supply them with new fly-shuttles and to train them up in new and economic methods of weaving.

Failure of stores. There existed two stores societies, one at Cuddapah and one at Proddatur. Both the societies had to be wound up. Men in general have not yet learnt the advantages of buying for cash. They invariably go in for credit purchases (the societies also were obliged to give them on credit, otherwise there would not be many purchasers). There the capital gets locked up and is not available for new transactions. Lack of honesty in the employees of the stores is another thing to be lamented. A margin of difference between retail and wholesale prices is not considerable and add to this the disloyalty of members, these two stand in the way of disposing of the articles soon and eventually they have to be disposed of in open auction at ridiculously less rates. The stores are begun with big beginnings and no studious care is bestowed on which articles and in what quantity they are required by the people. The enthusiasm of the member fades away like froth. People do not care to find time to visit the stores frequently either to rectify defects or to make any new suggestions.

Supervision. Efforts in the direction of transferring the official control to non-official agency have not been successful to any appreciable extent. The generality of the public especially in the rural tracts is apathetic towards the movement, and the movement still to a great extent under the leading stings of the department. This must in time be removed by intense propagandistic work.

Attitude of the non-official public.—The attitude of the general public towards the movement can be considered to be fairly cordial with some qualifications and the interest evinced by them is growing year after year.

(SD.) J. A. PETERS,

Assistant Registrar.

II. KURNOOL

Supervising Unions. Three local supervising Unions were registered during the year bringing the total of Local Unions to 9. The total number of societies affiliated to these Unions on 30-6-24 was 189 with 7621 members as against 138 societies with 5012 members on the 30th June 1923. The societies in the taluks of Cumbum and Markapur were not served by any local Union. As the number of societies in this area was small and as they were scattered, no Union could be organised. But a number of new societies have recently been registered and it is likely that a union for those societies will be organised shortly. Only in 3 Unions, the societies are situated within a distance of 10 miles from the Headquarters of the Union. Attempts were made to reduce the area of operations of some unions.

The Supervising Unions made considerable progress during the year. I made it a point to visit the unions as frequently as possible, educate them in all possible ways, and impress upon them their duties and responsibilities. In fact I concentrated my attention on the Unions and sought to develop the movement through them. I am glad to state that all Unions except one have made

appreciable progress. Four Unions were able to organise societies successfully. Five Unions did some propaganda work in promoting agricultural and other non-credit activities. All the Unions except one did satisfactory work during the collection season.

District Council of Supervision. Towards the close of the year, the Kurnool District Council of Supervision was started on its work. Its primary object is to advise and assist the Co-operative societies and the Unions and to co-ordinate the work of the several Unions in this district. Its membership is confined to registered Unions, and the executive management of the Council is vested in a Board of Management consisting of five members. It is hoped that this council will in course of time discharge the duties cast upon it satisfactorily and be of immense use in developing the movement.

Joint Purchase and Sale. Joint purchase by primary credit societies other than trading societies amounted to Rs. 1710 as against nil in the previous year. While the total joint sale by such societies amounted to Rs. 4609 as against nil in the previous year. A good deal of propaganda work was done during the year, the result of which will, I am sure, bear fruit in future. The question of joint sale was considered carefully during the year and discussed at several meetings and conferences. The two departments, Co-operative and Agriculture, are now jointly devising means to introduce this on a large scale.

Societies. The year opened with 2212 societies. During the year 64 societies were registered as against 29 in the previous year. The registration of two was cancelled during the year, thus leaving 274 societies on the last day of the year. Much time was spent in reconstructing the societies and strenuous efforts were put forth to revive the dormant ones. With the limited staff at my disposal, I had to exercise great care in registering societies for depressed classes, which need intensive supervision. Out of 64 societies registered during the year, only ten were for the depressed classes.

Members. At the end of the year, there were 9437 members as against 7995 in the previous year.

Working Capital. During the year, the total working capital of all societies increased from Rs. 9,05,863, to Rs. 10,63,739, and the total paid up share capital from Rs. 1,21,774 to Rs. 1,46,121. There was an increase in the amount of deposits received from individuals from Rs. 3,29,555 to Rs. 4,19,775. Excluding the figures which represent the investment by one Co-operative Bank in another, the total capital employed in the movement at the end of the year rose from Rs. 4,27,939 to Rs. 5,30,006. Of this amount, Rs. 4,19,775 was derived from deposits by individuals, the bulk coming from non-members, Rs. 1,01,008 from share capital invested by individuals, and Rs. 19,222 from reserve funds of societies, as against Rs. 3,29,555, Rs. 84,024, and Rs. 14,360 derived from deposits, a share capital and Reserve Funds respectively. The fact that there is such an easy flow of deposits from outside bears testimony to the confidence enjoyed by the movement.

Local Industries. Steps were taken to organise certain local industries on Co-operative lines during the year. A co-operative society was registered and started for the slate makers of Markapur. After careful enquiry and discussion some beginning was made in organising societies for the Cumbly weavers. A society for the Basket Makers of Kurnool was started. Attempts were made to organise a co-operative society for the Lacquer workers but with no success. A proposal to organise a Carpet Makers' society at Kurnool was under consideration.

Labour Societies. During the year successful attempts were made to organise Labour societies for Road Coolies and Woodcutters. One Road Coolies Labour society was started while another which was organised during the year was registered and started since the close of the year. A society for the woodcutters was started at Chetlamallapuram while another for the woodcutters of Veldurti was organised but has not yet been registered as the matter is still under correspondence.

Finances. Owing to the receipt of large sums of deposits from the District Boards and Municipal Funds and deposit of Abkari and Municipal and other contractors, and provident funds of Local Board employees, there was considerable surplus in the Kurnool Central Banks' Funds during the last three months of the year. This was partly due to the caution exercised in granting loans to societies owing to successive failure of crops which has affected the economic condition of the ryot in several parts of the District. There is another, and perhaps a more powerful, factor that has contributed to this heavy surplus of funds. The date of the repayment of the instalments of loan by societies is fixed with reference to the harvest season and therefore large sums of money are received by the Bank while there is generally no demand for money from the societies during this period. It is hoped that when the proposed Nandyal Cotton Trading Union is started on the work, there will be a great demand for short term loans during this season and the Central Bank can then avoid losses arising from heavy cash balances.

(B) AGRICULTURAL SOCIETIES.

CLASS I CREDIT SOCIETIES.

Number and Membership. The number of agricultural credit societies increased by 39 during the year and the number at the end of the year was 224. Forty one societies were registered as against 21 in the previous year and 2 were cancelled. The total number of members of Agricultural societies increased during the year from 6,271 to 7281, of whom 5710 were agriculturists, 570 were non-agriculturists and 1001 were dependents partly on agriculture. Of the total membership, societies formed during the year account for 832 members. Of the members dependent entirely on agriculture, 723 were non-cultivating land holders, 4477 were cultivating land holders, 312 tenants and 198 field labourers. Arranged according to caste, the membership of all agricultural societies is as follows:—

Caste.	On 30th June 24.	On 30th June 23.
Brahmins ...	207	170
Non-Brahmin Hindus ...	4013	3443
Christians ...	1509	1433
Muhammodans ...	746	592
Adi Andhras ...	772	624
Others ...	34	9
	<u>7281</u>	<u>6271</u>

There has been an increase of 24 per cent in the membership of the Adi Andhras.

Working Capital. The working capital of all agricultural credit societies increased during the year from Rs. 4,60,928 to Rs. 5,12,999 and the paid up share capital from Rs. 51,283 to Rs. 59,810. Deposits made by individuals decreased from Rs. 2056 to Rs. 1269. This decrease is due to the single withdrawal of a large sum in a society. Loans from financing banks increased from Rs. 4,00,080 to 4,42,408.

Wage earners society. The collector of this District has recently permitted the heads of offices under him to effect recoveries on behalf of Government servants' societies, from members at the time of pay disbursement. The societies and members, it is hoped, will find this very convenient.

Markapur State Makers society. This society which was started on work its on 11-4-24 with 34 members had a paid up share capital of Rs. 1290 on 30-6-24. The society manufactured slates worth Rs. 1983 and sold Rs. 1781 worth of slates before the close of the year. The cost of management amounted to Rs. 65. The society having worked for less than 3 months before the close of the year, sustained a loss of Rs. 14.

The Nandyal Purchase and Sale society. The Nandyal Purchase and Sale society which showed a loss of rupees 510 on 30-6-23, realised a profit of Rs. 198 during the year, thus reducing the loss to Rs. 312 on 30-6-24.

The Kurnool Muhammadan High School Stationery society. The paid up share capital of this society was Rs. 90 on 30-6-24 and Rs. 424 worth of stationery articles were sold and a profit of Rs. 14 was earned. The society has served as a good training ground in enabling its members to learn practically the value and utility of co-operation. Encouraged by the success that attended this society two more were registered during the second half of the year but were not started on their work as the Schools were closed for the summer vacation.

The Sunkesula Fisherman Purchase and Sale Society The society was started on its work on 26th March 1924. The primary object of the society is to improve the Fishing Industry by affording facilities to purchase such raw materials and appliances as may be required for the purpose, to take on lease the exclusive right to fish in certain areas and to purchase and receive for sale the products of its members and sell the same to the best advantage. The

society applied to the Director of Fisheries for the grant of a lease giving exclusive rights to fish near the Thungabhadra anicut otherwise than by public auction. The Director promised to recommend to the Government any reasonable offers from the society and do away with the public auction. Since the close of the year the members jointly purchased the necessary raw materials worth Rs. 41 to make nets with. The Director of Fisheries who visited the society since the close of the year expressed the hope that the society would better the moral and economic condition of the Fishermen.

The Kurnool Basket Makers Society. The society could not do any work before the close of the year as it was started only on 16-6-24. It commenced work after the close of the year. It has a paid up share capital of Rs. 19. The society acts for the present as the agent in disposing of its members' products.

Weavers societies: Cotton weavers During the year a thorough investigation was conducted into the possibility of organising societies for the weavers in this district. Societies were organised at Hosur, Pattikonda and Nandikotkur, but their registration was deferred till adequate share capital was subscribed. The weavers in this district weave only coarse cloth and are not used to weave finer counts. Most of them work at their looms in the off season of agriculture. Any society organised cannot expand beyond a particular limit their production being confined to the local needs.

Silk Weavers. There are two big silk weaving centres in this district at Gudur and Kodumur. At the former place a Credit society was organised for the weavers in order to equip them with the necessary strength for running a purchase and sale society. The society was started during the second half of the year and did good work. It purchased silk yarn worth Rs. 1510 and distributed it among its members. Should the society continue to work well, it will be converted into a Purchase and Sale society.

A proposal to organise a purchase and sale society at Kodumur was under consideration. But as there is no adequate human material to run a society of this type it has not yet been registered. I am trying to induce some influential local persons to join the society and help the members. If I should succeed in this attempt, I shall register the society.

Cumbly Weavers. The Cumbly weavers in this district, except in the village of Salkapuram, are part time agriculturists and weave only in off season. Some who own lands cultivate them, while others work as labourers. Owing to several causes the weaver is unable to earn a living wage merely by weaving, and therefore prefers to work as a field labourer. The weavers are mostly found in the Nandikotkur, Kurnool and Battikonda taluks. In the last named taluk owing to famine conditions nothing could be attempted. In the Nandikotkur taluk, not much can be done at the present, for the weavers owing to the smallness of their members in the villages and want of human material. These weavers are however advised to join the existing Co-operative societies. In Kurnool taluk, where conditions are more favourable, proposals to organise a purchase

and sale society at Salkapuram and ordinary credit societies at Gokulapadu and Parla were under consideration. And if these credit societies should work well they will be converted into purchase and sale societies. After watching the success of these societies, attempts may be made to organise societies in the other villages in this centre, when it will be possible to start a Central weavers society at Kurnool consisting of societies and the individual members.

Want of credit facilities, lack of men of business, of knowledge, fluctuation in the price of yarn and the consequent unsteady cloth market, difficulties in marketing the finished products and obstruction of the capitalist weavers, are some of the obstacles that we experience when we attempt to organise societies for this class. In addition to these difficulties which operate from outside, we have also to contend against the inherent defects in the weaver himself such as his intemperate habits, heavy indebtedness, want of professional honesty and unwillingness to take to improved methods.

A society for carpet (jamkhana) weavers of Kurnool was organised but since its organisation the demand for carpet considerably diminished and the society could not therefore be registered. The price of yarn has risen without corresponding increase in the price of carpets. The market was so dull that nearly a third of the total number of people was thrown out of employment.

Labour Societies. The Chetlamallapuram woodcutters' society. The society was started with the object of obtaining contract from the Forest Department for felling coupes. The society took on lease a coupe in the Yaperlapadu Reserve Forest for Rs. 305. The cost of working the coupe amounted Rs. 1069. Fuel worth Rs. 1890 was sold during the year. The society realised during the year a net profit of Rs. 358.

The Dinneverapadu Road Coolies Labour society.—The society was started on its work on 24th January 1924. The society obtained a contract from the District Board for Rs. 3,500. It executed work worth Rs. 1932 and the members of the society received Rs. 1,559 as their wages. The net profit realised during year was Rs. 273. The District Board authorities who inspected the work executed by the society expressed their entire satisfaction. When it was found that the society was working well, another society for the Road Coolies at Gaditha-madugu was organised during the year. It has been started on its work since the close of the year. This is also doing well.

PROGRESS OF CO-OPERATION AMONG DEPRESSED AND BACKWARD CLASSES.

40. At the end of the year there were 76 societies for depressed classes including Christians. The total number of members in these societies increased from 1869 to 1990 during the year. The number of Adi Andhras rose from 624 to 772.

Societies for the Chenchus. Societies for the Chenchus, a backward tribe, may also be dealt with under this head. Three societies were organised at the instance of the Forest Department. These are thrift societies and are at present intended only to serve as a means of saving. The Forest Department which

looks after these people provides them with some labour and pays their wages daily. It is intended that the Chenchus should deposit a small portion—say quarter or half an anna of his earnings every day when the Forester disburses his wage. He earns daily about 6 annas and is willing to lay by a small portion.

Criminal Prosecution. The President of the Nayakallu Co-operative society was prosecuted on 20th May 1923 for committing criminal breach of trust in respect of some amounts paid to him by the members of the society. The Deputy Magistrate of Kurnool who tried the case during the year under review found him guilty under section 409 Indian Penal Code and sentenced him to imprisonment till rising of the court and a fine of Rs. 100. On appeal, the Sessions Judge held that the appellant had no dishonest intention and acquitted him reversing his conviction and sentence. The learned Judge, however, remarked that the appellant was guilty of the most culpable negligence and thoroughly deserved the trouble, expense, and loss of reputation involved in his prosecution.

X. MISCELLANEOUS.

Four Union conferences were held during the year and all except one attracted large gatherings. Several useful and interesting questions were discussed. Two conferences of Inspectors and Supervisors and a conference of Union representatives were also held.

Co-operation with other Departments. To develop the non-credit side of themovement, I met the officers of the agricultural department on three occasions and discussed with them several important questions. I discussed with the Supervisor of Industries the question of affording facilities to co-operative societies for irrigating lands by the installation of power plant. And a proposal to start an irrigation society at Koilkuntla is under consideration. The weaving Superintendent was invited to discuss the subject of organising societies for Cumbly weavers. As a result of a discussion with the Conservator of Forests and the District Forest Officer west Kurnool some understanding was arrived at in regard to the leasing out of Forest Coupes to co-operative labour societies. With the help of the Fisheries Department, I organised the Sunkesula Fishermen's society. I co-operated with the officers in charge of the Chenchus with the result that three societies were organised for this backward class.

CO-OPERATION BETWEEN AGRICULTURE AND CO-OPERATIVE DEPARTMENTS.

During the year, the two departments worked together in popularising the improved methods of agriculture, in supplying ploughs, seeds, etc., in opening demonstration plots and in organising the Nandyal Co-operative Cotton Trading Union. I met the Deputy Director of Agriculture, Bellary circle, and his assistant, on three different occasions and discussed with them the subjects mentioned above. The Deputy Director and myself proceeded to Polur and organised a society for the cotton growers there. I visited Kottala and Chapiyavula societies in company with the Demonstrator of Nandyal. During my tour, I impressed upon co-operators the advantages resulting from improved

methods of agriculture. This question was discussed at length in Union general body meetings and conferences. Now the Unions and some of the societies are put in touch with the Agricultural Department. My Inspectors and Unions did a lot of work in this direction. The two departments worked together in connection with the organisation of a Manure society at Chagalamarri and an Agricultural society at Nandyal. It is also under consideration that the Unions should stock on behalf of the Agricultural department seeds, ploughs and manures for purposes of advertisement and demonstration. Arrangements were in progress regarding the opening of demonstration plots at Alagudda, Markapur, Koilkuntala, Nandyal and other places. The District Council of Supervision whose meetings are attended by the officers of the Agricultural department was used as a further link in connecting the Agricultural department with the societies.

I am indebted to a large number of non-officials who were of great help to me. My thanks are due to the Directors of the District Central Bank for the enthusiastic support they have extended to me. I should also express my grateful thanks to the Honorary Assistant Registrars and to the Governing Body members of the several Unions, who have heartily co-operated with us.

(Sd.) K. RANGASWAMI,
Assistant Registrar.

III. BELLARY DISTRICT.

Financing Bank. The Hospet Co-operative Central Bank Ltd., continued to meet the demands of the societies in the District. To develop the resources of the Bank, a branch of it was opened at Bellary on 22nd December 1923. The results so far achieved are not very encouraging. The question of improving the same is under consideration.

Supervising Unions. There were six Supervising Unions in the District on 30th June 23. No new Unions were formed in the year under review. The Bellary Union covering a large area nearly 50 societies in the taluks of Bellary, Rayadug and (old Siruguppa) is not conducive to efficient supervision. The question of splitting up the union will soon be taken up with the further development of the Rayadug taluk. The question of the formation of a District Council of Supervision is under consideration and it is hoped that the name will materialise early.

Two societies were registered for scavengers in Bellary and Rayadug. With this, the number of this class of societies comes to three.

Five societies for depressed classes were registered in the year. These societies are financed by the Madras Christian Central Bank, Limited.

Societies. The year opened with 150 societies. During the year, 28 societies were registered as against 38 societies in the previous year. The registration of two societies was cancelled during the year, leaving a total of 176 societies on 30th June 1924. Vide Appendix 3 (a) A great deal of time

and attention was devoted to consolidation of bad societies and to the stimulation of activity in societies which were becoming dormant.

Members. At the end of the year, there were 8328 members in 164 societies (excluding Supervising Unions) giving an average of 51 members to a society, or three less than the average for the previous year.

Working capital. During the year, the total working capital of all societies increased from 10.2 to 12.5 lakhs, and the total paid up share capital from 1.5 lakhs to 2.1 lakhs. Deposits received from individuals rose from Rs. 93,410 to Rs. 1,81,156 Rs. 22,557 represent the Reserve Fund Deposits of societies and Rs. 70, 665, deposits, from Local Boards and Municipalities and Government contractors. The movement is just gaining the confidence of the public in the District.

Collection. During the year the collections under principal and interest in all societies showed a fair increase.

Building Societies. Two Co-operative Building Societies, one at Bellary and the second at Hospet, were registered in the year. Government loans have been obtained and appreciable progress has been made in the construction of buildings in the Bellary Building Co-operative Society.

Weavers' Society. At the suggestion of the Director of Industries and the Collector of the District, a society was registered for the benefit of the Cumbli Weavers' at Kudathini.

(B) AGRICULTURAL SOCIETIES.

Class 1. Credit Societies, (Unlimited).

Number and membership. The number of agricultural credit societies increased by 18 during the year, the number at the end of the year being 146. Of these, five societies remained unstarted before the close of the year. All these societies are on unlimited liability basis. The registration of two societies was cancelled during the year. No society was transferred from one class to another nor its constitution changed. The total number of members increased from 5,669 to 6,348, of whom, 5,184 are agriculturists, 668 are non-agriculturists and 476 are dependents only partly on agriculture. Of the total membership, societies formed during the year, account for 591 members. Arranged according to caste, the membership of all societies is as follows:—

	On 30-6-24.	On 30-6-23.
Brahmans	... 511	... 486
Non-Brahman Hindus	... 4,944	... 4,511
Christians	... 69	... 2
Muhammadans	... 424	... 358
Adi-Andhras	... 140	... 90
Others	... 260	... 235

There has been a fair increase under Adi-Andhras during the year which is proof ample that the movement is progressing well amongst the depressed classes.

Working Capital. During the year, the total working capital of all agricultural credit societies increased from Rs. 5,10,806 to Rs. 5,75,792 and the amount of paid-up share capital, from Rs. 67,278 to Rs. 81,389. Deposits made by individuals fell from Rs. 23,626 to Rs. 22,987. Loans from financing banks rose from Rs. 4,09,087 to Rs. 4,56,925 and the reserve funds of societies, from Rs. 10,815 to Rs. 14,491.

Expansion. The expansion due to the formation of new societies during the year and the expansion due to consolidation and development of societies registered before the year begun are shown in appendix Nos. 5 and 6. There was a substantial increase all round.

Profit. The total divisible profit earned by the societies, during the year, amounted to Rs. 7,125 as compared with Rs. 6,421 in the previous year. The total loss not yet recouped by the societies on the last day of the year amounted to Rs. 9,301 as compared with Rs. 5,689 in the previous year. Of the 141 societies, 53 made a divisible profit. The Book profit of all agricultural societies for the year was Rs. 23,996 as compared with the divisible profit of Rs. 7,125.

joint purchase Please see statement Appendix (No. 10.) The Hathibelgal Co-operative society in Alur taluk purchased 400 maunds of cotton seeds for distribution to its members from the Agriculture Department and made a net profit of Rs. 15. Two societies in Bellary taluk, (Byloor and Eagaloor) have jointly purchased a B.C.S. plough for Rs. 110 through the Agricultural Department for being let on hire to their members.

joint sale. The Kadlabal Co-operative society in Hadagalli taluk sold 350 bags of groundnut and 200 bags of jaggery belonging to its members, (produced by them).

During the current year, I attended the general body meetings of all the Unions in the District. The Secretary of the Central Bank and the Assistant Director of Agriculture were also present. This opportunity was availed of by both the departments to clear the doubts of the Union Governing Body members, and delegates of Societies in particular, regarding the heavy responsibility involved on the Panchayatdars in developing non-credit work. Each Union marked out certain well-worked societies in the Union area to experiment this field of activity. The Secretary of the Central Bank explained the present financial position of the bank and reviewed the condition of societies marked out.

The Assistant Director of Agriculture explained, at length, the ways and means of effecting improvements in agriculture by improved machinery and appliances and by the joint purchase by members of seeds, manure etc., from the Agricultural Department. Also by the joint sale of their produce, cotton in particular, through the Agricultural Department, thereby eliminating the middleman.

Class II. Purchase, Purchase and Sale (Unlimited).—The Director of Industries visited the Weaving Centre at Kudathini, village in

Bellary taluk and suggested that a society may with advantage be registered here to improve the social and economic condition of the weavers. Accordingly a society was registered in the year. 29 members were admitted, of whom two are non-weavers. The latter were admitted to conduct the work of the society, owing to the illiteracy of the weavers themselves. Its paid-up share capital was Rs. 146. A loan of Rs. 3,000 was obtained from the Madras Christian Central Bank. The members were indebted to the Local Credit society to the extent of Rs. 2,450 which was wiped off from out of the loan. The balance was lent to the members as ready-money advance for purchase of wool. This they utilised in purchasing clipped wool from the market for Rs. 596 and from the Agricultural Farm at Hagari for Rs. 107. Owing to heavy initial expenditure the society worked at a loss of Rs. 8. A special report on the detailed working of the society was admitted to the Registrar (R.O.C. 76/B of 23, dated 29th August 1924). Endeavours are being made by the Department to secure a continuous supply of the clipped wool from the Agricultural Department or from other markets. (Please see statement Appendix No. 12.)

Class VI Other Forms.—Please see statement appendix No. 13.

Building societies.—Two societies were registered during the year, one at Bellary and other at Hospet.

The Bellary Co-operative Building society There are 27 members on the rolls of the society from with paid up share capital of Rs. 21,160. Loans Government amounting to Rs. 44,650 were drawn, out of the total sanction of Rs. 63,650; and Rs. 650 was repaid. The working capital is Rs. 65,160. It worked at a profit of Rs. 839. 23 buildings are under construction. The progress done so far is satisfactory. More applications for loans are coming in and the advantages of the Government loan are very much appreciated by the middle class members. It must be said that the fair working of the society is due to the efforts and zeal of M.R.Ry. V. Krisnahma Chetty B.A., B.L., formerly Secretary and now the President of the society.

Hospet Building society The society was registered in March 24 and so it commenced work rather late. There are eleven members with a paid up share capital of Rs. 2,650. A Government loan of Rs. 2,650 was drawn from out of the total sanction of Rs. 7,950. The working capital is Rs. 5,300. It worked at a net profit of Rs. 48. Ten buildings are under construction. The progress in construction is slow. Anyway, the Directors appear to take keen interest in managing the society and it is hoped that better results may follow in the current year.

A third society at Rayadrug has since been registered and will be started on the work soon.

Societies for depressed and backward classes.—There were no societies under this class at the beginning of the year. Five societies were registered during the year, of which one society remained unstarted on 30th June. Four societies were organised by the department and one (viz), the Rayadrug Adi Andhras Co-operative Society, was organised by the District Labour Officer.

The number of members is 65, and the paid up share capital, Rs. 485. The total working capital amounted to Rs. 849. One society worked at a profit of Rs. 5 and the rest at a loss of Rs. 50. These societies are affiliated to the Madras Christian Central Bank. One society got a loan of Rs. 400 before 30th June and the rest had loans during the current year. Particulars regarding the extent of land assigned to these societies have been called for.

Societies for Scavengers.—There was one society under this head at the beginning of the year. Two societies were registered; of which one, Rayadrug Union Employees' Co-operative Society, was organised by the District Labour Officer. Thus, at the end of the year there were three societies. The number of members rose from 36 to 176, the paid up share capital from Rs. 278 to Rs. 1242. A sum of Rs. 2,265 was outstanding against the societies to the financing Banks. The Reserve fund rose from Rs. 10 to Rs. 24 and working capital, from Rs. 807 to Rs. 3,631. Two societies worked at a profit of Rs. 106 and the third worked at a loss of Rs. 4. The newly registered societies are affiliated to the Madras Christian Central Bank, and are financed by it.

The Bellary Municipal Menial Employees' Society.—The society was registered at the instance of the Chairman, Municipal Council, Bellary, M.R.Ry. N. Narayana Rao Garu, B.A. B.L., with a view to relieve the highly indebted scavengers of the place. It has on its rolls 121 members with a paid up share capital of Rs. 831. A loan of Rs. 1,503 was obtained from the Madras Christian Central Bank. Its working capital is Rs. 2,331. It worked at a profit of Rs. 48. The society is manned by the Sanitary Inspector, who is evincing very keen interest in freeing them from the clutches of the sowcars. Attempts for joint purchase of the food stuffs, chiefly Jonnah, chillies, and cloth on behalf of the members are being made by the Chairman, Municipal Council.

The working of the Hospet Municipal Employees' Co-operative Society is also satisfactory.

The work of the Rayadrug Union Menial Employees' Co-operative Society recently started is watched with interest. None of the existing societies for depressed and backward classes are under the direct supervision of the Labour Department.

Societies for Weavers.—There were three societies of this class at the beginning of the year and the number continues to be the same. Of these three, one is included under non-agricultural credit Limited, and the other two, under agricultural credit Unlimited. Membership in these societies are confined to Weavers alone. At the end of the year there were 97 members with a paid up share capital of Rs. 2,429 and working capital of Rs. 9,425. Two societies earned a net profit of Rs. 95 and the third worked at a loss of Rs. 17.

The Bellary District Industrial and Agricultural Exhibition was opened on 8th August 1923 by the then Excellency, the Governor of Madras.

This opportunity was availed of to exhibit the products of the members of some of the co-operative societies. Among the exhibits, the cumblies of Kudathini, silks of Kampli and Herehal, carpets of Adoni, and soaps of Dendina Herehal societies, found a prominent place. A first class certificate was granted by his Excellency for cumblies and carpet exhibits.

During his visit to the District, His Excellency, the Governor of Madras was pleased to visit the Cumbli Weavers Co-operative Purchase and Sale society at Kudathini on 20th June 1924 accompanied by the Collector of the District. I was also present. His Excellency was conducted to the pit looms, set in working order. The products of the members were exhibited. His Excellency was much pleased with high quality of the cumblies and purchased a cumbli prepared out of pure clipped wool obtained from the Agricultural Department. The remarks of His Excellency were as follows:—

"I have been very pleased to visit the weavers society at Kudathini, and to see the work done, which is of a high quality. I wish it every success".

The Kuruba members led by their President, M.R.Ry. K. Rama Sastry, waited on deputation on His Excellency and prayed for the grant of free permits for grazing their sheep in the Forest Reserve adjoining the village. His Excellency in consultation with the Collector, was pleased to announce immediately, that the kurubas might have free grazing from that date.

It is now understood from the Collector that the announcement then made was only temporary (i.e.) for a month. This was a shock to the members who have since appealed to the Collector for reconsideration of the orders.

With a view to further educate the co-operators and the outside public in matters co-operative, and to develop the resources of the financing banks and urban societies, the 2nd Bellary District Co-operative Conference was convened and held at Bellary on 24 November 1923, under the Presidency of M. R. Ry. K. H. Ramayya Garu B. A., Bar-at-law, officiating Registrar of Co-operative societies, Mysore State. The Registrar, H. M. Hood Esq., I. C. S. was also present. The conference was opened by the Collector of the District, A. C., Duff Esq., I. C. S. This was attended by a large number of delegates from most of the societies in the District. The whole proceedings were conducted in Canarese, the language of the District, and this was very much appreciated by the audience. The success of the Conference is due to the efforts of the co-operators of the District, Messrs., K. Krishna Char, V. Krishnama Chetty and C. Balaji Rao.

(Sd.) J. VENKATESAM,
Asst. Registrar.

ANANTAPUR DISTRICT.

II. SUMMARY OF PROGRESS.

The District passed through a very severe famine, the like of which it had not seen from 1876. Old people say that the sufferings of this year were more intense and affected a larger proportion of people than the one of 1876. The crops failed completely during the year almost throughout the District. Several wells failed. There was scarcity of drinking water in many villages including Six Taluk Headquarters. Since this famine followed three previous unfavourable years the effect of it was intensely severe. Thousands of cattle died for want of fodder. Several poor people left the District to find work elsewhere. A few thousands went to Assam much against their will to work in the Tea Gardens to avoid dying of starvation. Several villages became almost empty. Even now many have not returned. The sufferings of such of those as had lands and property could not be described. There was none even to advance them loans and they had to see their cattle dying of starvation before their own eyes. Such of those as had a very large number of cows and sheep kept for breeding purposes sent them to the forests in the neighbouring Districts of Mysore. When questioned whether there was fodder there, they said that they being unable to witness the sight of their sufferings sent them away so that they may die out of their sight. I have heard of instances in which cows were sold for two rupees and three rupees per head and sheep for five and six annas.

The poor people to keep their body and soul together lived upon Devadaru (a kind of tree) leaves got from the forest. The result was diarrhoea and cholera. The latter did its havoc in several villages. About 2000 seem to have died of cholera during the year.

The Government tried its best to alleviate the sufferings. Special Loans Tahsildars and Revenue Inspectors were appointed and about 4 lakhs of rupees were given as Takavi loans. Famine works were started in Gooty, Madakasira, Pennukonda, Anantapur and Dharmayaram taluks. The Sub-Collector was told off for Famine duty and a special Sub-Division of the Public Works Department also is still working.

Fodder Depots were opened in the taluk headquarters wherever as necessity was felt. In spite of all this their sufferings were severe. There is a limit to all human efforts and they could not stand before the sufferings inflicted by the Providence.

As soon as the rains failed, anticipating a very bad year, I went round all the Unions in November and December, convened General Body meetings, wherever possible, and instructed them as to how best they can co-operate to fight with famine. As the Co-operative movement is not strong enough it could not undertake any risk and could not take any bold step. The panchayatdars of some societies tried in their own way to help the human sufferings by giving food for the very poor by collecting grains. The big ryots gave work to the poor by deepening their wells, and cleaning their wells of silt. In spite of all

these human efforts to alleviate the famine the sufferings underwent by the District people is indescribable. Agriculturists, Weavers, Traders, and even Vakils were affected by this year's famine. In every communication I received, or with whomsoever I spoke there was a reference to the abnormally bad conditions in the District.

There were at the beginning of the year 365 agricultural societies, 17 non-agricultural credit societies, three stores and three Weavers' societies. In addition to a District Bank and 15 Local Unions, seven agricultural societies and two non-agricultural societies were registered during the year of which one was a building society. The registration of four societies was cancelled during the year. Thus there were 409 societies in all working at the end of the year. The building society did not begin its work in right earnest.

The total working capital of all agricultural societies rose from Rs. 15,83,121 to Rs. 16,51,833 and the membership from 20,768 to 22,132, the working capital of non-agricultural societies increased from Rs. 2,81,986 to Rs. 3,01,109 and their membership from 2,818 to 3,178.

The paid up the share capital of all societies in the District Bank, including the District Bank, rose from Rs. 3,28,680 to 3,76,813-12-7 and their reserve fund from Rs. 1,12,265 to Rs. 1,28,529-10-4. The net divisible profit of all of them was Rs. 39,680-10-9 while the book profit stood at Rs. 1,52,935-11-2.

DEMAND, COLLECTION & BALANCE.

In such a bad year as this it is impossible to hope for any good results. In agricultural societies under principal due to District Bank by societies the percentage increased from 41'24 per cent 46'38 per cent taking credit for the extension granted. If these are not taken into account the percentage would have been 71'68 per cent. In the payments under interest the percentage of arrear to demand increased from 9'73 per cent to 18'24 per cent.

In the non-agricultural societies the arrears under principal increased from 3'5 per cent to 7'47 per cent; but there was a marked improvement in the payment of interest, the percentage having come down from 3'05 per cent to .44 per cent.

In the repayment of dues by members to societies the percentage of arrears to demand under principal increased from 55'59 per cent to 71'65 per cent in agricultural societies, and from 27'13 to 32'65 in non-agricultural societies. Under interest agricultural and non-agricultural societies showed improvement both under arrear and current interest, except the current interest in agricultural societies which showed an increase.

III. WORKING OF SOCIETIES.

(a) Central Banks.

The only Central Bank in the District is the Anantapur District, Co-operative Central Bank, limited at Anantapur. All the societies in the District, with the exception of Christian and Panchama societies, are financed by the Bank.

the society is dead all have begun to use only fly shuttle looms and no one uses the old looms. Thus every one has learnt the use and the advantage of fly shuttle looms.

HEALTH DEPARTMENT AND CO-OPERATIVE MOVEMENT.

The Co-operative unions have been recommended by me to the District Health Officer to serve as propagandist agencies for spreading the knowledge of sanitation etc. They receive pamphlets on sanitation supplied by that department and these are read out and explained at Union meetings.

CONFERENCES.

Three conferences were held in the District during the year. The District Conference was held in October at Anantapur under the presidency of M. R. Rys Rao Bahadur S. V. Narasimha Rao Garu B.A., B.L., of Kurnool. There was also an exhibition of articles produced in the District then, which was opened by the Collector, M. R. Ry. Rao Bahadur S. N. V. Raja Char Ayl. Two Talug conferences also were held at Kundurpi and Agali in the Taluks of Kalyanadru. and Madakasira respectively.

The attitude of the Public was cordial.

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MISAPPROPRIATIONS IN CO-OPERATIVE SOCIETIES—

By Rao Sahib T. SREENIVASA RAW.

SPEECHES BY Messrs. HOOD

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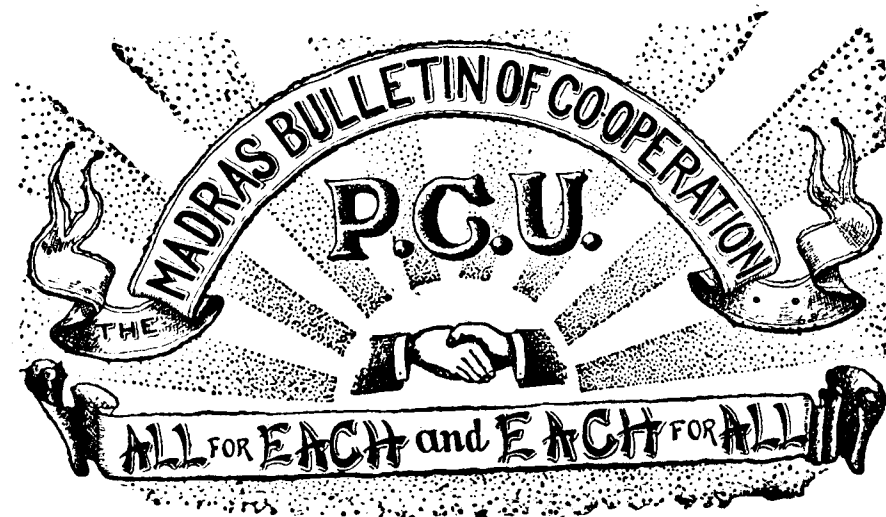
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CO-OPERATION, AGRICULTURE AND INDUSTRIES.

Amalgamation of the Three Departments.

G. SRINIVASA RAGAVACHARI,

Retired Deputy Collector, Madura.

In its Studies of Administration Reports of Co-operative Societies in Provinces for 1923-24, the Madras Bulletin of Co-operation (Vide. page 94 August)—observed, referring to Burma, that :

“ The report is an honest attempt to state the facts as they are without any white-washing and that in the forwarding letter of the Secretary to the Development Commissioner there is a frank statement that the Utopia dreamt of by the pioneers when the movement was started in 1904 has not been realised and the position of societies in some districts

in which co-operation was first introduced is probably no better than it was twenty years ago."

2. As one connected with the co-operative movement for some years, both as an official and a non-official, I may say without fear of contradiction that the statement made by the Secretary to the Development Commissioner of Burma applies with equal, if not greater, force to many of the Districts in the Province of Madras—a fact which will be testified to by co-operators who are in the real know of things and by the statistics published in the Annual Administration Reports of the department, if they are only carefully scanned. At a Conference of Union Representatives of Madura and Ramnad Districts held at Madura on the 6th and 7th April, 1925, at which eminent co-operators like Messrs T. Srinivasa Rao and K.G. Sivaswamy Aiyer, the departmental Assistant Registrar and his Inspectors were present, an attempt was made to take a rough stock of the condition of societies in the two districts except Sattur and Srivilliputtur Taluqs, and it was found that, barring the Kallar societies in charge of the Special Superintendent of Police, there were as many as 113 societies which cannot be looked after by their Unions and which demanded the urgent attention and sustained efforts of the departmental officers for their mending or ending. Quite recently when I had occasion to mention this fact to one of the Union Secretaries in the Tanjore District, he said the state of things in his district was no better. I am quite sure that, if similar conferences should be called in other districts and stock taken—a thing which, in my opinion, should be done without delay,—the state of things will be found to be equally bad, if not worse. We should however not get alarmed and ignore this taking of stock, for it is plain, as observed by Ewbank, "the more the movement is studied, discussed, and criticised, whether by experts or the general public or by practical co-operators themselves, the more healthy will be its growth and the more securely will its foundations be laid." It is in this spirit I have ventured to bring out the defects that have come to my notice and I trust this action of mine will offend nobody.

3. While at Kumbakonam recently, I had occasion to meet some of my co-operator-friends and they were all unanimously of opinion that the movement, instead of progressing forwards, has received a set-back in recent years and that it was the result of all or any of the following causes:

(a) Illiteracy and credulity on the part of members, incompetency of the rural Panchayatdars in general and fraudulent conduct on the part of their chief office-bearers, who assume the role of dictators.

(b) Want of effective supervision on the part of the Supervising Union on account of inadequacy of its funds and its consequent inability to employ efficient supervisors and to depute any of its knowing office-bearers to frequently visit societies and educate the Panchayat.

(c) The inherent weakness in the constitution of Unions by non-association of individuals who can bring to bear on their work their general knowledge and business capacity as is the case with poor men's societies and Central Banks. As things are, the Governing Bodies of Unions are, in many cases, only mutual accommodation bodies.

(d) Inadequacy of arrangements for efficient and timely audit of Co-operative Societies, both interim and final, as required by law and instructions of the Department by means of sufficient stay in the village.

(e) Unnecessary diversion of the attention and energies of the departmental officers to fruitless non-credit work, for which the country is not yet ripe, to the utter neglect of credit work, which itself would take years to be set in order.

(f) The assignment of circles to Inspectors quite regardless of their capacity and facilities available for them.

(g) Failure on the part of the authorities to frequently take stock of the situation with reference to audit and inspection reports and arrange for the personal inspection of at least bad and indifferent societies.

(h) Inadequacy of provisions of the existing law to punish erring and unscrupulous office-bearers of societies.

It is hoped that the department and all others interested in the co-operative movement will take speedy and active steps towards the removal of causes contributing to this retrogression.

4. A mere rectification of the defects pointed out above will only save many a society from the impending ruin. But the societies themselves cannot function properly until the economic condition of the ryot is improved. It is a truism that, favourable localities excepted, the Indian agriculturist has little left over after he has paid his tax to Government and interest to his usurious money-lender. As remarked by Sir Visveswarayya, a purely agricultural country like India, which maintains itself by producing only raw material or grain, is bound to remain poor. Especially should this be the case with our Presidency where the agricultural holdings are small and the rain-fall is limited to four or five months in the year and the farmer has no subsidiary occupations to fall back upon during the periods of agricultural unemployment, which aggregate to six months in a year. The remarks will apply with greater force to the members of Co-operative Societies, who generally come

from the ranks of petty land-holders who get a bare living, sometimes less than a living, and who are responsible for contributing to the increasing overdues lamented upon in every Presidency administration reports and periodical conferences. It may be safely asserted that the ryots who join a co-operative society, barring a few well-to-do of them who are admitted into it with a view to secure the necessary basis of credit, are persons who have well nigh exhausted their credit in their own village and elsewhere, and that the bulk of the loans taken by them go, notwithstanding the official figures, towards the liquidation of prior debts that had accumulated over a series of years by reason of their income falling short of their expenditure. The charge generally levelled against ryots that they are improvident applies only to big and middle class non-cultivating ryot population but not to cultivating small ryots who form the bulk of the members of the co-operative societies, and who, on account of inadequacy of their income, are obliged to borrow to the maximum extent allowed by the society's bye-laws, namely fifty per cent of the value of their immoveable properties, which is not unoften exaggerated by them. It may be safely said that with the majority of members of co-operative societies the average annual income minus their average necessary annual expenditure is either nil or so small as to hardly suffice to meet the annual interest due by them on their loans. It is therefore no small wonder that overdues mount up year by year and that, where they show any signs of reduction they are often the result of other outside borrowings, book adjustments or grant of extensions. Referring to a society in Tanjore in which I am somewhat interested, a friend of mine observed "it is very unfortunate that the society which was started with the object of ameliorating the condition of the tenant folk proved ultimately disastrous to them. In fact, as a result of the working of the society for over twelve years the members lost their little all in satisfaction of the decrees against them and have become thoroughly helpless." Except perhaps in a few most favourably situated villages, co-operative societies cannot be said to have effected any improvement worth the name in the economic condition of the ryot. But it must be stated to the credit of these societies that they were to some extent instrumental in bringing down the general rate of interest on loans in rural areas.

5. What should be done to improve the economic condition of members of rural societies is the problem of the hour. As was remarked already, the annual budget of these members closes with a nil or minus balance. That income minus expenditure is saving is a simple question of arithmetic and if this nil or minus balance should be converted into plus, suitable measures should be taken either to increase the income or reduce the expenditure or do both simultaneously. It is a known fact

that, on account of the smallness and fragmentation of his holdings and his primitive methods of cultivation, a ryot is not able to raise from his lands as good a crop as he could even in favourable years, that he is not able to find an advantageous market for his surplus produce, if any, and that by reason of his residence in an out-of-the-way place and consequent inability on his part to approach a wholesale dealer, he has to pay very dearly for every one of his requirements. It is also a known fact that the farmer in India is much in need of subsidiary occupations, as he is fully employed only for about six months out of twelve. There is therefore plenty of scope for work for the Departments not only of Co-operation and Agriculture but also of Industries towards the uplift of the ryot population. So far, the department of co-operation has not done much beyond providing a fraction of the ryots with cheap credit facilities to be utilized mostly towards unproductive and unremunerative purposes. The Department of Agriculture has not, except in a very few localities, convinced the villagers of its knowledge or usefulness, while the existence of the Department of Industries is practically unknown to the ryot. I am aware that each of these Departments has got sufficient explanation to offer for its inability to do more and it is no use bothering ourselves about it. Of these three departments, the only department that has been able to command any attention at the hands of the ryot is the Department of Co-operation and the reason therefor is obvious. The achievements of the agricultural department so far are not many, being confined only to discoveries of the advantages of seed selection, the use of lower seed-rate, single seed transplantation, deep ploughing with improved ploughs, green, fish and chemical manures, use of better varieties of sugarcane set and cotton seeds. These have however failed to appeal to the ryot to any appreciable extent on account of variety of causes. The achievements of the Industrial Department from the point of view of the agriculturist are practically nil, it having done no work in the direction of finding out only small and home-industries suited for introduction into rural areas to be practised by the ryots as subsidiary occupation. A few people that have come to know something of some of its so-called larger achievements are scared away by reason of that department charging fees for their advice and help, the value of which however still remains to be demonstrated to them. Further the advices given by the Agricultural and Industrial Departments, involving as they do for their adoption, initial heavy outlay, do not catch the ear of the ryot. No doubt some good might result if officers of these two departments should more actively co-operate with those of the Co-operative Department and jointly press the result of their experiences upon the ryot population. Notwithstanding the definite orders issued by Government from time to time,

this co-operation of the departments or co-ordination of their activities has not been possible for variety of causes best known to the departmental officers themselves. Further it is no use inflicting the ryot with the visitation of three sets of officers, who are individually powerless to do anything real or substantial. It is desirable that, so far as the ryot is concerned, the activities of the three departments should be centred in one set of individuals, that all educative and propaganda work in the direction of improving his lot economically, agriculturally and industrially, should be done by them. As was stated already, the discoveries as a result of researches and experiments made by the agricultural and industrial departments, towards improving the economic condition of the ryot, which are published in their Annual Administration Reports and periodical bulletins and which are, however, few and far between, may well be communicated to ryot population through the more numerous officers of the co-operative department and by means of vernacular leaflets. It is no doubt true that the officers of the Agricultural Department can be more easily and efficiently trained to do the work of the other two departments than the latter the former's. To this end it is desirable that in the future vacancies occurring in the grade of Deputy and Assistant Registrars as well as Co-operative Inspectors, the Government should appoint suitable men from the grade of Deputy and Assistant Directors of Agriculture and from the passed students of the Agricultural College, and give the men a co-operative training on the lines in which the persons now recruited to the posts of Co-operative Assistant Registrars and Inspectors are given. As registration, audit and liquidation of co-operative societies which will be gradually multiplying, is a statutory duty devolving on Government, the Department will be an expanding one and the number of hands that may be required at least in the subordinate ranks for audit purposes should be increasing year by year. Further, if the policy of appointing men passing out of the agricultural college to the increasing number of posts in the co-operative department should gain wide publicity, the number of students now seeking admission into the Agricultural College which is declining will steadily increase. In order that the students coming out of the Agricultural College may prove good and useful co-operators, co-operation, Book-keeping, Banking and Minor Industries suited for introduction as subsidiary occupations for the ryot may be taught as additional subjects in the Agricultural College, extending, if necessary, the present three years' course to four. In view of the increased prospects that may be thrown open, the Agricultural College will also be able to attract better types of students.

6. Having regard to the foregoing considerations it is imperative that the present desultory activities of the Departments of Co-operation, Agriculture and Industries should be co-ordinated; and this can, in my humble opinion, be best done by placing the three departments in charge of one officer styled "The Development Commissioner," who should be a senior Indian I. C. S. officer of first-rate ability and varied experience with headquarters in Madras. He should have the help of three Secretaries, who should be the pick of the Provincial service, if possible with European experience, and well-versed in co-operation, agriculture and industries respectively. The Province should be divided into eight circles, each in charge of an officer to be styled 'The Development Deputy Registrar' who should belong to the Provincial Service Cadre and be recruited from the rank of "Development Assistant Registrars" of whom there should be one for each District. Under each Development Assistant Registrar, there should be, to begin with, as many Development Inspectors as there are Taluqs in his charge. It will be the function of these officers to study the economic condition of ryots in their jurisdiction and to find out ways and means to improve their position economically, agriculturally and industrially, by taking to their notice the improved methods of agriculture and the subsidiary occupations suited to their tastes, means and environments. It will also be the duty of these officers to see to the efficient and timely audit of co-operative societies in their jurisdiction and for their efficient supervision by Unions by procuring for them from Government adequate subsidies, wherever they may be needed. As, under the proposed scheme, the Development Inspector will have in addition to annual audit, to do educative and propaganda work in connection with the improved methods of agriculture and the subsidiary occupations to be advantageously adopted by the ryots; the jurisdiction of this class of officers should be gradually limited to a Revenue Inspector's range as more co-operative societies come into existence and the activities of these officers get wider and wider. To enable the ryots to see with their own eyes the improved methods of agriculture and minor subsidiary industries suited for them, there should be attached to each Deputy Registrar's range an agricultural demonstration farm with an industrial workshop, which should be placed under the control and supervision of a senior Development Officer. There should of course be as at present a Central Agricultural College and an Industrial Institute under the control of experts to carry on instructional and research work.

7. The importance of these proposals will be realised from the fact that 70 per cent of the population of this Presidency is dependent on agriculture, that of these, 72 per cent are Pattadars paying an assessment of Rs. 10 and below, 19 per cent above Rs. 10 and below Rs. 30, 5 per

cent above Rs. 30 and below Rs. 50, 3 per cent above Rs. 100, that the average size of ryotwari agricultural holdings, both wet and dry, is only 5 acres and that the actual assessment paid by a Pattadar is only Rs. 11.

8. The financial effect of these proposals will be as follows :—

Designation of Office.	No.	Scale of Pay.			Average pay	Total Average cost per month.		
Development Commissioner.	1	2000	100	3000	2492	2492	0	0
Secretaries to Development Commissioner ...	3	800	50	1200	991	2973	0	0
Development Deputy Registrars ...	8	300	40	700	497	3976	0	0
Development Assistant Registrars ...	24	200	10	300	249	5976	0	0
Development Inspectors ... (two for each taluk)	394	60	5	125	88	34672	0	0
	3	125	5	150	137	624	0	0
	9	60	4	80	78	411	0	0
Clerks for Presidency office...	9	40	2	60	49	702	0	0
		60	4	80	78	447	12	0
Clerks for Deputy Registrars	8x1	35	1½	50	51½	2050	0	0
	8x5	50	1	60	78	2872	0	0
		60	4	80	78	2872	0	0
Clerks for Assistant Registrars ...	24x1	35	1½	50	51½	6150	0	0
	24x5	50	1	60	78	6150	0	0
Peons for Presy Office ...	18	15	1	20	18	324	0	0
Peons for Dy. Registrars' Offices ...	8x5	12	1	18	15	600	0	0
Peons for Assist. Regrs' Offices ...	24x4	12	1	18	15	1440	0	0
Total Monthly Cost ...						65709	12	0

Total Annual Cost.

Establishment ...	7,88,517
Travelling allowances of Development Commissioner	8,000
Do. of Development Dy. & Asst. Registrars	40,000
Fixed T.A. for Development Inspectors (at Rs. 30 per month)	1,31,840
Rates and Taxes and other contingencies for Development Commissioners' offices	11,000
Rates and Taxes and other contingencies for Dy. and Assistant Registrars' Offices	40,000
Total	10,19,357

Contribution to Provincial Co-operative Union,
District Federations and Supervising Unions for
education and propaganda ... 80,000

Total Expenditure 11 Lakhs in round figure.

It will be seen from the above that the scheme provides for an increased establishment, liberal scale of pay, better prospects and lesser jurisdiction which are all necessary for the efficient discharge of the duties under the new proposals, and that, by providing for payment of a fixed travelling allowance for the more numerous class of Development Inspectors, lot of petty work and annoyance will be saved all round. After all, the scheme is estimated to cost only 11 lakhs, that is, only 3 lakhs in excess of one of the three departments, namely, Co-operation, is now costing to Government. Against this there will be a saving of 11 lakhs accruing to Government under these following budget administrative heads, which will merge under the combined would-be budget heads namely 'Development',

	Direction	Statistics	Superintendence	Agr. Eng.	Demonstration	Total
Agriculture	72,600	16,800	1,66,400	40,300	3,38,500	6,34,600
Industries	1,67,000	...	2,39,900	...	...	4,06,900
						10,41,500

or 11 lakhs in round figure.

9. Thus even from the financial point of view the proposals should commend themselves to all right-thinking men, as they would result in a saving of 8 lakhs of Rupees annually to Government, which can be more advantageously employed towards improving the economic condition of the ryot population in other ways and towards education and propaganda. It may perhaps be urged that the combined department may become unwieldy; but the argument cannot stand if regard be had to the fact that other departments under Government with a larger establishment and greater expenditure such as Land Revenue (Rs. 42 lakhs) Excise (Rs. 44 lakhs), Forest (Rs. 52 lakhs), Registration (Rs. 23 lakhs) Irrigation (Rs. 49 lakhs), Administration of Justice (Rs. 99 lakhs), Police (Rs. 194 lakhs) Education (Rs. 186 lakhs), Medical (Rs. 70 lakhs) etc., are each under one controlling Presidency Officer. In this connection it may be added that the present total expenditure of the 3 Departments now proposed to be combined comes to only 30 lakhs.

10. There is now before the Local Legislative Council a resolution of Mr. T. Adinayana Chettiar for the appointment of a Committee of Enquiry into the working of the Co-operative Societies Act and another resolution of the same gentleman for the amalgamation of Co-operative and Agricultural Departments. It is hoped that this article of mine will receive due consideration at the hands of the Legislative Council members and of the Government and also of the co-operators of the presidency.

MISAPPROPRIATIONS IN CO-OPERATIVE SOCIETIES

II. A Case of Conviction in South Kanara district

BY RAO SAHIB T. SRINIVASA RAU.

In my first article under the above heading published in pages 123-5 of the Bulletin for September 1925 I referred to a case of misappropriation in a society in the South Kanara district which had some time previously been reported in the columns of the "Hindu". The issue of the said newspaper of the 14th November 1925 contains a report of the conviction of the Secretary, Rannanna Rai, of the Shri Mallavar Co-operative Society at Adar in the said district under Sec 409 I P. C. for having committed criminal breach of trust in respect of Rs. 4075-14-5 collected by him in his capacity as secretary. The assessors were, it is reported, of opinion that the accused had collected Rs. 4000 and criminally misappropriated the same. The Sessions Judge, agreeing with the assessors, sentenced the accused to undergo rigorous imprisonment for two years and to pay a fine of Rs. 250.

2. While the Mangudi case also referred to in the earlier article which related to embezzlement of about Rs. 8000 ended in acquittal, the present case has ended in conviction. The result of any criminal prosecution depends, even in a true case, upon the availability of reliable evidence adequate to bring home the guilt to the accused and also upon the care and ability with which, in the first instance, the facts of the case are sifted and ascertained preparatory to launching the prosecution and, in the next place, on the care and ability with which the prosecution in the criminal court is conducted. This is all the more so in the case of a prosecution relating to the affairs of a co-operative society, which for proper handling, requires on the part of the person in charge of the prosecution, be he a police officer or a vakil, or a society official or a co-operative departmental official, an intimate, detailed knowledge and intelligent grasp of the structure of the Co-operative organization and its several component parts and of their respective duties and responsibilities, for, without these qualifications the prosecutor can hardly be expected to present the case in a proper form to the court which we have no reason to expect to be conversant with the details of the working of the co-operative society complaining, or of the other co-operative institutions with which its working is closely associated or of the duties and work of the auditor (a Government Inspector generally), within whose purview the entire working of the society and all affairs connected with its administration pass once every year. And it may here be observed by way of parenthesis that co-operative auditing is far more comprehensive than joint stock bank auditing—a fact of which the judicial courts may not be aware,

Further a knowledge of the provisions of the Evidence Act and a certain amount of familiarity with the practical applicability of those provisions, especially in regard to the relevancy or irrelevancy of a given piece of evidence, is indispensable in the person in charge of the prosecution when he does not happen to be a practising lawyer. It need cause no surprise if in these circumstances, owing to mere lack of proper handling, even a true case should result in acquittal.

3. Conviction or acquittal need therefore by itself be no matter for co-operators to rejoice at or feel sorry for. On the other hand the very occurrence of a criminal misbehaviour calling for resort to criminal court by a co-operative society is a thing of which co-operators must be painfully ashamed for more than one reason. It shows the presence among co-operators of men of highly depraved moral calibre to whom the gates of the co-operative society should never be open. It shows how the election to the board of management or the panchayat is not duly regulated, men other than those with an established reputation for character and integrity being strictly excluded. It shows further that the other members of the board of management or the panchayat are remiss in the discharge of their duties. It also shows that the general body is hardly alive to its responsibilities which require that it shall keep a vigilant eye over the management of the society by the board of management or the panchayat. It is simply inconceivable that in a rural society several thousands could be embezzled by an office bearer without at least a few other members, whether on the directorate or not, knowing anything about it for any considerable length of time.

However, the ending of a prosecution in acquittal, at the same time, has deleterious effects on wrong-doers and persons disposed to do wrong in co-operative societies in the neighbourhood. Co-operators cannot therefore be too careful in resorting to the criminal court. They should refrain from doing so when the prospect of securing conviction is not almost assured. It is not meant, however, that the wrong-doer should be left scotfree. When evidence to procure conviction is available prosecution may well be resorted to (and occasionally it will even be necessary to do so), so that the punishment of the offender by the criminal court, and with it the degradation in public estimation and the train of other resulting consequences, may serve as a deterrent to others who are disposed to similar wrong-doing.

4. After all resorting to the criminal court and securing conviction, are, from the co-operator's standpoint, of comparatively less importance. The co-operative movement stands for effecting improvement in the moral character of its members. And criminal conviction is not the only course

left open. There are other and more effective courses available. The creation of public opinion in the village and its neighbourhood and condemnation at the bar of that opinion is far more effective, of course in the case of a person in whom there is yet a spark of feeling of right and wrong. Such a person, there is a prospect of reforming himself, when the criminal court is not resorted to, while such resort is almost sure of wrecking him for the rest of his life by reason of his association with jail life and what all it implies. The case of a confirmed miscreant is entirely out of the question and we have nothing to do with him.

5. As business men what concerns co-operators in connection with the happening of such misappropriations, extensive misappropriations as those under reference, however, is first how best to avert financial loss to the society and the central bank concerned; and *next* to find out ways and means of avoiding, or at any rate considerably minimising the chances for similar misappropriation in future. As regards the first point, very prompt action is called for in order to prevent alienation of his property, by the miscreant, if he has any, so that as much as possible of the money misappropriated may be recovered out of it, without as far as possible resort to enforcement of the unlimited liability. Such action is called for also in the interests of the soundness and reputation of co-operative finance.

6 As regards the second point, we have already indicated the lines on which further action is called for in the concluding portion of our earlier article. Before elaborating on those lines, however, we shall await the views of co-operators (especially central banks) on the subject, which are cordially invited.

ECONOMIC CONFERENCE MADRAS

Dated 5th January 1926.

Mr. Rao Bahadur M. K. Venkata Acharya, Deputy Registrar of Co-operative Societies, Madras, explained to the audience the causes of the comparative inadequate development of the non-credit societies in the Presidency. He pointed out that the law to stimulate the expansion of such activities was passed only in 1912, on the satisfactory evidence afforded by the successful working of the credit aspect for eight years. From the very nature of the activities of the non-credit branch, their development and success should depend more than in the case of the credit branch on the popular enthusiasm, propaganda and support. Indeed the Triplicane Urban Co-operative Society which came into existence even before the Act of 1904 was passed has given the un rebuttable proof

that the firm establishment of such non-credit societies can be achieved best by non-official efforts.

The Agricultural and Industrial societies at Kallakurichi, Shiyali and Tindivanam also came into existence mainly on the non-official initiation. As far as practicable the help and advice of the Agricultural and Industrial Departments have been secured by the Co-operative official staff to these societies and they are feeling their way towards success. The failure of the several stores started in the mofusil parts during the period of control on export of food stuffs while the Triplicane Urban Co-operative society was such a grand success, was perhaps due to their having been initiated by the official agency. This affords a good contrast to the credit side which owes its success in this Presidency on account of (or as some might perhaps say in spite of) the official initiation, supervision and control. Further the development of such non-credit work could not be so well undertaken as of the credit side by the Government staff since its hands have been too full of credit work, which has developed far beyond the capacity of its strength. Again the existing staff, having been drafted mainly of the quality which will be suitable only for credit work, fought shy of the non-credit side of the movement. More than all these, a network of societies situated close to each other and affiliated to suitable and efficient supervising unions and Central Banks appears to be an unavoidably necessary preliminary before any agricultural non-credit activities can be initiated on a large scale either by the official or the non-official agency. This view has already been indicated by the MacLagan's committee in their admirable report. The main reason for the need of such a preliminary development of credit side is that facilities for ready and ampler credit and close and frequent supervision are absolutely necessary for the expansion of agricultural non-credit activities. A cluster of societies is also essentially necessary to afford the bulk and the large quantity for quick turnover. Bigger landlords who can easily contribute such bulk have been keeping apart, because, the activities of the movement have been confined mainly to credit and they were not either in need of the credit facility or the limited amount of credit which can be secured by the agricultural credit societies would not satisfy their needs. These big landlords have to be educated by propagandist work and brought into the movement for the non-credit benefits of wholesale and production without allowing any chance of their credit needs interfering with the credit facilities now afforded to and enjoyed by small landholders, tenants and labourers. Propagandist work amongst such big landlords can only be undertaken by non-officials effectively. But it is found difficult to even start such a propaganda for want of adequate funds though there are non-official enthusiasts who can well undertake the task successfully.

These circumstances drive to the conclusion that it is the Government and Government alone that has to stimulate the starting of *even such non-credit societies*.

The Madras Government has already recognised this fact. Recently, the whole staff has been re-organised in order to relieve a few senior Officers of the Department of their routine duties so that they may devote more time for the development of the non-credit side. After the introduction of the re-organisation scheme, several proposals for Government aid have been made. The first of them is that a small additional staff of a higher quality specially suited for the non-credit work should be added. The second is that a subsidy to such non-official bodies which undertake propagandist work in the further development of the movement should be granted. The third and none the less important is that direct sub-ventions should be granted to the first few non credit societies that have to be started for experimental and demonstration purposes. The sub-vention to these societies will have to be in the shape of free grants, cheap and long-term loans and participation of Government in their interests by investment of share capital and lending officers either free of cost or lent on foreign service. Granaries for wholesale societies, installation of pumps for irrigation societies and factories, for productive societies are such as those that deserve such initial help. With such aid and equipment there appears to be a very good prospect of the speedy expansion of the development of the non-credit activities in this Presidency. The non-official agency, not merely isolated individuals but specially organised bodies such as local unions, their Federations, Confederations and their Provincial Federation should speedily develop all over the country and undertake brisk propaganda of the movement with their own experts and paid staff to work side by side with the official staff. When this is done there is sure to be tangible achievement in the non-credit side as well. It will reflect on the credit side which will automatically expand in consequence. Such mutual reflection will be to the advantage to both credit and non-credit development bringing prosperity to all concerned.

TANJORE DISTRICT CONFERENCE.

PRESIDENTIAL ADDRESS BY MR. HOOD I.C.S.

Tiruvalur 21st November, 1925.

RAO BAHADUR KRISHNASWAMI AYYANGAR AND GENTLEMEN,

First of all I wish to express to all those gentlemen who, being closely and actively connected with development of co-operative principles in this district, are responsible for this conference my full appreciation of the honour they have done me in asking me to preside here, and to say that it gives me great pleasure to be here to take part in your discussions.

As I understand it, one of the main objects of this conference is to bring strongly to the notice of officers of the Revenue Department and perhaps of other departments the desirability of taking a fuller interest in co-operative societies, but at the same time I realise that my audience consists largely of those who are fully versed in the principles and practice of co-operative work and to them I would observe that the departments of Government are not something apart-necessary evils to be put up with or appealed to only in times of difficulty. All of them have been created directly or indirectly in the interests of the people themselves and it is in the interests of co-operators to make the fullest use of the activities of those departments.

The present tendency is towards non-officialisation of the co-operative machine and I have nothing to say against such a tendency, but I would like, if possible, to soften the very hard and fast line which is so frequently and so firmly drawn between the official and the non-official, when both are working for the good of the ryot. The actions of officials are of course subject to considerations which need not disturb the equanimity of one who is not subject to the direct control of the Government, but that is no reason why they should not work together more intimately than in some directions is now the practice.

You will find in the preamble of the Act the words "whereas it is expedient to facilitate the formation of co-operative societies for the promotion of thrift and self-help among agriculturists, artisans and persons of limited means" and it is on this text that I wish to base the few remarks I have to make here to-day.

The effect of such promotion is two-fold, moral and economic. It is with the material aspect that I purpose to deal: the development of thrift and self-help as indicated by his ability to maintain himself and his family according to the standard of his community avoiding the excesses both of the miser and of the spendthrift, for there are misers and spendthrift in all ranks of society, cannot fail to improve his economic situation.

The thrifty man-the prudent man of the Evidence Act-knows what he can afford to spend on his family and himself, setting aside a little for insurance against a bad season, and gets the most advantage from his limited income.

In regard to the ryot of this district, his expenditure is in rupees and his kists must be paid in rupees but his income in the first place is in paddy. If he is to make the most of his income he must sell his crop at the highest possible price. He is obliged to sell to a merchant but the price fluctuates and it is important that he should be able to sell when he sees fit, not at the dictation either of the merchant or of the Tahsildar. It is an undesirable fact that many a small ryot is not at liberty to choose their own time. But the time the harvest comes he requires money urgently, money to meet the demands of his family, money to meet the demands of the sowcar who has been giving him supplies on credit, money to pay his kists. If his crop has been mortgaged to the money-lender, the money lender will take it at the thrashing floor at the lowest possible price. The ryot then gets a very small return for his crop and must live in penury and hope that he will get a better return on his next crop. So long as a ryot sells his crop in advance at the sowcar's price on the sowcar's terms it is very difficult to do anything to help him. But so long as his crops are free to do with as he will, even if he has come to the end of his resources by the harvest, it is still possible for him to sell in the best market and yet meet the demands of his family and of the Government.

The Government in the Revenue Department requires its kists on the due date. Delay means more work for the Revenue Department and more expense for the taxpayer to meet, and it is as important for the Revenue Department as it is for the ryot himself that the payment of kists should be no more burdensome than is absolutely necessary, for the less burdensome the assessment is, the more easily can it be collected. Consequently any plan by which the ryot can get money for his crop to pacify the Tahsildar and yet keep his crop to be sold at the top of the market must commend itself both to the ryot and to the Revenue Department. If this can be done through the Co-operative organisation it needs no labouring on my part to persuade revenue officers that it is their duty and their self-interest "to facilitate the formation of Co-operative Societies".

There are 2 ways in which this can be done. One way is to put the grain into a godown, mortgage it to a crop loan union which keeps the godown and borrow the money required for immediate needs. When the price goes up, the ryot sells his paddy and repays his loan to the union.

There are a few such unions in this district and the system has the great advantage that it keeps already for sale a large quantity of grain in one place, convenient for the merchant to come and buy. A bigger merchant will come and buy at such a godown with a consequent advantage to the producer. Experience has already shown that even after paying the incidental charges of conveyance, rent in the godown and interest on the loan taken from the union, given sound and honest management, the advantage to the ryot is very considerable indeed.

The other way is open to all co-operative credit societies. It is the simple method of taking a short term loan to be repaid within a limited period as soon as the ryot can profitably sell his crop. There is no point in taking a loan before it is required, but I am aware that a member of a co-operative society cannot get a loan at five minutes' notice. It may take a week. I have known instances when it has taken a month, but there is one requirement which all ryots can foresee and that is the payment of kists, each ryot knows when his kist is due and what the amount is and it is a simple method for him to apply in December for loan of the kist amount to be paid to him on due date. If a large number of members of a society so apply for loan to pay kists the secretary for the society will consolidate these and apply accordingly to the bank. The whole amount could then be paid to the village headman who will give individual receipts, countersigned by the Karnam in token of the fact that the kists have been paid and entered in the revenue accounts. I do not see that there is room for any serious difficulty. If a ryot does not know what his kist is, the Karnam can tell him and I rely on my Tahsildars to see that there is no ground for complaint on account of reluctance in giving such assistance.

The payment of kists in bulk by co-operative societies will be of advantage both to the ryot and to the Revenue Department. It will generally assist the ryot financially and it will, in many cases, save him from attachments and the concomitant opportunities for petty tyranny and oppression at the hands of an unscrupulous subordinate.

I shall leave it to the Deputy Registrar of Co-operative Societies to indicate the manner in which Revenue Officers can within the scope of their legitimate duties facilitate the formation of co-operative societies, but it will help considerably if they will in their tours inform themselves of the nature and methods of co-operative enterprises and take an intelligent interest in their activities.

The payment and collection of kists is not the sole object of our existence. It is an important item to the Revenue Department, but to the ryot it is one of several possible immediate demands on him at the

harvest, and the system of short term loans to which I have referred will meet only the requirements of small indebtedness.

A ryot whose position is prejudiced by a heavy debt on his lands involving heavy annual instalments of interest will undoubtedly be able to get some relief in this way, but it will hardly touch the larger debt which can only be raised by a long term loan on easy terms. I understand there is some suggestion to start a land mortgage bank in this district. There are such Banks elsewhere but their formation is by no means free from difficulty and I have no intention at this stage of advocating the wholesale formation of such institutions. I merely wish to indicate in passing that it seems to be the most practical way of dealing with large rural indebtedness.

I have referred to certain economic aspects of a ryot's position at his harvest. Let us go one stage further back. Can he get a better crop, a more paying crop than he now gets from the land at his disposal? The agricultural department must answer the question, and in many cases they have answered it emphatically in the affirmative. The agricultural Department is working constantly to improve strains of paddy to show what can be done with better manures and better methods and to disseminate the information they get. The pamphlets and advice they send out cannot be lightly thrown aside as the aimless babblings of foolish cranks, but the Department is a small one and its officers cannot preach in every village or give individual advice to every man who owns half an acre and a lean cow. The Co-operative organisation can, however, do much to compensate for the smallness of the Agricultural Department. Each ryot belongs to a co-operative society, each society belongs to a union and each union does or should belong to a District Federation. The federation, representing, as it does, the collective interests of the most progressive ryots, the ryots who are most likely to take advantage of the Agricultural Department's work, can obtain the Agricultural Department's publication and distribute those which have local application to primary societies where the ryots can meet and study them. He is a foolish ryot who thinks that neither his methods nor material are capable of improvement. He is not a thrifty ryot who does not take advantage of an improvement when he merits it, and lest I be misunderstood, let me explain that by improved methods I do not mean necessarily more expensive methods. I mean methods which will give a better return for outlay. It appears to me rather foolish to learn to read and then to neglect to read publications specially written and realise there are experimental farms and demonstration plots. The experimental farms—there is one at Aduthurai—should be visited and I regard it as one of the

duties of a Union to keep itself informed of what is being done at this farm and to arrange for parties to go and see it when it is most advantageous to do so. There should, I consider, be a demonstration plot at the headquarters of every union and any union which has not got one should immediately make arrangements with the Agricultural Department to have one. I think your own ingenuity will suggest other methods by which greater use through the Co-operative organisation can be made of the labours of the Agricultural Department, which is, after all a benevolent body working in your own interests. You may or may not think that some of their ideas are mistaken but you cannot afford to ignore the work they are prepared to demonstrate in a plot of land before your eyes.

Now let us go a stage further back and consider irrigation and water supplies. I am aware that the irrigation of this district is bristling with minor difficulties. The irrigation system—if it can be called a system—of the delta is not the work of any one in particular: it has grown up and no one in particular is to blame for it. Co-operative enterprise is not likely generally to make such impression on it, but there are certain ways in which work now attended to by the D. P. W. and the Revenue Departments can be done by the Co-operative Societies leaving the Department free to attend to other matters and prominent among them is the clearance of silt. I am fully aware that the same factor which brings ryots to the Revenue Department with a request to deal with silt clearance in small channels under the Kudimaramat Act will militate against the smooth working of a Society. Dissensions and strife are at the root of the evil, but at the same time I am convinced that more can be done than at present by co-operative societies formed for the purpose of maintaining common channels in an efficient state. The new Irrigation Bill provides for this being done through Panchayats, but I must observe that exactly the same thing can be done on a co-operative basis. There are one or two such societies in this delta but one of them, I think, tried to do too much. Some of the members seemed to think the society was to blame when there was no water in the Vennar, but I think it very doubtful whether a co-operative society in Tanjore can seriously influence the rainfall in Mercara.

Another sphere of co-operative activity lies in the less favoured tracts where the land has not been brought under cultivation because of the preliminary expense of clearing and preparing it. Even a very poor man can do this if he sets about it in the right way. The assignment of some lands has been ordered in the name of societies to enable individuals to obtain the necessary capital on their co-operative credit to bring the lands under cultivation. This has been done both through the Co-operative and Labour Departments.

Another feature of co-operative work in this district is the organisation of labour unions, societies of labourers which pay for their own supervision and directions, to carry out work involving a large amount of unskilled labour. I am aware that such societies are up against strong vested interests, but they have demonstrated that such societies can do certain classes of work on which at present very large sums are spent annually. If the work can be done through this agency as well and more cheaply than through established contractors, then it is in the interests of the public purse that they should be employed quite apart from the fact that the greater the amount of the profit of contract goes direct to the Labourer the less will be the temptation to emigrate and the more labourers there will be available to meet the heavy seasonal demands for labour at the transplantation and the harvest. If the great spending departments, the Local Fund and the D.P.W. find that by this agency more work can be done with the funds at their disposal, I have no doubt that they have sufficient solicitude for the interest in their charge to make use of it.

If further demonstration is required of what can be done on a co-operative basis, I would refer you to Maruvur where there is now a first class crop on land which has been cleared of sand by a Co-operative Society organised for the purpose. But for its activity that land would have yielded only dry crops with a corresponding loss both to the Government and to the owners.

These, Gentlemen, are some considerations on activities mostly out of the routine run of Co-operative Credit Society. I refer to them as possible activities and as directions in which the present co-operative organisation, a dual organisation providing on the one side for finance and on the other for supervision and control can be utilised. The Co-operative organisation is not an aim in itself; it is only a means to an end. There is side by side with that organisation a government organisation arranged in departments of which several are more or less closely concerned with the economic improvement of the ryot's position, those departments have not been created in their own interest, they are not a form of charity to provide clerks with salaries, they are there in the interest of the people, and if the ryots can reap a fuller benefit from their activities by working through a co-operative organisation, it seems hardly necessary for me to urge on them that it is desirable to get down to it without delay and on those officials with whom I have the honour to work I impress that it is expedient to facilitate the formation of Co-operative Societies.

THE 9th TANJORE CO-OPERATIVE CONFERENCE AT TIRUVALUR ON 21st Nov. 1925.

Address of M.R.Ry. Rao Bahadur N. Krishnaswami
Ayyangar Avl., B.A. B.L., Chairman, Reception Committee.

It has become a matter of tradition in gatherings like this that the spokesman of the Reception Committee should make a brief survey of the progress achieved and suggest to the conference, matters which might usefully engage their attention with a view to finding a satisfactory solution for the many problems that confront us in the practical work of the movement. If I refer briefly to what has been done and what difficulties we have had to face in our day to day work, that is not because, I wish to appropriate myself what perhaps is legitimately the function of the President, but solely with a view to suggest to you matters on which you can usefully concentrate attention. So far as this Province is concerned, the movement has been in full swing for over 15 years. Whatever difference of opinion there may be among public men of the various parties and creeds on other public questions, on one thing they are agreed, viz., that the most pressing need of India to-day is a systematic movement for economic uplift among the masses, both urban and rural. There has been no appreciable stimulus for much uplift either from the people themselves or from the administration; and the administration by itself, though it might initiate, cannot do very much without the active help of the people; and their continued efforts alone may produce some tangible results, if well directed and well carried out. It may be confessed that the stimulating agency in this direction may be found in the co-operative movement. Remarkable progress has been achieved during the past 15 years but the progress has all been in one direction; introduced originally though with the object of finding capital for agriculturists, it soon became clear that it was not money alone that was wanted but proper counsel for the wise use of it. One of the basic principles of the movement is encouragement of thrift. Not much attention was bestowed on it in the earlier stages and there is a good deal that remains to be done in that direction. Though the preamble to every set of by-laws regulating the constitution of primary societies provides piously for the encouragement of thrift, whether any real advance has been made in that direction is a matter on which I have great doubts. The movement was intended to save the agriculturists from the usurious money-lender.

It has been able to find him money perhaps on easier terms. But cheap credit is not an unmixed blessing unless it is properly used and is firmly allied to the cardinal principle of the movement, namely, the development of the habits of thrift. Otherwise, the financing banks will

bring themselves if they have not already done so in some instances, down to the level of the money lender whom they would have displaced only to occupy his place themselves. It is practically impossible for central banks to see if with the cheap credit they provide, whether the indebtedness of the members of a primary society is anything less than what it was before they became members. And he must be a bold man who asserts it is. A study of this question will be of immense value, for, if the answer should be in the negative, the movement must be considered to have failed to achieve the main object in view. Much useful work in this direction can be achieved by those who are supposed to guide the societies, to train them in business habits and make them thoroughly reliable and self-reliant.—I mean the supervising unions. I may here give a few figures that I have been able to gather from the bank over the administration of which I preside. Out of 533 loans distributed in a year on the recommendation of unions to various co-operative societies, only 45 have been verified by the unions concerned in regard to the application of the money for the purposes for which loans were ostensibly granted to individual members. It is the primary function of the governing body of these societies to verify it; it is also as well that of the unions to check the verification if any by inspection. Without such verification and check, there is no guarantee even that it is paid at all to the persons for whom it was represented to be required and several instances of disbursements to different persons have come to light. As a lawyer, I know that it is no business of a moneylender to see to the actual application of the money borrowed by the borrower; but we must not forget that financing banks are not more moneylenders, but they are important agencies for the promotion of the movement, the basic principle of which is thrift, mutual confidence, self-help and self-reliance. If the money is borrowed for a particular purpose and misused, that is, to say the least of it, a breach of faith which may affect the confidence of the bank in the society and injure the healthy development of the movement as a whole. I do not wish here to be construed as finding fault with anybody but only wish for greater and more sustained attention to this important function of theirs. What guarantee is there, that the 533 loans which we have sanctioned have been properly utilised and is it possible to know in how many cases has the faith upon which the loans have been advanced has been kept up? 43 out of 533 cases work at 8 per cent and the remaining 450 have been unverified. I am perfectly aware that it is a very unpleasant business, and because it may be unpleasant to the panchayat of a society to make a verification, the responsibility is all the more for the unions; and I know there have been cases in which for want of the verification, misapplication

of funds, criminal in some cases, has unfortunately been the result. I would therefore urge upon the unions the extreme necessity of their giving special attention to this, a very important part of their duties.

A steady progress has been maintained in the last co-operative year, when the number of societies in the Province rose from 8443 to 9785 and the membership also rose proportionately. The working capital increased from 711 lakhs to 839 lakhs and the paid-up capital from 95 to 114 lakhs. And there is no doubt that judged by these figures, the movement has been progressive and the confidence of the public has been sustained. But nevertheless we have only touched the fringe and have not yet penetrated deep. It is sad to note that with the development of the movement, the realisation of outstandings has not been commensurate. The percentage of balance to demand in respect of principal due to the financing banks in the case of non-agricultural societies rose from 12.68 to 16.98 or it was 4 per cent higher, and it rose from 12.43 to 13.30 in respect of current interest and from 3.24 to 50.8 in respect of arrears. But when we go to agricultural societies which form the major portion of the societies at work, while there has been some slight improvements in the collection of arrear interest from 13.61 down to 34.43, in the matter of principal there has not been any improvement but a slight increase in the percentages of balance to demand. It may be stated without contradiction that the efficient working of rural societies forms a substantial security for the District Bank and for the investors in it. Under the existing system nobody seems to be directly responsible for it. If anything goes wrong in the village society, those who are in charge of it, may well plead that they have not known the necessary equipments to conduct its affairs in a business way. The supervising union in its turn may say that it tried its best. The financial bank, maintains a sympathetic attitude towards societies and places at the disposal of unions a reasonable percentage of its profits for supervision and it can in the nature of things do nothing more. And the departmental officers will say "We have given the best help to educate these people to manage their own concerns" and if they have failed to profit by it, we can't be blamed. I wish here to refer to a passage in "The Bombay Co-operative Quarterly":—"The Union system has long been in existence in Madras and there is no large staff of officers to guide and even control these Unions. May it not be that the Co-operative Department in Madras has erred grievously in vigorously excluding central Financing Agencies from any direct share in the work of Supervision? When nearly 80 per cent of the funds of the Agricultural Credit Societies are derived from Central Banks, it stands to

reason that the institutions primarily affected by a slackness in recovery work will be the Central Banks and yet our ardent Co-operators anxious to imitate the West, (whereas in Germany the percentage of local and borrowed capital would be the reverse of those found in Madras) deliberately aim at the elimination, of the valuable influence which the financially responsible agencies may exercise." I am not overdrawing the picture. The immediate problem is to bring down the overdues to the least possible minimum, even if we cannot completely wipe them out. I would mention in this connection that if the financing banks and the central urban bank at Madras have, in spite of the large unrealised assets of theirs had enough funds at their disposal to provide for the movement it is because of the large amount of deposits which the financing banks have been able to attract by the public confidence they are able to command; and the effect of the ever-increasing overdues has not been felt. Now, the position cannot be any longer maintained for any length of time as the confidence of the investor may be readily shaken by what in course of time is sure to attract attention as being unbusinesslike. It is a matter which we may often forget and will therefore bear any amount of reiteration that co-operation is business not charity. The very idea of charity is repugnant to self-respect and is the antithesis of self-reliance, two basic virtues which the co-operator aims at developing. In this matter, the financing banks themselves can do very little, for except the unions they do not possess any other agencies needed for the prompt realisation of the advances made by them. And in this connection, it may be borne in mind the arrears to central bank and adjustment by a manipulation of figures will only be illusory and only a piece of self-deception unless the overdues in societies from their members are also actually reduced.

The movement is essentially a democratic one, based upon our confidence and good will. It is still in its adolescent stage, and I know in several instances, it is chafing for full liberty. Full liberty and entire freedom of action is no doubt our goal. But as in the case of the individuals in their adolescence, so in the case of these institutions, at their present stage, a certain amount of wholesome guidance and restraint is absolutely necessary, for as in the case of the individuals, liberty without wholesome check and safeguard will deteriorate into license and the result anteffect upon the movement will be deplorable. It must be remembered that the bad work of even a few societies, however small in number, will be to obliterate all the good work that might have been achieved by others and in other directions. Control and direction are therefore necessary and until we have ourselves a body of trained and disciplined co-operators, I do not believe even the most go-a-head co-operator can plead for the

immediate abolition of departmental control. It will and must be replaced by agents provided by ourselves, but only gradually as our own agencies are yet in the course of formation. Generally, they have not yet been educated thoroughly in their duties and responsibilities though there are a few members highly advanced. And so long as the individual shareholder has a stake in the financing banks, he must have some *prima facie* guarantee that the affairs of the bank will be well conducted. It will be a millinium which can be attained gradually, when the redemption of the individual shareholder is completely effected. About a couple of years ago, I asked the then Registrar of Co-operative Societies, who is the President of to-day's gathering whether he would advise my bank to so modify its by-laws as to enable the redemption of the individual shareholders gradually, so that in a few years, many banks may be capitalised by societies entirely. After giving his best attention he was of opinion that it cannot be done for sometime without prejudice to the movement. A similar advice was given by Mr. Gray to the Madras Central Urban Bank only the other day when they proposed to wipe off completely the individual shareholders from their share register. Therefore if the stability of a bank has to depend upon the stability of societies and the stability of societies depends mainly upon the practical help rendered by the unions supplemented by such assistance as the departmental officers can give, then it follows that until the unions are thoroughly well educated and sufficiently strong to shoulder the responsibilities, and so long as they require departmental help to supplement their efforts it will be too soon to free ourselves entirely from departmental control. But in this connection I much regret to say, whether owing to the large increase in the number of societies year after year or to other calls upon them, that the control and direction which we have had from the departmental officers so far as this area is concerned has neither been adequate nor sustained. I know they are full of enthusiasm and have the welfare of all the co-operative concerns in their heart, and they would be rendering invaluable services if they concentrate attention on such societies at least as have been reported to them either by unions or by financing bank to be deserving their immediate attention. Diffused attention, strees of work and other pre-occupations are perhaps responsible for these. And I hope that under the new arrangements, the Deputy Registrar will be able to concentrate more attention than as Assistant Registrar he found it possible to do.

Though a very large percentage of societies are termed agricultural, they have no claim to be so called, except in the sense that they profess to provide capital for the agriculturist. But there are many other directions in which these societies can be made useful and really beneficial to the

agriculturist. In this district and especially in the deltaic portion, the holdings of the ryots consist of small patches of land scattered far away from each other, with little facilities for applying improved methods with advantage. If it is sowing time for one, it is the time for draining his neighbour's. It is impossible in the nature of things, to regulate agricultural operations in such a way as to harmonise with the holdings of all. In former times when this country was the land of village communities, they laid out the fields which they cultivated in common as members of one family, the whole block continuing to be cultivated by the community subject to established customs and rites as interpreted in the village council by the sense of village elders. This commonness of ideal and the desire to work for the common need were the principal features of village life. And later on when the communities were split up into families each distinct from the other, the ideal of commonness was nevertheless maintained. And that is why every agricultural reformer of the present day desires to have co-operative farming carried on to the best advantage of the village communities as of old. But modern settlements introduced about 60 years ago in this district which aimed at dealings with the individual ryot than with the whole village community as of old, and the facilities for partition of joint family property which our systems of law encourage have resulted in the disintegration of holding to such an extent, that the ordinary pattadar of present day who holding generally averages about 3 acres, has his lands scattered out in a dozen places. Intensive farming is therefore out of question and the delta conditions do not permit it. Consolidation of holdings if possible would be a blessing. But the ideal is too costly and is not of easy attainment; the best thing therefore would be co-operative farming. I have seen from published accounts that the consolidation of holdings where it was possible, has resulted in increased production, and its substitutive, co-operative farming, may be able to produce like results. The attempt does not appear to have been made anywhere; and I would therefore urge upon every co-operator to try his best to introduce this, in however small a degree, in every village where he may make his influence felt.

Allied to this is the subject of the introduction of the improved methods of agriculture. The department of agriculture may turn out a good deal of useful work through the agency of co-operative societies and the usefulness of their operations if directed in every village, would be far greater than in isolated place far away from the reach of villagers. In an address delivered by Mr. Gray before the Coimbatore Agricultural College Union, he entered an earnest plea for agricultural co-operation. The department of agriculture has been no doubt doing some useful work.

and they have been co-operating with the department of co-operation. But the co-operation which I seek at their hands is co-operation both in propaganda and demonstration. And I have no doubt that if intelligent members in societies and unions already in the movement take an interest in the improvement of agriculture, sympathetic and active response is sure to be secured from the officers of the agricultural department.

Then we have the Labour Department, whose activities in this district have been remarkable. A very large number of field Labourers Co-operative Societies have been organised and registered. They are practically under the guidance and control of the District Labour Officer. I confess that I am not enamoured of the ways and methods of this department; and I have had occasion to say that on more than one public occasion. But apart from this on which there is bound to be differences of opinion, there can be no doubt that the question of the independence of labour is one that has to be seriously considered. That independence is not secured merely by enabling them to call the patches of grounds on which they had been long squatting as their own but by providing facilities for them for continued and steady employment during all seasons of the year. I am not sure what efforts have been made in the direction indicated, but I put it as a matter for earnest consideration by those who run these societies. *Prima Facie*, it would seem that there is some antagonism between the interests of these Field Labourers' Co-operative Societies and all other agricultural societies, and the welfare of the former being the concern of the labour department, it would be well if the officers of the department of Co-operation beyond exercising their statutory powers keep themselves on entirely neutral ground.

Then there is another very good field for useful work for the co-operator. If there is one thing more than another in this country in which all shades of public opinion have been unanimous, it is the problem of rural reconstruction of this country. But very little in this direction has been attempted by co-operative societies though there is considerable potentiality. No scheme of village reconstruction can overlook the common characteristic of villages, namely, the commonness of the ideal and the desire to work for the common weal, which have been the principal features of village life in the past. The decadence has been rapid. And what has brought the village to their present state? The answer to this question may be the first step towards finding out a remedy for it and for a suitable mode of reconstruction. Some blame the villages themselves; others, the climatic conditions; some, the poverty of the people; others insanitation. Some, our laws; and remedies are suggested

in accordance. But while every one is trying to cure the symptom, not one of these touches the root cause. It is the fallacy of the physician who tries to treat the symptom but not the disease. Any amount of benefactions and charitable associations can hardly succeed in rural reconstruction. They may do some useful work for a time just as medical relief does. But what we want is preventive medicine, the radical extermination of the root cause of the disease; and the essential elements for reform in that direction are self-help, and self-reliance which are the basis of freedom. There is no reason why co-operators should not combine their efforts in resuscitating the villages. When I say rural reconstruction, I mean reconstruction after a model to which we have been accustomed and not the transplanting of a different model which may not take root and even if it does, may not grow for a long time. It is perfectly possible for co-operators to make every village self-contained as of old, producing all that is necessary for the comfort of its inhabitants little relying upon outside productions, providing for the education of its little folk and for their health and comfort; self-contained in every way so as to be a little kingdom in itself, with complete autonomy over its affairs entrusted as of old to the trust of elders. Can we not make a beginning in this direction? And let half-a-dozen of us begin in earnest and whatever may be the trouble and sacrifice we have to undergo to overcome the initial difficulties let us spare no pains to make at least a beginning and demonstrate what is possible for others to follow. And if we do that, I have not the slightest doubt that we shall so realise the vision which one of the earlier Registrars saw, Viz., every village with its own school, with its village council, with its organisation for medical relief and sanitation, with its cottage industries well-developed and regulated, and the agriculture improved upto date and every thing complete in itself; so that a number of such villages grouped together may be an impregnable part of the Empire. That ideal may be far away from us to reach. But there is no reason why we should not take a first and real step towards it.

There is a genuine desire all round for providing the agriculturists with some other occupation for his leisure hours to enable him to supplement his scanty resources. I do not see why we should not take a particular step in introducing some cottage industries such as spinning, weaving and the like, in typical villages.

Then again there is the important question of finding real help to the agriculturist to enable him to meet the demands of the movement upon him. I believe it is perfectly possible for the co-operative agencies and the tax gatherer to co-operate with each other in this direction with advantage to all concerned. On this matter, the President will, I have

no doubt, announce to you some scheme which he has been considering for some time and I have no doubt it will receive your earnest and careful consideration. I must however here say that while we are thinking the Department of Revenue for the help they are rendering us in the realisation of our overdues, it is only a very small fraction of what they could do for us and I plead for their whole-hearted sympathy. Within the area of bank there are nearly 1,200 awards pending realisation. The ways of the law are tardy and tedious and the woes of the creditor begging after the decree and if we attempt to realise these through the ordinary law court it may take long before we are able to realise them all. Revenue officers, if they had the will, can render us substantial help and we on our part will be able to relieve them of a portion of the strain in the collection of revenue by providing greater facilities to co-operators in the payment of revenue. Perhaps I have been too long already and possibly my remarks are scrappy. I have only attempted to put before you what in my opinion as a practical worker and not as a theoretical lecturer, difficulties we meet in our day to day work; and I believe that some of the points upon which I have dwelt will receive your earnest attention.

I would implore you again to consider that our concerns are all business concerns and not charitable institutions; to realise that as business concerns, business rules must be cheerfully and implicitly be conformed to; not to be impatient and fret at little things; not to distrust each other but to act in a spirit of mutual forbearance and good will: to avoid even the semblance of any sight, but to so harmonise your efforts as to be productive of the greatest good to the greatest number; to be fair in your dealings with each other; to be reasonable and practical in your demands; and to demonstrate more by example than by precept the basic principle on which the movement is formed. The movement is essentially a democratic one. and there is no place in it for anybody to lose; but please remember that the aim is to run it as a well regulated and well disciplined democracy and that it should not therefore degenerate into a motley crowd everybody leading and none to follow.

**ADDRESS PRESENTED TO THE MEMBERS OF THE
LECTURING STAFF OF THE TRAINING CLASS
BY THE STUDENTS OF THE SAME.**

GENTLEMEN,

We the students of the first Co-operative Training Class, 1925—26, organised by the Provincial Co-operative Union Limited, Madras, beg to welcome you in our midst this evening to express our thankfulness to you for considerably widening our mental and moral outlook of the co-operative movement and our faith in the cause of co-operation. For the first time we came under the inspiring guidance of the Provincial Union and we only pray for more strength to spread its gospel.

On this occasion we would like to offer our heart-felt gratitude to the President and the Governing Body of the P. C. U. to the Minister for Development and the Registrar for bringing the scheme of a co-operative Training Class to a successful fruition. We beg leave to thank heartily our veteran and ever enthusiastic co-operative Guru M. R. Ry. Rao Bahadur A. Vedachala Iyer Ayl., B. A. Retired Registrar of Co-operative Societies and his colleagues and the officers of the department in the co-operative training class assembled here, who have taught us what have been best in the explored fields of co-operation and how best they could be developed in the light of experience gained so far. We also beg to thank in particular our pioneer co-operator M. R. Ry. Rao Saheb T. K. Hanumantha Rao Ayl., B. A., L. T. who has clearly taught us what is in the unexplored or unattempted field of co-operation in India—the Consumer's movement, its potentialities and how it will become the temple of Union. We will but be doing our bare duty by our making a reference to the service rendered by the economics lecturers of the University and other colleges as well as other educationists for the success of the training class. In fine, we thank you for the trouble you have taken in coming all the way to the Wesley College. We feel we have not been able to honour our distinguished visitors of this evening in a fitting manner. But we all fervently pray God that he would give you all, long life and prosperity and enable you to work for the uplift of the motherland with unflagging enthusiasm through co-operation. In doing so we assure you gentlemen, that we shall ever continue to be ardent workers in the cause of co-operation.

The address will be incomplete if we do not crown it with the following immortal words of the saint Thayumanavar.

காகமுறவு கலந்துண்ணக் கண்ட ருண்டாகார சம
போகமெனும் பேரின்ப வெண்ணம் பொங்கித் ததும்பிப் பூரணமாய்
யேகவுருவாய் கிடைக்கின்றதையோ வின்புற்றிட நாமினி யெடுத்த
தேகம் விழுமுன் புசிப்பதற்குச் சேரவாரும் செகத்திரே.

O! people of the world! Look here! Even the lower animals invite their kith and kin when they take their food; it is but our duty to do similarly. The advantages of enjoying the articles of consumption in common are great. The field is vast and full of riches. As we have to be happy in life, we shall all co-operate to purchase our requirements in common. The world is an undivided Hindu family, all its members being consumers. Come along then, Awake! Arise! And sleep no more.

**PROCEEDINGS OF THE MEETING OF THE ADVISORY BODY
OF THE MADRAS PROVINCIAL CO-OPERATIVE UNION Ltd.
ROYAPETTAH, MADRAS**

held on Saturday the 9th January 26 at 5 p.m.

I. Resolved that the XIV Madras Provincial Co-operative Conference be held in Madras on the 3rd, 4th and 5th April 26.

II. Resolved that Mr. B. Pattabhisitaramayya be elected as the President of the Conference, or in the alternative, Mr. N. Krishnamachariar (Vellore) or in the alternative Mr. M. Ananta Rau (S. Kinnara).

III. Resolved that an exhibition be held along with the Conference on the 3rd, 4th and 5th April 26,

IV. Resolved that Mr. T. K. Hanumantha Rao be elected Chairman of the Reception Committee of the Conference and that Mr. P. Ramanathan as the Chairman of the Reception Committee of the Exhibition.

V. Resolved that the question of Boarding charges be decided by the Conference committee of the Governing Body.

VI. Resolved that the Executive committee be authorised to formulate the procedure for the conference and place the same before the conference.

(SD) A. SIVARAMA MENON,

Chairman.

D. No. 2424/25.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVES SOCIETIES,
Madras, Dated 29th June 1925.

J. GRAY ESQ., O.B.E., I.C.S.,

Registrar.

CIRCULAR.

(Subject :—Statutory powers of Deputy and Assistant Registrars).

The following instructions are issued for the guidance of Deputy Registrars and Assistant Registrars in regard to the exercise of the statutory powers conferred upon them under the Co-operative Societies Act.

(a) **Registration of societies—Section 9 of the Act.** In regard to credit societies, the initiation and organization, where this work has not been undertaken by non-official agency will be done by Assistant Registrars. But Assistant Registrars will have no power to register societies. The registration will be done by Deputy Registrars. As regards non-credit societies, the organization and registration will be done by Deputy Registrars. In regard to organization, they will of course make the best possible use of non-official helpers wherever such helpers are forthcoming. Deputy Registrars may, without reference to the Registrar, register credit societies, whether limited or unlimited, provided the bylaws conform to the prescribed models. All deviations from these models

which are inconsistent with the policy of the department or which constitute substantial deviations from the model or which introduce novel methods of work should be submitted for the previous approval of the Registrar. The previous approval of the Registrar is necessary before any non-credit society is registered. In their reports asking for permission to register non-credit societies, Deputy Registrar must indicate clearly what chances of success the proposed societies have. Reports of the registration of societies need not be sent every time a society is registered. A quarterly statement showing the societies registered in each district should be sent. A form for this statement will be prescribed. The Registrar will not assign Presidency numbers to societies. Each district will have a distinguishing letter and the societies registered in each district will be numbered consecutively as they are registered by the Deputy Registrar. A register of societies will be maintained for each district and number will be given from this register to each society.

(b) **Registration of amendments to the by-laws—Section 11 of the Act.** The registration will be done by Deputy Registrars and not by Assistant Registrars. All amendments of the bylaws of primary societies and of local unions which are not inconsistent with the accepted policy of the department or which are not substantial deviations from the prescribed models or which do not introduce of ovel methods of work may be registered by Deputy Registrars without reference to the Registrar. All amendments relating to Central Banks and District Federations of unions must be submitted for the previous approval of the Registrar.

(c) **Power of Registrar to decide certain questions—section 7 of the Act.** This power will be exercised by the Deputy Registrars and not by Assisiant Registrars.

(d) Both Deputy and Assistant Registrars will have powers under this section. Assistant Registrars will arrange for the audit of all societies in their sections and shall have power to pass the accounts and issue the audit certificates of all societies expressly placed in their charge. Deputy Registrars will pass the accounts and issue the audit certificates of all other societies in Assistant Registrar's sections except Central Banks. Deputy Registrars will be responsible for the audit of Central Banks but their audit certificates will continue to be issued by the Registrar, the draft certificates being however prepared by the Deputy Registrars.

(e) **Power to sanction loans—Section 29 (1) of the Act**—Both Deputy and Assistant Registrars will have power to give sanction to a society to make loans to another under section 29 (1). Deputy Registrars will not exercise the powers conferred on them under section 29 (2) to permit a society with unlimited liability to lend money on the security of movable property except in accordance with the model bylaw prescribed or with the previous approval of the Registrar. This restriction will also apply to limited liability societies. Deputy Registrars will not exercise their powers under section 29 (1) in the case of a loan required by a Central Bank from the Madras Central Urban Bank or from another Central Bank.

(f) **To sanction a contribution to charitable purpose Section 34 of the Act**—This power exercised by Deputy Registrars, i.e., they may register by-laws adopted by societies for that purpose.

(g) **Inquiry and inspection of affairs—Section 35 to 37 of the Act**—Both Deputy and Assistant Registrars will have the powers referred to in sections 35 to 37 of the Act. But before actually recovering the cost of inquiry under section 37 of the Act, Assistant Registrars must get the previous approval of their Deputy Registrar. Assistant Registrars may make enquiries or inspections under these sections in respect of all societies expressly placed in their charge. Deputy Registrars will exercise the powers under these sections in regard to all other societies except Central Banks or District Federations.

(h) **Dissolution of a society—Sections 39 to 42 of the Act.** The powers referred to in sections 39 to 42 will be exercised only by the Registrar. In regard to societies placed in their charge, Assistant Registrars will take the initiative in recommending the dissolution of societies and in regard to all other societies, Deputy Registrars will take the initiative. Assistant Registrars will ordinarily be appointed liquidators of all societies in their charge which are cancelled. In the case of other societies, Deputy Registrars will ordinarily be appointed liquidators. Assistant Registrars will take the orders of their Deputy Registrar in regard to any difficult or new questions connected with the liquidation of societies in their charge and also in the case of all contribution orders enforcing unlimited liability. The orders of the Registrar should be obtained in all cases in which the loss sustained by a society owing to neglect or fraud on the part of office bearers of liquidated societies is sought to be recovered by means of a contribution order or by filing civil suit. In regard to societies the liquidators of which are Assistant Registrars, the quarterly progress statements prescribed will be submitted by Assistant Registrars to Deputy Registrars. Deputy Registrars will submit to the Registrar a half-yearly report in the prescribed form for all societies under liquidation in their circles.

Subject to any general orders which the Registrar may issue from time to time liquidators' contribution orders to be executed through Revenue process will be forwarded to Collectors by Deputy Registrars. The sanction of the Board of Revenue is necessary for this altered procedure. Until this is obtained the present method of sending applications through the Registrar will continue.

(i) **To decide disputes arising in societies—Rule XIV of the rules under the Act.** Both Deputy and Assistant Registrars will have power to decide or refer to arbitration disputes arising in societies but Assistant Registrar will deal only with reference from societies which are in their charge for purpose of supervision, control and audit. Deputy Registrars will deal with arbitration references from all other societies. Subject to any general orders which the Registrar may issue from time to time petitions for the execution of awards or decisions under Rule XIV of the rules will be sent to Collectors by Deputy Registrars but until the orders of the Board of Revenue are received in the matter they will continue to be sent to the Registrar as at present. Encumbrance cetificates should ordinarily be dispensed with except in extremely doubtful cases. The Board of Revenue will be addressed in regard to this matter.

J. GRAY,
Registrar.

To
All Assistant Registrars
.. Deputy Registrars

D. No. 2425/25.

450—8-7-25.
OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
Madras, Dated 29th June 1925.

J. GRAY, ESQ., O.B.E., I.C.S.,

Registrar.

CIRCULAR.[SUBJECT :—*Non-statutory powers of Deputy and Assistant Registrars*]

The following instructions are issued for the guidance of Deputy and Assistant Registrars in regard to their non-statutory functions :—

(1) *Control of Societies*.—Assistant Registrars will be responsible for the general supervision and control of all credit societies on the unlimited liability basis in their sections but a Deputy Registrar can with the previous approval of the Registrar place in charge of an Assistant Registrar all or any of the credit societies on the limited liability basis or any other society except a building society which does more or less credit work, though classified as non credit, or which does non credit work of a very simple nature such as societies for depressed classes which undertake to collect and repay the value of house sites secured to their members or which obtain land for cultivation by their members. All correspondence emanating from all such societies and from local supervising unions should be addressed to Assistant Registrars, who will deal finally with such correspondence in all cases in which they have full authority under the powers vested in them under the provisions of the Act but subject to the restrictions laid down in Registrar's Circular No. 2424, dated the 29th June 1925. In other matters they will take the orders of the Deputy Registrar. They can issue instructions to and call for information from societies in their charge by means of circulars. Copies of all circulars issuing instructions to societies should, however, be submitted to the Deputy Registrar without delay. Circulars dealing with points which are not already covered by instructions issued by the Registrar or by the Deputy Registrar or which are not dealt within the Manual or other departmental orders will require the previous approval of the Deputy Registrar. Deputy Registrars will be responsible for the general supervision and control of all societies other than unlimited liability credit societies in their circles. All such societies should address their correspondence to the Deputy Registrar. Central Banks may, in cases of urgency, address the Registrar direct but they should send copies of such communications to the Deputy Registrar at the same time.

There is however no objection to an Assistant Registrar writing to a Central Bank or to a District Federation or to any other society for information or to his entering into correspondence with such societies in regard to matters touching the business of societies in his charge. Assistant Registrars must on no account enter into correspondence with societies regarding matters or proposals which involve a new policy or which are in conflict with the general policy of the department. Deputy Registrars may correspond with all societies in their circles, but they should not without reference to the Registrar commit

themselves to anything which involves a new policy or which is in conflict with the general policy of the department.

(2) *Loans to societies*.—(a) All loan applications of Central Banks now pass through the Registrar to the Madras Central Urban Bank. This practice will continue. But Central Banks will be asked to send their loan applications through Deputy Registrars. A similar procedure will be followed in regard to applications by Central Banks for overdrafts or additional overdrafts with the Imperial Bank.

(b) All building societies, though most of them do mere credit work are classified as non-credit societies and therefore they will be in charge of the Deputy Registrars. All loan applications will pass through the Deputy Registrar to the Registrar who will continue for the present to sanction loans to such societies.

(3) *Returns relating to financing banks*.—(i) *Quarterly financial statement*.—Financing banks will send the statements direct to the Registrar as at present, copies being sent to Deputy Registrars.

(ii) *Collateral security verification statement*.—Deputy Registrars will send this statement through the Registrar to the Imperial Bank or to the Madras Central Urban Bank as the case may be.

(iii) *Monthly progress statement*.—Financing banks will continue to send these statements direct to the Registrar, copies being however sent to the Deputy Registrars.

(iv) *Review of the state of short-term loans which serve as a cover for the Imperial Bank overdraft*.—Deputy Registrars should prepare and submit this review to the Registrar.

(4) *Administration report*.—Each Assistant Registrar will prepare his own annual district report and submit it to the Registrar through his Deputy Registrar. The Deputy Registrar will add to this report a note regarding the non-credit activities in the district. Deputy Registrars will also submit a general report without statistics on the progress of the movement in their circles mentioning prominently the salient features of the year. The compilation of annual statistics will be done by Assistant Registrars at their offices, Deputy Registrars furnishing to Assistant Registrars the figures relating to non-credit societies. Deputy Registrars should, where necessary, give clerical assistance from their own staff.

(5) *Miscellaneous*.—(i) In regard to the distribution of agricultural leaflets and reviews, Deputy Registrars will make the necessary arrangements in consultation with Deputy Directors. These agricultural pamphlets will not hereafter be received and distributed by the Registrar.

(ii) The quarterly review of the work of non-credit societies will be submitted by Deputy Registrars to the Registrar.

(iii) Business returns of Assistant Registrars will be reviewed by Deputy Registrars, copies of such reviews being submitted to the Registrar along with their own business statements.

(iv) All prosecutions of office-bearers of societies initiated by the department and all prosecutions of subordinates of the department must have the previous approval of the Registrar.

(v) *Programme and diaries.*—Inspectors will send as at present a weekly or fortnightly diary to the Assistant Registrars, Assistant Registrars will review their diaries once a quarter and send copies to Deputy Registrars who will in all ordinary cases deal with them finally. Assistant Registrars will send to the Deputy Registrar every month a concise statement of the work they have done in the preceding month. The Deputy Registrar will transmit these statements to the Registrar with his remarks. Deputy Registrars will send to the Registrar their own monthly statements of work of special importance done by them. Inspectors on field duty under Assistant Registrars will send in advance a copy of their tour programme to the Assistant Registrar who will have power to control their touring programme in which their work should be arranged. Assistant Registrars will send copies of their tour programme in advance to the Deputy Registrars. Deputy Registrars will send their tour programmes in advance to the Registrar.

J. GRAY,
Registrar.

LIST OF SOCIETIES REGISTERED DURING THE MONTHS OF NOVEMBER AND DECEMBER 1925.

November 1925.

Name of the Dt. or Circle.		Number of societies registered.
1. Vellore Circle	...	4
2. Trichy Circle	...	20
3. Vizagapatam Circle	...	12
4. Agency Section	...	1

December 1925.

1. Vizagapatam Circle	...	10
2. Bellary Circle	...	3
3. Bezwada Circle	...	13
4. Coimbatore Circle	...	8
5. Trichy Circle	...	11
6. Vellore Circle	...	3
7. Madras City	...	2
8. Chittoor Dt.	...	2

LIST OF SOCIETIES THE REGISTRATION OF WHICH WAS CANCELLED DURING THE MONTHS OF NOVEMBER AND DECEMBER 1925.

Name of the society	Presidency Number	District	Date of registration	Date of cancellation.
Sokkanur Adi-Dravidas Co-operative Society...	6750	... Salem	10—11—1921	7—11—25
Trichigudi	2931	... Nilgiris	...	1—12—25
Kundakotagiri	4480	... Do	...	10—12—25
Tirunageswaram Mangudi	1024	... Tanjore	...	14—12—25

NOTES AND NEWS.

The Bulletin sends its New Year Greetings to all Co-operators whether they are its readers or not and to all mankind because it hopes to get them all converted into co-operators one day or other. It expects all co-operators to become better ones, more sincere and ardent and would suggest that each member takes a vow of getting another into the fold; not merely for the sake of numbers, but for the sake of purity of life and sacrifice and other moral qualities that co-operation means.

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On behalf of the co-operators of the Presidency we offer our congratulations to Sir T. N. Sivagnanam Pillay on the high honour of knighthood conferred upon him by His Majesty.

* * *

A Happy Idea Successfully Brought Home to Fruition. The students of the Training Class were "at home" to their lectures and the Officers of the P.C.U. on the 8th January 1926. The function was presided over by the Hon'ble Dewan Bahadur Sir T. N. Sivagnanam Pillay B.A., Minister-in-charge of the Development Departments who opened the classes on the 1st October 1925. The Students presented an address * to the staff. Mr. T.K. Hanumantha Rau delivered the Convocation address as it were and exhorted the students to be true to the ideals of Co-operation they have imbibed. Sir K V. Reddi Naidu, the President of the P.C.U., who may be considered as the Chancellor of our Co-operative University, in his address laid great emphasis on the spiritual basis of Co-operation and exhorted the students to follow the ideal of service and work for the amelioration of the condition of our villages. A group photo was taken which is published as the frontispiece to this number.

* * *

Training Class. The Training class for students who wish to qualify themselves as workers in the co-operative field which was started by the P. C. U. came to a successful close in December last. We held an examination lasting for four days and there

* See page 436 of this number.

was fitting conclusion to the whole, a social organised by the students themselves an account of which is given elsewhere. We are conscious of the many defects that were there; but our excuse is that this was the very first that the P. C. U. has undertaken. Our syllabus was a bit too ambitious, the qualification of the students was not uniform and minimum qualification was not insisted upon, there was overlapping of subjects and the view points of lecturers were always the same. A system like the one adopted in Bombay with an Elementary course and an Intermediate course which is not entirely different from the first, is the first with some more lectures added and an advanced course which similarly is the Inter plus some more, may perhaps be tried. Even in Bombay the need for systematising various courses and examinations and placing all these under a Central Education Board is being felt. * We would suggest that a Central Co-operative College may be started, an All-India Institute which would train up higher employees in the co-operative field and leave the training of lesser persons to each province and district. Perhaps this would form one of the chief subjects in the All India Co-operative Conference which Bombay thinks of holding.

The last All-India Economic Conference.

The Madras University had the privilege of inviting the IX All-India Economic Conference to hold its sessions here. The Governor of the Province opened the Conference and the Vice-Chancellor welcomed the delegates. One afternoon was set apart for discussions of Rural Economic problems and some officers of the Department including the Registrar were present. Great stress was laid upon the necessity for the expansion of non-credit side which elicited the defence of the department by Mr. Venkatachariar which is published elsewhere. Emphasis was also laid on the village problems being treated as being one and interdependent. As it is 3 or 4 departments with their staff tinkering with these problems. Agriculture, Industries, Sanitation and Medical relief, Co-operation, Village Panchayats, Forest Panchayats, Education to enumerate the chief ones all are concerned with the village and its problems: but there is very little of co-ordination among them. In this connection we invite the attention of our readers to the leading article of this month which written by an experienced officer of the writer's standing ought to receive adequate attention at the hands of the powers that be.

* See Page 366 of the Bombay Co-operative News for Jan. 26.

The P. C. U. had the privilege of receiving a galaxy of distinguished visitors early this month. Some of our distinguished visitors. Prof. H. L. Kaji, of the Sydenham College of Commerce, Bombay and the Editor of the Bombay Co-operative News, Prof. Jatar of the Deccan College Poona, Prof. Beri of the Karnatic College. Dharwar, Prof. Gyanchand of the Benares Hindu University, Mr. A. Rahim, the Organising Officer of Behar and Orissa, were the most important among them. We are thankful to them for their generous appreciation of our work.

Speech of Sir K.V. Reddi at Dharwar.

The speech of Sir K. V. Reddi Naidu as the President of the XIV Bombay Provincial Co-operative Conference held at Dharwar is reprinted as a supplement to this number. It is a comparative study of the movement as it is in Bombay and in Madras and has laid special stress upon the usefulness of Land Mortgage Banks and supervising unions of our Presidency. It was in many respects a contrast to the speech of Mr. T. Adinarayana Chettiar at Cuddappah which took a rather pessimistic view of the progress of the movement whereas Mr. Reddi Naidu's was an optimistic view.

An inadvertant remark.

We are sorry to note that in the speech of Mr. T. Adinarayana Chettiar as the President of the last Cuddappah District Co-operative Conference he has said words which might mean that the Government insisted upon one of their agents being on the Editorial Committee. Says Mr. Chettiar 'Even a non-political publication like the Tamil Bulletin of Co-operation which the Provincial Co-operative Union publishes must have a Government Servant on its Editorial Board.' In fairness to the Government it must be said that Mr. Deivasikamani Mudaliar was elected by the Governing Body of the P. C. U. held on 12-1-25 at which Mr. Chettiar himself was present. We hope it was a slip on the part of Mr. Chettiar.

Our apologies to our readers.

We have stopped printing extracts from the District Reports for 23-24 as reports for 24-25 are now ready. We are not going to print extracts from them as heretofore but subject them to study and write notes on different topics such as overdue, de-officialisation, non-credit co-operation etc. We hope our readers would appreciate this departure from the current procedure.

Our acknowledgements. (1) We acknowledge with thanks the receipt of the Administration Report and Audit Order of the Chingleput District Public Servants' Co-operative Society, Ltd., for the year ending 30th June 1925. Under the able management of its worthy President, Mr. A. Rajabadar Mudaliyar of Conjeevaram it did splendid work and the percentage of balance to demand was 0.8 as against 3.5 and 31 of the previous two years. This shows the great possibilities in the district for useful help to needy men provided there be strict observance of co-operative rules and principles and a careful managing of finance.

(2) We are thankful to the Sadananda Co-operative Printing works, Mangalore, for their sending us their neatly Printed Office Calendar for the years 1926 and also a copy of Calendar for the years 1924 to 2000 of which latter they have large stock on hand and which they are willing to sell for a nominal price of 2 annas per copy (with liberal commission on large orders) just to recover the expenditure incurred thereon.

Bengal coming in a line with other Provinces. We are glad to note that the by-laws of the Bengal Co-operative Organization Society have been revised and B. C. O. S. has been placed on a firm footing. The following extract from the pages of our contemporary, the Bengal, Co-operative Journal will give our readers a fair idea of the changes effected.

"The member of the societies will consist of individual members (Patrons, Life-members and Ordinary members) and member societies. The Registrar and Assistant Registrars will be ex-officio members and the Patrons and Life-members of the unregistered Bengal Co-operative Organization Society will continue to be patrons and life-members of the re-organised society. The member societies will consist of all registered societies which may be duly affiliated to the registered Bengal Co-operative Organization Society and will have to pay annual subscriptions on a graduated scale based on their working capital. The number of individual members has been limited to one hundred. The object of this limitation is to give the representatives of societies a predominant voice in the administration of the affairs of the society and at the same time to afford full scope to the activities of individuals who take a genuine interest in the movement but who are not members of any co-operative society. Ultimate object is of course to eliminate individuals altogether and make the society a pure-type apex association of co-operative societies working side by side with the apex financial organisation of the province.

The executive functions of the society will be vested in a Central Board consisting of not more than 50 persons 1/5 of whom shall be elected from among individual members and 4/5 from among members of member societies.

In addition the Registrar, the Assistant Registrar and Chairman of the Bengal Provincial Co-operative Bank will be ex-officio members. It is significant that the bye-laws definitely lay down that not more than five Directors of the Provincial Bank may be elected as members of the Central Board. This restriction is a very wise one in view of the experience of the Central Provinces which disclose the danger of common control over finance propaganda and organisation.

Provision has been made in the bye-laws for the formation of Local Co-operative Unions in the area of each administrative sub-division and of Co-operative Sectional Boards at suitable centres. It is hoped that ere long a net work of such Local Unions and Sectional Boards will be formed and that they will help the parent society in fulfilling its diverse objects in an efficient manner. It is a matter for encouragement that the society has this year received an additional grant of Rs. 7,000 from Government in order to carry on its main object.

A wise step forward. We are very glad to note that the Registrar of Co-operative Societies, Bengal, is organising a number of societies for the sale of jute which is practically the monopoly of Bengal; but the man who raises the crop gets little of the profit; so well organised is the chain of middlemen. A scheme like our own crop loan societies is started which would enable the cultivator to wait till he gets a good price or sell his produce to a society which would be able to deal directly with the big merchants of Calcutta. We wish the enterprise all success.

The T.U.C.S. We are glad to publish the following regarding the Premier Consumers' Store in India:—

1. The Puruswakam Branch moved into a house of its own at 111, Vellala Street, Puruswakam. The store was formally declared open in its new premises at 6.30 a.m. on the New Year's Day by our veteran Co-operator and Champion of Consumers' Co-operation, Rao Saheb T.K. Hanumantha Rao. We hope ere long each branch will have its own house and not be located in rented buildings.

2. For the first time in its annals the monthly sales exceeded one lakh of rupees in December last. It is no doubt encouraging but we should guard ourselves against the temptation of resting on our oars.*

* The sale of the C. W. S. for the 13 weeks ended September 26th last were £18,128,969, an increase of £1,024,403 or 5½ per cent on the corresponding figure of the last year i.e. the increase alone works out at 45 lakhs of rupees a month taking £1 equal to Rs. 13½.

3. It was visited by a number of distinguished co-operators from outside Madras, two of whom Mr. A. Rahim, M.A., Development Officer, Behar and Orissa, and Councillor Mr. William McLellan of the Scottish Wholesale, Glasgow have left their impression reproduced below.

I visited the Triplicane Urban Co-operative Stores Society to-day with the Assistant Registrar, Madras City and an Auditor Senior-Inspector of the Department. I was shown all over the godowns and Branch Stores by the Secretary and then had a long discussion with him at Office. He was most courteous and obliging and gave full and prompt information on all the heads and also supplied a complete set of bye laws, report, and forms to guide me in studying the working of the Society.

I was charmed with all that I saw, read or heard. It is really an eye-opener to any Co-operative Officer to come and see here the first big instance of success of a Co-operative wholesale in India. The Chief reason for this I find is that the Store and its branches seem to have honest and conscientious workers controlled by a live Directorate controlling all their activities and to the fact that all sales be confined to members only, who on their side are very loyal. The fact that branches are opened in all quarters of the town must also be a powerful factor. I wish the Stores every success and I am confident that at this rate it will soon be a replica of the lesser Co-operative whole sales at least of Europe. The only points I would draw special attention to is provision of large Central Godowns so as to permit of bulk purchase specially of food staples and the exploring of mofussil sources of supply of food products. Both these, I understand are already under contemplation.

On the whole I can only say that it is far and away the best Store I have seen anywhere in India and bids fair to be soon one of the best anywhere. I wish it success from the bottom of my heart.

(Sd.) A. RAHIM

Development Officer,

Co-operative Societies, Bihar & Orissa.

7-1-1926.

12th January 1926.

It is with much interest that I have seen the working of a Co-operative Society in India. Undoubtedly Co-operation is the note of the new era and if India is to be the bright gem in the British Empire Crown, then this work must be pushed on energetically. Compared with the Co-operative Societies in Britain, there is a great deal of development possible in the direction of production of the necessities of life. For instance why should not this Society aim at providing most of the members' requirements: Clothes, sandals, and articles of apparel. If departments were established and well managed, there is no reason why such developments should not be as successful as are such efforts in the British Isles. The founders have been wise in securing

the property for Head Office and I would suggest that a greater use might be made of the available space at back of property.

I shall think with kindness of this great effort and sincerely trust that this movement will grow rapidly, and that the Directors will devote thought and energy to spread abroad the ideals for which the Society exists.

(Sd.) COUNCILLOR WILLIAM MCLELLAN, GLASGOW.

Some sugges- Mr. McLellan's views given above should set us
tions to the T.U.C.S. a thinking. The Chucklers' Co-operative Society
Directorate, started and managed by that true Servant of India,
Mr. Venkatasubbaya came to grief because they too attempted to produce
things for profit selling in the open market instead of meeting a demand
from the consumers. The natural line of development of the Consumers'
Movement is production for consumption and not for profit and we hope
the wise words of our Caledonian brother would be listened to and
acted upon.

This brings us to another point, the necessity for the healthy expansion of the business of the T.U.C.S. Our membership though large is nothing when compared with the population of the city and what is worse it has not been expanding. Some of the best fields remain unexplored and new members are not forthcoming in large numbers. Taking the middle class men of the city who have organized many credit societies for their benefit like those of the Secretariat, Accountant General's Office, the Government Press, The Teachers' Guild, the Police and Registration, to mention only a few out of many, many of them are not members of the T.U.C.S. and we must confess to have heard many a disparaging remark about the Stores and many a flimsy reason adduced why they have not joined the Stores and would not join. We admit that this is due to pure ignorance which would easily be removed by an ardent enthusiastic propagandist who is also well-informed. In fact the need for an educative propaganda is very urgently felt and each Panchayatdar should not merely attend meetings and vote and check and control the branch office, but should regard himself as a Missionary, try to bring in as many new members as possible, discuss with the existing members plans for more efficient and popular working and find out if members resign why they do so. In fact if all the 100 and odd Panchayatdars and 21 Directors take this additional view of their duty and do the kind of work conscientiously the T. U. C. S. has a great future before it. The T. U. C. S.

encroaching on the capitalist's monopoly of production and cheapening the cost of articles. It is to be hoped the Triplicane Stores reaches at an early date the next stage in its evolution as a producer of the articles it sells.

We make a present of the following extracts from some English Journals to the Directors of the T. U. C. S.

Visiting the Board room of the Cambridge Society a few years ago we saw; on the wall a map of the town and district showing the location of the society's premises, and indicating where in the future developments might be made with reasonable prospects. The idea is one that should be universally adopted in committee rooms.

Finding that 14,88 members had spent less than £1 at the stores during a recent quarter the Liverpool Society sent a letter to each one with a stamped addressed postcard for reply. Over 60 per cent. replied and 51 per cent recommenced trading with the result that whereas the purchases of the 14,388 were only 25,471 in the first quarter they rose to 29,965 in the following term and 11,729 in the succeeding one. Moreover it brought a small number of complaints which were personally investigated and mutual goodwill was in nearly every instance re-established. The cost of the postage and the expenses of a temporary clerk employed to enter the replies, etc., was about £100. The profit of the new trade was in the region of £180 a week-so that the expenditure was well justified.

We would urge every committee to have a special letter sent to those members whose purchases are below say £2 per quarter asking them to suggest a reason-and promising to deal thoroughly with any cause of complaint or difficulty. Where the society has a canvasser or organiser he or she should be required to call personally on those whose trade is wanted. Such personal interest is necessary to keep some members up to a good degree of loyalty. Experience proves the value of the idea in maintaining and increasing the trade. Hence it should become part of the business policy of every society. It is done by the most successful large societies and its steady adoption would extend the business of every small one. They should begin in January and continue the plan throughout 1926.

THE MADRAS CENTRAL URBAN BANK LTD. (THE PROVINCIAL CO-OPERATIVE BANK FOR THE MADRAS PRESIDENCY.)

Head Office: Luz, Mylapore.

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FEBRUARY 1926.

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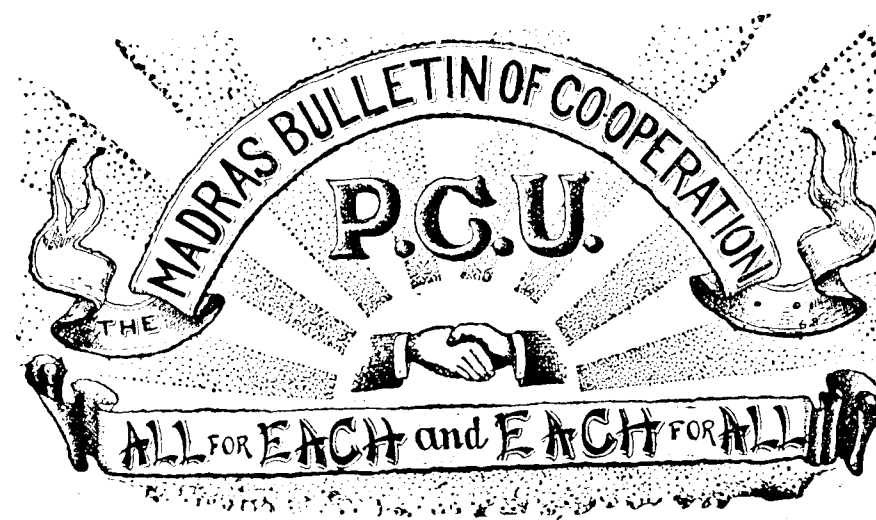
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STUDENTS AND CO-OPERATION.

The co-operative movement has taken a firm root in this country. Of the several forms of co-operation, that of credit has been fostered by our Government at considerable cost for the benefit of the agricultural population mostly in rural areas. There are now about 10,000 co-operative primary societies, including Credit societies, Purchase societies, Sales societies, Productive societies, Consumers' societies, and the like. A society has generally a minimum of five *Panchayat* members. Thus there must be at least 50,000 individuals in our Presidency alone who are guiding

the destinies of the co-operative movement. There are also the so-called Central Banks, Banking Unions, Trading Unions, Supervising Unions and the like in towns. Money is borrowed easily and quickly, but the trouble comes only when the money is repaid. There are thus in credit societies and banks, arrears and overdues, always. This is said to be due to lack of efficient supervision and audit. Co-operative supervisors are employed on salaries for which good cooks and other domestic servants cannot be had. The supervisor has to supervise the work of people who know nothing of co-operation, banking or accounts. As for forms of co-operation other than credit—known in official language as non-credit co-operation,—their number is very small indeed and the very few that exist are lifeless and show no signs of growth and development. All this is due to an utter lack of knowledge of the general theory and principles of co-operation and of the technical knowledge of banking, account-keeping and allied subjects necessary for the several departments of business proposed to be carried on by co-operative methods. Training is needed in all worth-while occupations and co-operation is no exception to this rule.

Those who wish to become lawyers, doctors, engineers and chemists qualify themselves by undergoing a course of training, under competent teachers. Why should not men who want to enter the field of co-operative activities do likewise? Co-operation is a subject for the Honors course prescribed occasionally. There is a talk that it must be taught in the training schools and colleges. Co-operators have to guide the world and can do immense good as members of society. Those who are at present engaged in co-operative work have little knowledge of co-operation and less faith in its methods. It is little good preaching before grown up people who are too much steeped in old ideas as not to be amenable to new influences and methods. But should we not see that our youngsters in High Schools and Colleges—who will soon be let loose upon the world and brought face to face with the problem of unemployment—acquire some knowledge and training in co-operation? This is a matter that teachers will do well to take up under their care so that co-operation might have a future brighter than its past. Co-operation is after all a branch of moral education in which teachers are undoubtedly interested.

The subject however cannot be taught merely by lecturing. People follow closely the things in which they are personally concerned. Those who have children cannot but be watching with care the progress of child-welfare schemes. In a similar manner, students will be keen about co-operation if they are connected with co-operative societies from which

they can derive some advantage. In the old days science was taught by means of lectures merely, but to-day the lectures are followed by experiments performed by the students themselves. It may be that glasses are broken and fingers burnt in the course of the experiments, but doubtless the process of teaching is more impressive than it was in the past. Let it be so in co-operation as well. But what kind of co-operative institutions shall we open for the practical training of students? It will not do to start co-operative banks for them; for they do not need credit. But every student is a consumer of articles like books, stationery and the like, and so will be benefited by a co-operative society which supplies these articles on a co-operative basis. Madras has plenty of facilities for such work among students. If the work of the society be too heavy for honorary student-directors, the societies may employ clerks to do a part of the work. Teachers must also join the society to guide the students who might appoint a committee to manage their concern to keep registers, write accounts and thus learn the principles of business. At their meetings they will have to discuss important issues and they will feel the need for honesty and justice in their dealings with others. Directors may be elected by the members in a general meeting or may be co-opted by the Secretary who may be elected by the general body. The Co-operative Department in our Presidency is agreeable to such societies as having a highly educative value for the rising generation on whom and on whom alone must rest the success of co-operative efforts in the future. With a small amount of initial capital the society can make a good profit at the end of the year. Profit making is not the end of such societies but the training of students in the management of business. So, the profits may be utilised for arranging for lectures on co-operative subjects, conduct prize-competition-essays, open technical classes, or hold social gatherings. The students' co-operative society in Kumbakonam College which has been registered under the Act by our sympathetic Registrar has been doing very well. It has a good reserve fund, it has shares in the Central Bank of the Tanjore Dt. and keeps current and savings accounts in the co-operative Banks of the locality. Every Educationist and student will do well to follow its example. If a good number of schools and colleges have their co-operative societies, they may be federated and a central office established. When societies have been *formed* and *federated*, their collective purchases may give rise to book-binding establishments, and enable students to realise how collective action even on the part of students will lead to the development of industries of one kind or another. Other activities will suggest themselves as the society progresses. If the student population of Madras backed up by their teachers and other co-operators

are led into this idea, nothing can be more conducive to the development and spread of a spirit of brotherhood and service for a common cause; and the progress of the co-operative movement on sound and efficient lines will be ensured for the future. The activities in which students in Madras take part are legion. Will co-operation be one of them? The fate of the future of the co-operative movement in India hangs on the answer, will the students and teachers of Madras rise equal to the most imminent need of the country?

T. K. HANUMANTHA RAU.

THE NEW POWER TO SUMMON THE PRODUCTION OF BOOKS, ACCOUNTS ETC. AND THE CASH OF CO-OPERATIVE SOCIETIES

BY RAO SAHIB T. SRINIVASA RAO.

Co-operators will note that by a rule (Rule VII A) recently enacted under the provisions of the Co-operative Societies Act, the Local Government have empowered the Registrar or any person authorised by him under section 17 of the Act to require by summons, the production of any books, accounts, documents, securities, or other records, relating to the affairs of any co-operative society, and of the cash belonging thereto by the person in possession, or responsible for the custody of such books etc. and cash.

Co-operators, especially office bearers of co-operative societies of all kinds, will do well to consider why this new legal power has been taken, now, after the Act has been administered in the absence of such power for the past twenty years. The apparent reason is that the authorities consider that the Registrar cannot otherwise duly discharge the obligation imposed upon him by section 17 of the Act which requires that he shall himself audit, or cause to be audited by some person authorised by him by general or special permission in writing in this behalf, the accounts of every society registered under the Act once at least in every year. The section says that the Registrar or any person authorised by general or special order in writing in this behalf by the Registrar, shall at all times have access to all the books, accounts, papers and securities of a society. This provision however does not in explicit terms cast upon the office bearers of societies, any corresponding obligation to produce the books etc. when required, though no doubt the section lays down that "every officer of the society shall furnish such information in regard to the transactions and working of the society as the person making such inspection (*audit* is what is evidently meant) may require." Difficulties have been and are being experienced in the matter of getting at the book, securities and

other records of societies when they happen to be in the hands of office bearers who, though honest and straight-forward in the discharge of their duties, yet lack a due sense of responsibility of their position, and do not appreciate the value of time and the inconvenience and difficulty caused by their failure to produce the books etc., when required. The difficulties of the situation are only enhanced when, as it unfortunately happens in some societies, an office bearer or office bearers are given to misappropriating the cash on hand. In such cases they purposely evade the production of the cash on hand. For these reasons the Registrar naturally finds it difficult to get the audit conducted in proper time or manner.

Audit is a very responsible task which cannot be properly discharged in the absence of due facilities. Section 17, the only section in the Act relating to audit, lays down that the audit shall include an examination of the overdue debts, if any, and a valuation of the assets and liabilities of the societies. This description of "audit" not being sufficiently exhaustive the Committee on Co-operation have explained the meaning of audit at length, the substance of which may be summed up in the following words: Besides conducting an examination of the overdue debts, if any, and valuation of assets and liabilities of the society the auditor should check the material assets of members (what is known to us in this Presidency as the property statement). He should see that the accounts are properly kept and that the society is working on sound lines. He should also inquire into all the circumstances which determine the general position of the society and finally present to those interested a correct statement of the society's financial position. Such being the immense responsibility of the person authorised to audit, it needs no argument that the "auditor" should be empowered to have the accounts, books, etc. and the cash produced before him, when required for conducting audit.

And this, however, is but one side of the picture. And this picture, like other pictures, has another side as well. Co-operative societies include societies and banks in charge of all kinds of office bearers, educated, half-educated, as well as ill-educated; bearing unquestionable, character as well as character of the ordinary kind or of doubtful kind; quite business-like or partly so or even unbusiness-like. There is however, a factor which applies in common to office bearers in most societies; they are all honorary workers, workers who along side their avocations in life have undertaken the management of the institutions sparing their leisure hours for the work thereof. I mention this only to state the fact, by no means as a justification for any neglect or even inattention by reason of the work being honorary. Fact being this, the office bearers in

fairness to themselves, are entitled to reasonable consideration and proper treatment.

The usefulness to societies and banks of audit of the kind contemplated and briefly described above is so immense that no society or bank can afford to let it be deferred unnecessarily even by a single day. It behoves therefore every society or bank to afford the auditor every reasonable facility required by him for conducting the audit and in that way render the practical application of the new rule unnecessary. At the same time societies and banks in their turn have, it may be said, a right to expect reasonable and considerate treatment. The power now taken is in connection with audit and will doubtless be used for that purpose only. Enquiries and inspections for other purposes are otherwise provided for (vide sections 35 & 36 and Rule XIV) and the new rules will not presumably be invoked for purposes other than audit. Rural Societies (i.e. agricultural societies on the unlimited liability basis) form nearly 90 per cent of the total number and their audit is generally conducted in instalments, first in the latter half of the co-operative year and next as soon after the close of the year as possible. On the first occasion the accounts appertaining to the year from its commencement up to date of visit are scrutinised and the check for the remainder of the year is taken up at the next visit. Central Banks, Urban Banks, and also perhaps a few rural societies with considerable transactions are audited oftener. It should therefore be possible for the authorities to draw up a programme showing approximately the time of the auditor's visit on either or every occasion. Such a programme drawn up and communicated in proper time will save considerable trouble to societies and banks as to the officials employed on audit.

In these circumstances it appears to be desirable, in the interests of both sides that there should be a proper understanding of the scope and limitations in respect to the undermentioned matters :—

1. Is it not desirable or even necessary that every co-operative society should know, by name, the person authorised to conduct the audit thereof; and, when the person so authorised is transferred elsewhere, whether the society should not at once be apprised of the transfer and the new appointment made instead.

2. Whether any and every Inspector, out of the large number of Inspectors maintained in a district, is competent to undertake the audit of any society lying anywhere in the district. In other words, is it not desirable that the local jurisdiction of every inspector-auditor should be definitely fixed, such assignment of local jurisdiction and changes, if any, therein,

made from time to time, being duly notified for the information of societies.

3. Is it not necessary that the approximate time when the audit of a society will be taken up should be notified sufficiently in advance for the information of societies, failing which the office bearers may find it inconvenient for presenting accounts for audit. This is because of the fact that the work of so many rural societies is done by honorary workers who do not write up the several accounts (except perhaps the receipt and the cash book) from day to day but post them periodically when they could find time to do so and in so many other societies the staff maintained is weak or inadequate.

4. It is a question whether the accounts etc. or cash may be asked to be produced at any place other than the office of the society or bank or if there is no regular office the place where the work of the institution is usually carried on. The question, it would appear, does not admit of an answer in the affirmative. In most rural societies there is no clerical staff maintained. The President or Secretary will have to attend on the auditor, if not for any other purpose, at least for holding possession of the accounts, especially the securities, of the society as well as the cash. It would be undesirable and perhaps in some instances even unsafe for the office bearer responsible for custody parting possession of them. At present the accounts of societies are asked to be produced for audit outside the village or even in distant places, accounts remaining for weeks out of possession of the office bearers. This practice where it obtains may have to be put a stop to.

5. Whether simultaneously two or more persons can have power vested in them to audit the accounts of a particular society. I mean whether the Registrar, be he the Provincial Registrar with power vested in him by section 17 or the Deputy or Assistant Registrar to whom the power may have been delegated by a general notification as well as an Inspector, or for that matter two Inspectors can, both or any number of them proceed with the work of audit of a particular society in respect of a particular year or a particular period.

6. Who is to be deemed the auditor, whether the Inspector who actually does the work of audit or the officer (The Provincial Registrar or the Deputy Registrar or the Assistant Registrar) who issues the audit certificate?

7. Whether the term "person in possession" in Rule VIII A will include person in physical possession, such as any member of the ministerial staff working under the orders of the office bearer of the society responsible for possession or custody; or whether it will include only the

office-bearer in whose possession or custody the books and the cash may properly be left. If the former interpretation be held to apply, I am afraid that will seriously affect the maintenance of discipline in the office of the society.

Inconvenience or difficulty under one or more of these heads may or may not have been felt, before the promulgation of the new rule. Now, however, with such wide power vested in the auditor, it becomes imperative that societies should have a clear understanding as regards their position with reference to the auditor in respect of these several matters.

THE BYE-LAWS OF THE DISTRICT FEDERATION.

A conference was held in March last for which each Central Bank was asked to send a representative and the Assistant Registrar of each section asked to nominate two or three Union representatives to consider the draft bye-laws of the District Federation as framed by the department. The conference was called by the Registrar on the 6th of March. The original draft divided the work of the District Federation into supervision and propaganda. The bye-laws were so drafted that the work of supervision would be mainly the work of the Union representatives in which the Central Banks, and individuals interested in co-operation, would have no place. But they were asked to take up propaganda work. At the conference it was clearly shown that this distinction between supervision and propaganda was made with a view to exclude Central Banks and individuals from the work of supervision. It was also shown that it would be suicidal to divide supervision and propaganda as both go hand in hand. As a consequence, the Registrar redrafted the model bye-laws in which this artificial distinction of supervision and propaganda was completely eliminated. But as this distinction has its root in the idea that Central Banks and individuals should not help in supervision, it colours some of the present model bye-laws. Bye-law 3 permits $\frac{1}{4}$ of the total number of members or 5, whichever is less, to be admitted as individual members. But bye-law 10-V says "that the Board of Management may co-opt one individual member of the Board". This practically means that the individuals are hankering after the honour of sitting in the general body and do not come in to help the work of supervision. There is no need to admit individuals at all, if they come in only to attend the general body meeting once a year. Again under bye-law 21-3 it is said that the District Bank shall send 5 delegates. But under 10-IV they are asked to select one or two representatives to the Board of Management. The procedure for election to the General Body mentioned under bye-law

21 says that the Central Banks shall be at liberty to send as delegates any person who is a shareholder of the bank, whether he is on the Board of Management or not. The person may be either an individual shareholder or a society representative and the Central Bank is told to send any one whether he is on the Board of Management or not. While thus Central Banks are told to select any one even from outside the Board of Management, the bye-law is very particular that the Secretary of the Federation shall be selected only from among the representatives of the Unions! (Vide bye-law 11)

The fact is that the new bye-law as redrafted after the conference of 6th March could not go back upon the declared views of the conference. The conference recognised the need for Central Banks and individuals as important functionaries of the district federation. That recognition is diluted in the present bye-laws by giving the option to the Board of Management to co-opt one individual, and asking the bank to select one or two shareholders to the Board of Management, and restricting the office of secretaryship to unions.

It is a matter commonly admitted by both officials and non-officials that the sense of responsibility has not grown sufficiently in the borrowing societies as to make them realise the large duties of mutual supervision. Societies have yet to be educated to a sense of their responsibility and this work has been entrusted to their representatives in the Local Unions. It is recognised on both sides that the Local Unions cannot be expected to discharge their duties without outside pressure. New men have to be discovered and fresh blood has to be found for the movement. Who is to do it? That is the question. To improve the character of panchayats and unions requires a higher type of officer equal to the rank of a Deputy Registrar and the tax-payer's money cannot be spent in having a number of Deputy Registrars for each Union. The work is consequently entrusted to a low kind of staff having neither influence nor capacity nor knowledge of the area. The department therefore, cannot but depend upon the co-operation of enlightened non-officials to help them in the work and to improve the quality of the rural leaders now forming the panchayats.

Secondly, there seems to be some limit placed in the help required from individuals. The latter are no doubt asked to invest shares, take a fixed and restricted amount of dividend and supply the finance for the movement. But when these same individuals, out of interest in the movement, gladly offer their services for the improvement in the efficiency of their clientele of the bank, they are told that they could not take up the work of education and supervision. The theory has been expounded and is unfortunately taking root that the Banker's point of view is one which

prevents him from realising the work of building up of co-operative societies. To make a dogmatic generalisation that the District Bank individuals would not build up their co-operative clientele is a statement which will hardly commend itself to any responsible co-operator. On the other hand under the existing state of things, the District Bank has more information about the societies than the unions themselves.

Thirdly, if it is granted that individuals are required for the finance of the movement, it is all the more true to say that the same individuals are required for the supervision of the movement. In finance the real difficulty is at the start when a bank has to be built up, share capital called, deposits tapped, and the bank reared on a strong foundation so as to command public confidence. Surely the work to be done is of a large magnitude. But when once it has been strongly built up it can run its course smoothly provided its clients are alright. But supervision is day to day work which is to be carried on unceasingly till we discover the right type of men for our panchayats and able to discover a fairly good number of co-operators who will be able to exert the moral influence on the working of societies and castigate those who swerve from them. It is said that there is a vague fear that the department would not be able to manipulate institutions when the enlightened individuals of the District Bank play an active part in the District Federations. It is also said that, when Federations are able to pull up the unions and societies and improve them with the help of individuals in the District Bank, the importance and the need of the co-operative administrative and subordinate staff are largely eliminated. Under the existing conditions that unless the individuals of the District Bank take up the work of supervision and infuse new vigour in the movement, things may take a wrong turn. There is also another point to be considered. If in the co-operative movement the ideal is that the lender and the borrower should merge together then why should we support their separation in the District Federation?

There are at present two views held on the subject of the relationship of Central Banks to supervision. One is that the District Banks shall not interfere in the supervision of societies. The second is that the District Bank shall appoint its own staff to inspect the societies, test the property statements, scrutinise the loan application and also to improve the societies generally. The first view is merely an ideal in so far as the societies are not at present financing the District Bank, have not relaxed their responsibilities, and cannot be trusted to set a high standard of efficiency.

The second view gives no scope for the co-operative character of the movement to develop. The ideal is that the borrowers should command public confidence by the high standard of character which they set

for themselves. If the societies are to be trained into this habit, we cannot but have Local Unions, District Federations and the Provincial Union. But at the present stage of the movement, we cannot expect to discover the right type of co-operative leaders in sufficient number and able to build up co-operative public life of a high order. The only way out lies in a compromise between these two views that there shall exist the several educative and supervisory bodies but with a mixed constitution which would permit the individuals in the executive of the District Bank and others interested in the movement to have a definite place in these bodies.

Further the draft which was placed before the conference in March by the Registrar gave a position to individuals on the model of the bye-laws of the Provincial Co-operative Union. In this latter body individuals are admitted as honorary members but there is a restricting clause which says they shall be selected from among persons of knowledge and distinction. This restricting clause is omitted in the new model bye-laws.

The question may be asked of the need for a provision in the constitution for the admission of individuals. The objects of the federation being of a larger character to interpret bye-laws, to decide on new schemes, and to advise the societies to progress on sound lines, it may not be possible to get the right type of men from the local Unions which are subject to the varying influences of elections. A rural high school Head Master or a College Professor might take interest in the work of collecting the overdues and educating the societies on right principles. The movement cannot afford to lose their co-operation in the phantom pursuit of a pure type federation of union representatives. Sometimes unions may fail to send the best men and the Dt. Federations should have the right to co-opt them as individuals.

Many questions purely non-statutory, never come up before the Dt. Bank; but they will have to come before the Federation. Till the movement is able to produce a sufficient number of responsible co-operators in the rural societies who will in their own time leaven the Local Unions and the Dt. Federations, till that time, the Dt. Federations will have to work under the guidance of the individuals of the Dt. Banks.

It is unfortunate that a dangerous bye-law has been introduced under the miscellaneous bye-law 28, permitting the expulsion of individual members by the General Body at any time without assigning any reason. Under the bye-laws the right of membership extends for two years for the individual. It would be wiser therefore to cut down this period to one year and delete this indiscreet provision of expulsion,

The following changes have therefore been proposed in the bye-laws relating to the individuals and the Central Banks.

Model bye-laws.

End of by-law 3.

Individuals may also be admitted as members by the Board of Management but the numbers shall not at any time exceed one-fourth of the total number of members in the Federation or five, whichever is less.

Last sentence of bye-law 4.

Membership in the case of an individual member shall cease on the expiry of two years from the date of his admission but he shall be eligible for re-admission.

10 IV Two representatives elected by the District Board of Management of the Dt. Central Bank.

10 V The Board of Management may co-opt an individual member of the Board.

11. Third sentence. The secretary shall be selected from among the representatives of local supervising unions.

Bye-law 21.

Regarding the procedure for elections to the General Body.

The Central Bank shall be at liberty to send as a delegate any person who is a shareholder of the Bank whether he is on the Board of Management or not.

The Central Bank shall send as a delegate any individual shareholder of the Bank who is on its Board of Management.

There are certain other bye-laws dealing with the relationship of the Registrar with the Federation. They are bye-laws 12, 14, 15, 26, and 27. They require that the training of the supervisors shall be on the lines approved by the Registrar, their examination shall be done in consultation with the Registrar, that the supervisor should be trained, qualified and certified by the Registrars fit to do independent work. Bye-laws 26 and 27 require that all matters shall be referred to the Registrar for decision.

It is better that one understands the principles underlying the training of non-official organisations in running the movement. It is conceded on all hands that at present there are many non-statutory matters as the training of supervisors, the formulation of policies for the

progress of the movement etc., which the non-official organisations would not undertake for want of the development of a healthy tradition and discipline among the co-operative bodies, of the smaller looking up to the larger for advice and guidance. It is with the intention of building up this tradition that the rural societies are asked to pass everyone of the communications through the Local Unions. The same convention will have to be adopted of asking the Local Unions to do so in relation to the Dt. Federations. There has been also another convention well-established in the bye-law, that the power of the Registrar shall always be one of approval or disapproval and not of initiating a thing himself, the idea underlying being that the societies and the unions should not become effete bodies working under the dictation of officers, but live ones with power to propose remuneration, formulate budgets and appoint their own staff. By the same parity of reasoning, the Dt. Federation should be asked to communicate all matters which are of an extra-district character as the standardisation of training and propaganda, interpretation of the Act or the Rules or the bye-laws, or amendments to, alteration in, or cancellation of model bye-laws to the Registrar through the Provincial Union. The Registrar of course shall have the final right of approval in all these matters, as he derives an infinite amount of power in all non-statutory matters from the fact that he is responsible for the ultimate control of the movement. But the great fact should be recognised that the relationship of the Dt. Federation to the Provincial Union should be built up from the start. Then alone at some far-off time it will be possible to expect non-official bodies to take a responsible interest in the administrative guidance of the movement on co-operative lines. But unfortunately the bye-laws do not recognise the existence of the Provincial Union. They even go farther than the present convention, in the fact that the training of the supervisors is to be dictated by the Registrar while neither the federation nor the Provincial Union has a hand in the formulation of such a training. The bye-laws do not indicate the several matters on which the Dt. Federation may usefully consult the Provincial Union. The bye-laws do not ask the Federations to communicate to the Registrar all matters of doubt relating to the the Act, the Rules and the bye-laws, through the Provincial Union. Of course it may not be possible to expect Dt Federations to refer ordinary disputes arising in administration, to the Provincial Union. But certainly on matters which relate to changes in model bye-laws, the views of the Provincial Union will be useful as it can bring to bear the views and experiences of the other districts regarding them.

The following changes have therefore been proposed under this group of bye-laws.

Changes proposed.

Persons of knowledge and distinction in the field of co-operation may be invited as members by the Board of Management but the number of such individual members shall not at any time exceed three.

Member in the case of an individual member shall cease on the expiry of one year from the date of his admission but he shall be eligible for re-admission.

All the representatives elected by the Board of Management of the Dt. Central Bank.

Persons of knowledge and distinction taken in as members of the federation under bylaw 5 shall also be members of the Board of Management.

Omit.

Model bye-laws.

12. IX. To select and arrange for the training and examination of supervisors required by local supervising unions in consultation with the Registrar and to appoint or transfer them from one union to another or to remove them.

13. Insert and change numbers.

14. The training to be given to supervisors shall be on lines approved by the Registrar.

15. No supervisor who is not duly trained, qualified and certified by the Registrar as fit to do independent work shall be allowed to visit as a supervisor independently any society affiliated to any union.

Insert as the last but one the by-law under X II.

26. Should any doubt arise as to the construction of the rules framed thereunder or any of these by-laws or should any dispute arise in regard to any matter connected with the administration of the federation the Board of Management shall refer the same to the Registrar of co-operative societies for advice and act according to his decision which shall be final.

Changes proposed.

To select and arrange for the training and examination of supervisors required by local supervising unions in consultation with the P. C. U. and the approval of the Registrar, and to arrange for the issue of certificates.

To affiliate itself with the Madras P. C. U. Ltd.,
The training to be given to supervisors shall be on lines formulated by the federation in consultation with the Provincial Co-operative Union and approved by the Registrar.

No supervisor who is not duly trained and qualified and certified as required by bye-law 12. IX. as fit to do independent work shall be allowed to visit as a supervisor independently any society affiliated to any Union.
To correspond with the Madras Provincial Co-operative Union on matters of policy and general importance relating to the movement, changes in the model bye-laws of Primary societies, Local Unions and District Federations, new proposals for the organisation of special types of societies, resolutions of district conferences and the conduct of propaganda and training classes.

Should any doubt arise as to the construction of the Act or the rules framed thereunder or any of these by-laws the Board of Management shall refer the same to the Registrar of co-operative societies for advice through the Madras P. C. U. Ltd. Should any dispute arise in regard to any matter connected with the administration of the federation the Board of Management may communicate the same to the Provincial Co-operative Union and shall refer it to the Registrar of Co-operative societies for his advice and act according to his decision which shall be final.

27. No amendment to, alteration in, or cancellation of, a bye-law or enactment of a new bye-law shall be made except at a general meeting of the members or shall take effect until it shall have been approved by the Registrar.

No amendment to, alteration in, or cancellation of a bye-law or enactment of a new bye-law shall be made except at a general meeting of the members or shall take effect until it shall have been submitted to the Registrar through the P. C. U. and approved by him-

Necessity for District Federation.—This question is very often raised by some of our leading co-operators. The movement can run its business without the aid of the District Federation. There are local unions to recommend loans and there are Inspectors to collect. The vexed problem of the co-operative movement at present is not the one relating to the existence of bad societies and bad unions. The department by itself will not be able to tackle this question. But who is to do it? Is it the District Bank that feels the responsibility in the matter of improving the tone of the societies or the District Federation consisting merely of union representatives? It is the union that has to be improved. Of course a certain good union may be able to pull up the weaker unions through the District Federation. Of course it may be that the officer finds it easier to manage union representatives than the individuals of the District Bank. But the latter will be able to do much in improving the Local Unions and societies if they are members of the District Federation. The movement has taken a certain turn in this Presidency which does not require the District Bank to take up an active interest in supervision and propaganda. It would be impossible to liquidate the existing machinery for this work and start afresh. The present system is based on the ideal that borrowers by federating together can set up a high standard of co-operative character. Admitting this as the ideal of the movement and not as practical for the present, and finding also that the rural area is not developed to produce a sufficient number of co-operative leaders, while on the other hand the movement has expanded to an unwieldy size, one is forced to recognise that the Dt. Bank should take an active interest in the district federation both for the safety of their money and for the future growth of their business. Apart from the work of improving unions and societies for making credit transactions efficient a district federation has a number of other subjects to attend to. At present special types of societies are started without consulting the district body of co-operators for enlisting their co-operation and making them share in the responsibility of running such new societies. The Dt. Federation supplies this want. There are a number of questions relating to the District as a whole as the collection of share capital, issue of loans, not only to the poor but also to the

richer classes, improvement in agriculture, reconstruction of panchayat, remuneration to society secretaries, recruiting of a better staff of supervisors and so on. The Dt. Federation may formulate its policy on these subjects. It is very often said that while the societies are unable even to run a local union they will not be able to run the Dt. Federation but such an argument only reinforces the need for a District Federation. It is because primary societies are not genuinely co-operative and local unions have not a keen sense of their duty, we want this District Federation which will pull up both. But this is not possible unless the individuals of the Central Bank have a place in the Federation.

Funds. It will not be possible to expect a union or a primary society to finance the district federation. Many of the unions have not got the funds even to do their normal work. The primary societies are already working at a low rate of interest and with poor margin. Further in a country like India where the rural people are not educated and public spirited to combine for economic purposes, and where the Government are maintaining a huge staff with a view to educate the rural folk and train them in civic virtues of conducting a rural bank, it is unfair to expect the co-operative societies to find money for educative work. It may be reasonably argued why the co-operative societies which make some common good fund by sheer hard work should not give it for the education of the adults in co-operative matters in other villages. As one of our old co-operators remarked "It is exactly like taking a portion of the head of a Vigneswara made of sugar to do Naivedyam for Him". It is accepted by Government even in advanced countries that the state shall give a subsidy for co-operative propaganda and education to Co-operative Institutes. The argument applies with a redoubled force to India which is a country of ignorant ryots who have lost the spirit of corporate action. It is fortunate that the Minister has accepted the principle of grants for educational work. The District Bank also will have to take an interest in the running of the federation and finance it.

The question may be asked what the work of the federation shall be in the immediate present. It may review the reports on the working of societies as received from the supervisors. The secretary may also attend the General Body Meetings of the Unions. The Federation may regulate the work of the supervisors and hold for them a training class. Short courses may be held at Union centres. Educative circulars may be issued for the rectification of the defects found in the inspection of societies and Unions. At its quarterly meetings questions on the working of unions and bad societies may be considered and resolutions recorded. But the work of the Federation depend largely upon the availability of men in the executive.

CO-OPERATOR.

A PILGRIMAGE TO THE TEMPLE OF CO-OPERATION BOMBAY.

It was a pleasant and memorable trip to Bombay, our party consisting of three persons, Mr. Shiva Rau of Puttur, Mr. Y. Sanjiva Rau and my humble self. The occasion was the All-India-Registrars' Co-operative Conference held in Bombay from 12th to 16th January 1926. His Excellency the Governor of Bombay opened the conference to which besides the Registrars, non-official representatives from a good many Native States had been invited. The report of the speeches of His Excellency and the reputed Mr. Calvert, I. C. S., Registrar of the Punjab, have already appeared in the dailies. His Excellency's speech was as usual a felicitous and entertaining one interspersed here and there with a few facts and figures showing the general progress of the movement. It is rather unfortunate that Mr. Calvert's plain speaking came for a good deal of attack from the Bombay dailies like the *Indian Daily Mail* and the *Bombay Chronicle*. But my sincere impression was and still is that the speech was a thought-provoking one characterising the practical worker behind it, who fully felt and realised the difficulties the movement was hemmed in at every step of its onward march. What roused the ire of the nationalist papers was his remark about the politicians. But I am at a loss to understand why that remark deserved such severe censure. He merely advises the vociferous politician to assist by "Fifty years hard work" among the ignorant and slow to-move villagers instead of having recourse to the more attractive but less fruitful work of agitation. Is it not a fact that the politician has not yet been able to rouse among the villagers a sense of their responsibilities, that they owe to the body politic? So far they have merely touched the fringe of the Indian population i. e., the intelligensia of the towns, which feed on ideas they can never materialise unless they have the strong backing up of the large number of healthy, intelligent, business-like villagers who form the backbone of the Indian nation. It is only given to that lot of people who work for the villages to feel and realise how their best energies are thwarted, how their enthusiasm is chilled to freezing point when they have to come into contact with the cold rigid, and lifeless forms moving and living in the villages. Any new idea is looked upon with suspicion. There is no hearty response. And any movement started for the amelioration of the people falls into the hands of such villagers who have been from time immemorial the blood-suckers of the village. Mr. Calvert is perfectly justified in saying that this ignorance of the average type of villager which is traded upon by these blood-suckers has to be removed by education, not merely of infants by making elementary education compulsory and free, but also by educating the adult to his needs and by showing him how far he can

better his standard of living and how he can withstand the ravages of disease, how he can supplement his meagre income from land by other handicrafts. Such education can only be possible if there is a large band of selfless men who would devote their time and energy to the study of rural problems by living, moving and sympathising men who would adopt such measures as are conducive to the uplift of the ignorant and the illiterate. This really is the "Fifty years" hard work" that Mr. Calvert contemplates and he only deplores that the energies of the intelligensia are frittered away in mere tall talk, instead of the real study of the village problems. The present political wrangle is only for power which if it is not backed up by the bulwark of a prosperous and intelligent village ryot is sure to come to grief. For a poor nation cannot aspire to keep pace with the most forward nations of the world with an empty purse, and an unorganised mass of population which lies itself hanging about the neck of the few leaders like a millstone. Organising the villages with a system of co-operative societies and undertaking such other activities that will tend to the social and moral needs of the people is the sole aim of the movement of co-operation and Mr. Calvert naturally deplores in it the absence of economic leadership and of a band of patriots who would talk little but do more. The resolutions that were passed in the Registrars conference are already published in the papers and it now only remains for me to state my impressions. Anybody who saw the subjects on the agenda and read the resolutions on them would go with the impression that co-operation is a movement for the amelioration of the material side of the people. How to safely invest the surpluses in the several Banks seemed to loom large while in questions like the starting of an All-India Journal of Co-operation, provincialistic tendencies seemed to appear to mar the features of an All-India conference. I was anxious to know the fate of the Panchayat societies in the Punjab, or reports of any effort towards adult education, sanitation etc. made or contemplated by the several provinces or attempts for debt redemption of landless classes, for the spread of temperance. A movement which has been in existence for the last 21 years should show some signs of a realisation that co-operation has other aspects more important than the material one and that the material aspect is only a secondary one and the stepping stone to that of the social and moral one. The difficulty in the working in villages is want of sufficient propaganda and want of a large number of selfless volunteers. And except in the president's speech I could not see a touch of it elsewhere in the discussions. The rapid flow of money into the co-operative counter, at least a large portion of it, has to be attributed to the fact that the poor investor does not find other safer

investments owing to depression of trade, and to his nervousness in starting industries and cannot be due wholly to his faith in the co-operative movement. He sticks to the unlimited liability of the village societies and believes that his money is safe with them. I could not be enlightened as to how other provinces have tackled the difficult problem of collection of the ever increasing overdues. It appeared to me from the overdues that the money flowing into the villages was like the dewdrop over a desert country which disappears as soon as it touches the ground never to reappear in any shape. It showed that something was wrong somewhere but nobody seemed to attempt to lay his fingers on the plague spot.

I fear that I have taken too much of your valuable space without giving you an impression of the building of the "Temple of Co-operation." It is a pretty imposing building with all the modern equipments of Electric Fans, Lights, etc. and what not of a metropolitan building at a distance of a stone's throw from the Prince of Wales Museum, constructed at a cost of nearly 3 lacs of which only Rs.60,000 is from subscriptions and with a big loan of about Rs 2 lacs from the Provincial Bank. It is quite befitting the town which is the gateway of India. It consists of 3 floors besides the ground floor and the electric lift is being fitted up. The middle floor is occupied by the Co-operative Dept. in consideration of the Government waiving ground rent. One half of the top floor has a fine hall for meetings, classes etc. and the other half is enclosed into small office rooms for the vice-president, secretaries and office of the provincial co-operative Institute, office of the Pioneer Thrift Society. Over the top floor is a big terrace probably intended for tea parties, photos. etc. The Institute has a fine library and gets a number of foreign as well as Indian magazines on co-operation. It has published 22 leaflets on various topics (available for sale) and has also got its own three sets of magic lanterns slides, one about the Human body, another about Rama Bau's club (a story on thrift), a third about stores and their necessity to the public. There were also slides showing the birth and progress of the co-operative movement in England. All this unmistakably showed that the Institute was doing sterling work in the matter of propaganda in the villages, a thing which is of vital importance for the successful working of the movement. The Bombay Government has given a grant of Rs. 26,000 both for the Provincial conference as well as towards the annual working expenses. Using figurative language it was really a pilgrimage quite unparalleled, which instilled enthusiasm into me and fired me to further action. But I only regretted that my stay was destined to be too short, giving me no opportunity to come into closer touch with the very large number of enthusiasts whom I do not wish to single out for praise for fear that I may do injustice to some. But I cannot conclude my description without mentioning the kindness and unfailing courtesy of the secretary of the Institute, Mr. Warde M.A. (B. Com), who in spite of his being busy was kind and most of all patient to furnish me information to my queries.

ULLAL. MANGESH RAU

EXTRACTS.

THE CO-OPERATIVE MOVEMENT.

Some Recent Trends.

C. C. CRANE, B.A., AGRICULTURAL BUREAU ORGANISER.

The New South Wales Co-operation, Community Settlement, and Credit Act provides for the registration of co-operative societies of several kinds, each for a different purpose; for the affiliation of societies of the same kind to form associations, and the affiliation of associations of all kinds to form a union. Such a programme indicates the need for centralisation, and clearly states that such a federation should be built up on the membership of registered societies. It is interesting to note that the co-operative movement in America has produced two distinct schools of thought in this matter, the one school claiming that the above method of federation is desirable, the other claiming that better and speedier economic results would be obtainable by a centralised organisation on a comparatively small scale, but capable of expansion as individuals link up with it as members throughout the State. Both schools of thought can produce in support of their opinion apparently sound arguments based on practical experience, and it is difficult to say what the final evolution will be, or whether the two systems will run parallel in competition with each other. At the American Institute of Co-operation, which recently held a four weeks session, the cross-firing of the two schools did much to reduce the issue by removing confusion of thought on both sides, and towards the end of the conference there was a growing unanimity, which was summarised by Mr. J. D. Black, in *Hoard's Dairyman*, as follows:—

Practically all agree that some form of a local is a necessary part of a co-operative organisation, and that these locals must really function and must be given some important powers and obligations. If the locals already exist, the thing to do is to federate them. If they do not exist, then the thing to do is to set about bringing some into existence—by gradual stages, of course. Several large co-operative organisations are pushing in this direction at the present time. There is, however, no use in setting up a local unless it is given something worth while to do.

As to whether, in case there are no locals in existence, it is well to organise a centralised organisation and create the locals afterwards, or to wait until locals can be developed, there is no general agreement; but the majority opinion is in favour of the former procedure, especially if the need for better marketing is very urgent.

In any case, the proper procedure is to put on a general campaign of education among the growers before starting the membership campaign, and to extend this educational campaign over two or three years if possible. This is a programme in which the whole educational system of the State can be utilised.

Another important section of the New South Wales Act empowers the use of a contract as between a society and its members, such contract containing penal clauses in the event of disloyalty to the contract on the part of the member. In view of the fact that the continued success of a society depends upon the certainty of support, the importance of this power is evident. This matter is, however, highly controversial, and there are two distinct opinions within the co-operative movement, one favouring the view that the joining of a co-operative society involves whole-hearted support—because it is co-operative and because it has certain objects—the other maintaining that although it is a co-operative concern and the property of the members, it only merits support as long as, by well-directed policy and good management, it can fill a place on its merits in the economic need of the producers concerned, maintaining also that if this be the case then no contract is necessary, and that if it be not the case then no contract will long hold members to a concern that is not economically sound.

The case is not actually quite so simple, for, though economically sound, a concern may not be able to hold its members' loyal support, by reason of the fact that those in opposition may decide to run their concern temporarily at a loss in order to destroy a co-operative venture which is relying upon the voluntary support of members, such members not always recognising the tactical significance of the opposition's terms. This question was debated at the Institute of Co-operation, the consensus of opinion appearing to be in opposition to the contract system. It is quite conceivable that as the movement makes progress and the principles involved are better understood and the management is generally on a better basis, the necessity of a contract will disappear. That appears to be the trend of opinion in the American movement, as is indicated by the following passages from Mr. Black's report:—

The newest idea in co-operation seems to be to select the members, instead of signing up everybody in order to get full control of the product. A number of associations are actually trying out the plan of requiring two members to vouch for each new member.

Therefore, in place of enforcing membership contracts, the most generally approved present procedure seems to be to adjust the member's difficulties if possible and show him the error of his ways, and if this does not suffice, kick him out of the organisation. Enforcing membership contracts should be restored to very sparingly, if at all.

Whirlwind membership drives are generally undesirable, because they bring into an organisation a large number of people who do not understand it, or who by nature will not make good co-operators.

The idea of getting complete or nearly complete control of the product so as to be in a monopoly position is subsiding rapidly among the real leaders of the movement. A volume of business is essential to success, but a reasonable volume of business from a body of good co-operators is the proper objective.

The notion of a separate organisation for each commodity is losing ground rapidly. Both in the central and in the local market, the handling of several products is proving advantageous in many cases, because it keeps plant, equipment, and personnel engaged upon a year-round basis, and makes it possible to set up marketing units in places where one commodity alone could not stand the cost.

Co-operative buying is making much slower progress than co-operative selling, but is proving successful in a number of cases, especially as an adjunct to co-operative selling.

The membership contract is still considered a useful device in starting a new organisation, and to some extent in keeping old members in line, but "membership relations" is much broader than a mere contract. No phase of co-operation is being stressed more to-day than "membership relations." In a few cases the so-called "talking locals" are serving fairly satisfactorily.

The issue between highly centralised business management and democratic control of management is being drawn more clearly, with co-operative leaders lining up on both sides. It will probably work itself out in form of a division of responsibility between the members and their local and the central management. Some decisions need to be made by one and some by the other.

*(The Agricultural Gazette of New South Wales
December 1925, page 864.)*

Our Correspondence Column.

No. 2050 of 1925.

Gadag, 13th December, 1925.

FROM,

THE MANAGING DIRECTOR,

CO-OPERATIVE COTTON SALE SOCIETY LTD., GADAG.

TO,

THE SECRETARY,

THE PROVINCIAL CO-OPERATIVE UNION, LTD.

Rayapettah, Madras.

DEAR SIR,

May I request you to be good enough to publish the following report of our Society in your monthly Bulletin. "The Local Merchants are despatching thousands of cotton seed bags from this place to the Madras Presidency for local consumption. This society is selling kappas and cotton seed. I shall therefore request all the societies in the Madras Presidency to give orders for cotton seed in future to this society only, which will supply them with the

cotton seed on taking very moderate commission, that is Rs. 1/9 per cent on the value of the cotton seed.

I shall further request the co-operative Department of the Madras Presidency to instruct all the societies to co-operate with this society in this business; I beg to invite the attention of the Registrar that the cotton and groundnuts are exporting to this market for sale from the villages in the Hospeth, Huvimbhagali, Harapanhalli and Kudligi Talukas in the Bellary District. It is better to start a Co-operative sale society in the centre of these Talukas; As there is no market in that centre, they are compelled to send their products to this market. So they are taking their stuff to the local Dalals instead of this society; thereby they are not getting adequate price for their goods.

Please therefore instruct all the societies in these Talukas to send their kappas and groundnuts to this society for sale and to co-operate with this society. Kindly inform me whether there is any society in Madras city which can sell our cotton bales to Madras and Coimbatore Mills.

Yours Faithfully,

S. M. WADIARMATH,

Managing Director.

CO-OPERATIVE WOMEN AND THE INTERNATIONAL ECONOMIC CONFERENCE—SUCCESS FOR THE INTERNATIONAL WOMEN'S GUILD.

Co-operative women of all countries will be glad and proud to learn that the President of the International Co-operative Women's Guild, Frau Freundlich M. P. of Austria, has been appointed by the League of Nations as a member of the Preparatory Committee set up to make arrangements for the International Economic Conference which is shortly to be convened at Geneva.

This Conference ought to be one of the most important yet held under the auspices of the League of Nations, for to-day it is economic questions which are at the root of every war, and of almost every international problem. If the League of Nations is really to fulfil its purpose of saving the world from war it is essential that it should get these problems considered not from the point of view of single nations or individual interests, but from that of the common good—that is of the consumers throughout the world. The International Co-operative Alliance lost no time in urging upon the League of Nations the need for consumers' representation upon the Preparatory Committee which is to draw up the agenda for the Conference, while the International Co-operative Women's Guild pressed for the representation of women, who as house-wives and mothers have their own part, so important and so little recognised, in the economic life of the world.

Frau Freundlich has exceptional qualifications for appointment to such a Committee, for she has probably a unique record among women for administrative work on economic questions. For many years she has been a director of

the Austrian Co-operative Wholesale Society whose enterprise and success in meeting some of the country's difficulties after the War gained wide recognition. During the war Frau Freundlich was also a director of the Ministry of Food, and in addition has experience as a member of parliament and still more as a member of the very progressive Vienna City Council, which has brought her into practical touch with almost every aspect of economic organisation.

Thus through the action of their international Guild Co-operative women have for the first time the opportunity of making their views heard in the highest councils of the world, and though Frau Freundlich, like other members of the committee, sits officially as an individual, not as a representative, we may be sure she will lose no opportunity of voicing the co-operative faith.

A SUGGESTION BY THE SECRETARY OF THE PUDU PALAYAM CO-OPERATIVE STORES, CUDDALORE N. T.

N. DURAI RAGHAVACHARIAR, SECRETARY.

It will be very beneficial to the development of the various co-operative stores of this Presidency if the co-operators and other gentlemen interested in the co-operative movement who may happen to know or to reside at or near the place of production of various mercantile commodities will please induce the producers or the wholesale merchants of the places to advertise their commodities in the Co-operative Bulletin so that the stores may go in for the articles wherever they are cheap.

2. The advertisement may be short and the Bulletin may collect small advertisement charges from the advertisers.

3. The list may be prepared monthly in English, Tamil, Telugu and such other vernaculars as may be deemed necessary and appended to the Bulletin.

4. It is open to other co-operators to develop this suggestion.

5. Articles of first sort only will be advertised.

Special Types of Societies.

Audit Certificate by M. R. Ry. S. P. Perumal Pillai Avl., B. A., Deputy Registrar of Co-operative Societies, Madura, on the accounts of Srivilliputtur Trading Union No. 5144 for the year ending 30-6-1925.

2. *Membership and shares*:—With the admission of 13 individuals and 12 societies as members during the year the number of members on the rolls of the society increased from 89 to 114. Of this 71 were individuals and 43 societies. The paid-up share capital also rose from Rs. 454 to Rs. 824. A sum of Rs. 21 under share payments were in arrears on 30-6-25. The society is requested to realize this soon.

3. *Borrowings*:—During the year the society obtained a Fixed deposit of Rs. 1000 from members and Rs. 1793 as current deposit. Non-members, deposits amounted to Rs. 10. The society borrowed from the Srivilliputtur Co-operative Bank Rs. 2100. Of these Rs. 1967 and Rs. 1970 were paid off towards deposits and loans, leaving at the end of the year Rs. 1036 under deposits and Rs. 1000 under loans.

4. *Purchase and sales*:—The year opened with a stock of Rs. 742-8-3 and goods to the value of Rs. 9787-12-9 were purchased during the year. The sale proceeds amounted to Rs. 9018-8-2. The stock on hand at the end of the year was Rs. 2343-6-11.

5. *Profit*:—The society worked during the year at a profit of Rs. 368-13-0 of which Rs. 292-5-5 were used to wipe off previous year's loss, bearing a net profit of Rs. 76-7-7. The society is requested to remit Rs. 19-1-11 towards Reserve Fund in the Srivilliputtur Co-operative Bank. The balance of profit may be distributed as per by-law 41 and as may be resolved by the General body.

6. *Supervision Fund*:—The supervision charges due on account of the year under review amount to Rs. 22-8-9. Including Rs. 10-15-2 being the arrears of previous year, the society is now requested to remit Rs. 33-7-11 to the Srivilliputtur Co-operative Union.

General:—It is gratifying that the society which was in a tottering condition has made a marked improvement. This was solely due to the untiring efforts of the President, Mr. R. Ry. R. G. Nallakuttalam Pillai Avergal, who takes a personal and sincere interest in the affairs of the society. It was owing to his and the Secretary, Mr. R. Ry. Gopala Aiyengar's exertions that the society was able to make up the loss of Rs. 292-5-5 and to earn a profit of Rs. 76-7-7. This is the 1st year that the society earned a profit since the date of starting. It is fervently hoped that the Board of Management will take greater interest and make an all round progress in the current and succeeding years.

Audit Certificate of the Melur Agricultural and Industrial Co-operative Society Ltd., No. A. 736-8543 (Started on 15-6-1923.)

2. The year in question was the 3rd year of the society's existence.

3. *Membership and shares*:—The year opened with 68 members (17 society members and 51 individuals) with paid-up share capital of Rs. 8700 covered by 87 shares (19 societies shares involving Rs. 1900 and 68 individual shares involving Rs. 6800). There was neither admission nor withdrawal during the year.

4. The society's work during the year was confined to the collection of part payment of share calls.

5. The society earned a gross income of Rs. 260-5-10 and incurred an expenditure of Rs. 42-7-8 during the year. The net profit earned was Rs. 217-14-2. Deducting therefrom 358-13-3 loss incurred during the previous year by the society, net loss during the year came to Rs. 140-15-1.

6. *Reserve Fund*:—A sum of Rs. 20 to be carried to Reserve Fund in the audit order of the previous years has not been invested in the Central Bank. This may be attended to early.

7. *General*:—The society is requested to proceed on the lines suggested by the acting Registrar in his visit to Melur in September last and run the society on satisfactory lines. Supply of manure and improved implements and the advance of Government loans to members are the two most important lines of work which the society has to take up without further delay or hesitation. The society has a bright prospect before it and it is hoped that the Board of Management would interest itself in the society's affairs and successfully run it.

DISTRICT NEWS.

KURNOOL DISTRICT.

The annual meeting of the Kurnool District Co-operative Central Bank was held at 8 A.M. on the 3rd of October 1925. Representatives of societies from all over the district attended in large numbers. The administration report of the Bank for the year ending 30th June 1925 and the audit order of the Registrar were placed before the meeting and were approved. The net profit for the year amounted to Rs. 14,521-0-0. The Bank declared a dividend of 9 per cent. to all the shareholders. Rs. 1452-0-0 was allotted to the building fund. The Bank proposes to construct a building of its own and has applied to the Collector of the District for the grant of a site free of cost. Messrs. Rao Bahadur S. V. Narasimha Rao Garu and R. Ayyakutty Iyengar Avargal B.A.B.L. have been unanimously re-elected as President and Secretary of the Bank respectively. The meeting lasted till 10-30 A.M.

2. At 11 A.M. The Honourable Dewan Bahadur T. N. Sivagnanam Pillai Avargal B.A., Minister for Development of the Government of Madras, arrived at Kurnool by motor from Gooty. The Honourable Minister was met at the bungalow of the Raja of Jatprole by the representatives of co-operative institutions who motored from the District Bank to the place.

3. At 4-30 P.M. Representatives of co-operative institutions in the Kurnool District presented an address of welcome to the Honourable Minister at the District Board Office. The address was read by Rao Bahadur S. V. Narasimha Rao, the President of the District Bank. The co-operators requested the Government in their address to take steps for organizing a land-mortgage Bank, a cattle insurance society, to appoint the nominees of the Local Supervising Unions as Honorary Assistant Registrars and to grant subsidy for the co-operative propaganda. The Honourable Minister made a suitable and sympathetic reply.

4. At 5 P.M. R. Ayyakutty Iyengar B.A.B.L., High Court Vakil and Secretary, Kurnool District Co-operative Central Bank, gave an 'At Home' to

meet the Honourable Minister at the District Board Office. The elite of the town was invited, both officials and non-Officials, who attended in large numbers. Among those present were Messrs. Cammiade, the Collector of the District, R. Gopala-Rao, the District Judge, Rao Bhadur C.V. Ranga Reddy Pulic Prosecutor, Balasimha Rao, District Medical Officer, Rami Reddy, Deputy Director of Agriculture, Sundara Raj, Director of Fisheries, Rao Sahib J. Venkatasimha Choudhrigaru, Deputy Registrar of Co-operative Societies, T. Raju Pillai, Deputy Superintendent of Police, B. P. Sessa Reddy M.L.C. Raju Naiker, District Forest Officer, C.R. Venkatarama Iyer, District Forest Officer, Rev. B.J. Rookwood, Rev. W. Stanton, Sankara Rao Panji, District Board Engineer, Cuddapah, A. Lakshminarayana Rao, District Board Engineer, Kurnool Societies, Kurnool, K. Rangaswami Naidu Garu, Assistant Registrar of Co-operative Societies, Kurnool.

Barata Jana Manollasini Karnataka Nataka Sabha of Mysore entertained the audience with their fine music. The function was a success.

COIMBATORE.

"The Managing committee of the Coimbatore District Public Servants' Co-operative Society, Ltd., Coimbatore, met on the 7th November to consider the resignation of the Honorary Secretary, Mr. K. N. Krishnaswami Ayyar, B.A., due to his transfer as the Sheristadar of the District and Sessions Court, East Tanjore, and passed the following resolution unanimously and with acclamation.

"In accepting his resignation that is due to his transfer, the Committee records its high appreciation of the very valuable and unstinting services rendered to the Society by Mr. K. N. Krishnaswami Ayyar as Honorary Secretary for over six years and also records the grateful thanks of the Society for his advancing the interests of the Society and placing it in its present sound condition by his care and forethought and tact."

HINDUPUR.

An ordinary meeting of the general body of members of the Co-operative Town Bank Ltd., Hindupur, was held in the local High School on the 27th instant with Janab T. Esdfkhan Sahib Bahadur as the President. The meeting was attended by more than 250 members and other visitors. The Assistant Registrar of Co-operative Societies, Anantapur, M. R. Ry., V. S. Ramaswami Aiyer Avl., B. A., and the Local Supervising Inspector were also present.

The Administration Report and the Audit Certificate for the year 1924-25, were duly considered and passed. After the disposal of some more minor matters, the present members of the Board of Management were unanimously re-elected.

The disbursement of dividends payable to members was also arranged in the open meeting as an additional inducement for members to attend the meeting. With a vote of thanks to the gentlemen that attended the meeting and the High School authorities for kindly allowing the use of the school hall for the meeting; the meeting terminated.

The members and others present were treated with light refreshments at the close of the meeting.

A CO-OPERATOR.

CUDDALORE.

The South Arcot District Co-operative Banking Union Ltd., No. 1844.

District Co-operative Federation.

The first General Body meeting of the above Federation was held on the 19th December at 2 P. M. in Pudukalayam with Mr. R. Srinivasa Aiyangar of Tirukoilur as President. Representatives of all Unions were present including Rao Bahadur M. K. Venkatachariar B. A., Deputy Registrar of Co-operative Societies. The By-Laws of the Federation were passed. One member for each Union were then elected to form the Governing Body. Messrs R. Srinivasa Aiyangar, A. Nagaraja Aiyar, M. G. Parthasarathy Mudaliar, V. Seshadri Executive Committee with Mr. R. A. Sivananda Mudaliar, Honorary Assistant Registrar, as President. The Federation resolved to request the Registrar to spare the services of Mr. K. V. Krishnamurthy Aiyar, Inspector of Co-operative Societies on leave, to act as paid Secretary on Rs 60-4-80 for a period of two years and pending sanction Mr. R. Balakrishna Aiyar, Manager of the District Banking Union, was appointed to act as Secretary without prejudice to his own duties as Manager.

The Federation passed several resolutions laying down the policy to be observed in its working. It also recommended to the District Banking Union that all Unions may be permitted to send up loan recommendations direct instead of through the Assistant Registrar.

District Co-operative Bank.

A meeting of the Board of Management of the South Arcot District Banking Union was held yesterday at 2 P. M. in the Bank premises with Mr. V. Srinivasachariar, President of the Bank, in the chair. There was a lively discussion about the proposal to reduce the maximum rate of interest allowed by the Bank on deposits from 7 to 6½%. The subject was however deferred. On the recommendation of the District Federation the Bank has empowered all the Unions to send up loan applications direct to the Bank. The Board considered and passed a number of amendments to the subsidiary rules, the chief among them being the introduction of a new kind of deposits

called the people's provident deposits which enables the depositors to get interest at 6½% compound interest.

Proceedings of the Conference of the Registrar with the Representatives of Co-operative Central Banks held at the office of the Registrar of Co-operative Societies, Madras, on the 24th October 1925.

SUBJECT 1.

Subject No. 9 of the Bankers' Conference held on 9th March 1925—Proposed by M. R. Ry. A. Srinivasachariyar, Secretary of the Srivilliputtur Co-operative Banking Union.

1. *Issue and transfer of share certificates by central Banks and societies—When and how share certificates should be issued? When societies are liquidated, how is transfer of shares effected? Whether the liquidators should sign the transfer or the bank itself can do so?*

2. *Share capital of societies in banks.—The share capital of societies invested in banks is non-withdrawable, while the share capital paid by members is withdrawable after five years in primary societies. In such cases, a society has got invested in a bank much larger amount as share capital while according to its own share register a far less amount is possessed in books: How to reconcile them? What steps are necessary for such reconciliation?*

3. *How is the dividend on share capital calculated in various central banks? From day to day or half month or full month only, i.e., whether the dividend is given for all days of the year in which share capital was put in by societies or from the half month in which it was so put in or only from the succeeding month alone?*

Resolution.

1. Share certificates should be issued only when the shares concerned have been fully paid up. There is no practical difficulty regarding the transfer of shares held by societies which are liquidated. Such shares can be transferred to new societies, if the central bank does not set off the amount under section 20 of the Co-operative Societies Act towards the amount due by the society under liquidation.

2. The Conference is of opinion that no practical difficulty arises in connection with cases of the kind mentioned.

3. The practice varies from bank to bank and there seems to be no necessity for uniformity of procedure in this matter.

SUBJECT 2.

Consideration of the following resolution (No. 52) of the last Provincial Co-operative Conference.

"Resolved—

(1) that in fixing the maximum borrowing power in the by-laws of societies, one-eighth 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 changes resulting in protracted correspondence, frequent application for registration, etc

(2) 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 communicated to the central bank and the Assistant Registrar for information ;

(3) 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 ;

(4) that as an alternative to clause (1) above, the maximum borrowing power be also fixed at five times the owned capital (share capital plus reserve fund) subject to the following provision :—

(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 to depend upon the continued satisfactory working of the society and its steady building up of a reserve ;

(c) a recognized supervising agency to guarantee its efficient working and certify to their requisite repaying capacity ;

(5) that in the case of societies of another category where the one eighth 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.

(a) The Conference is of opinion that the maximum borrowing power of each unlimited liability society should be stated in terms of rupees and should remain in force until altered. This limit should be embodied in the by-laws of the society with the proviso that the central bank may in exceptional cases, if the local union to which the society is affiliated recommends it, grant further loans over and above the ordinary maximum borrowing power but not exceeding a further limit which should be within one-eighth of the net assets. That further limit should also be embodied in the by-laws.

(b) The Conference considers that the existing rules regarding the annual preparation of property statements should be strictly enforced.

(c) The Conference sees no objection to the maximum borrowing power of unlimited liability societies being fixed at "five times the owned capital or a sum not greater than one-eighth of the total net assets, whichever is higher," provided that in cases where five times the owned capital exceeds the sum fixed on the basis of the net assets, the excess amount should be utilized only for crop loans.

SUBJECT. 3.

Consideration of the sub-committee's report on subjects 1, 2 and 8 (c) of the Bankers' Conference held on 9th March 1925.

1. What should be the basis upon which the distribution of the resources of financing banks between long and short term loans should be made? Is it not desirable that a working basis should be adopted by each central bank with reference to its resources? Does the present method of distribution adopted by financing banks ensure

(a) the best utilization of their resources and (b) financial safety?

2. Can the maximum period for long term loans given by central banks to primary societies be extended to ten years?

8 (c). Consideration of the report of the committee appointed at the Bankers' Conference held on 29th March 1924 in regard to Big Deposits from Local Boards and Municipalities—acceptance by central banks—is any restriction necessary?

Resolution.

1. Adjourned to the next Bankers' Conference.

2. Do. do.

8. (c) The report of the sub-committee is accepted.
The report is appended.

SUBJECT 4.

Consideration of the sub-committee's report on subject No. 8 (a) of the Bankers' Conference held on 9th March 1925.

8 (a) General information register—Central banks—Maintenance of.

Resolution.

Resolved to request M.R.Ry. Rao Sahib K. Deivasikhamani Mudaliyar, M.R.Ry. V. C. Rangaswami Ayyangar (Secretary of the Madras Central Urban Bank) and M.R.Ry. Krishnaswami Ayyangar (Secretary of the South Arcot District Co-operative Banking Union, Limited) to prepare a simplified form of information register to be maintained by central banks for consideration at the next Bankers' Conference.

J. GRAY,

Registrar of Co-operative Societies.

APPENDIX.

Report of the Sub-Committee.

The sub-committee appointed in Resolution 8 (c) of the Conference of representatives of Central Banks held on 9th March last for the further examination of the question whether restrictions should be placed on the acceptance by central

banks of deposits by Local Boards, and Municipalities, met on 22nd October 1925 in the office of the Registrar of Co-operative Societies, Madras.

The following gentlemen were present besides the Registrar:—

M.R.Ry. T.S. BALAKRISHNA AYYAR Avargal.

DR. SWAMINATHAN.

M.R.Ry. R. KRISNASWAMI AYYANGAR Avargal (South Arcot).

M.R.Ry. RAMAKRISHNAYYA Garu (Tenali).

The sub-committee is of opinion that no restrictions should be imposed which would have the effect of retarding the flow of deposits by local boards and municipalities into the co-operative movement as a whole. It is strongly of opinion, however, that there should be no competition for such deposits as between one District Central Bank and another or as between District Central Banks and the Madras Central Urban Bank. It further considers that in the interests of sound finance, the general control of such deposits should as far as possible be centralized in the Madras Central Urban Bank, so that the Madras Central Urban Bank may be in a position to fulfil its special responsibilities in regard to the provision of fluid resource in respect of such deposits. The sub-committee considers that for the proper attainment of this object, the Registrar of Co-operative Societies in consultation with the Madras Central Urban Bank should for each District Central Bank which handles such deposits fix a limit up to which that bank may hold such deposits without any further reference to the Registrar or to the Madras Central Urban Bank. That limit should be fixed for a year at a time and should be in the form of a certain definite proportion of the total repayments made in the previous co-operative year to the bank towards loans. No District Central Bank should be allowed to take deposits from Local Boards or Municipalities in excess of this limit, except in consultation and agreement with the Madras Central Urban Bank.

J. GRAY,
T. S. BALAKRISHNA AYYAR.
P. SWAMINATHAN
R. KRSHNASWAMI (South Arcot).
L. RAMAKRISHNAYYA (Tenali).

INVITATION

FOR

THE XIV MADRAS PROVINCIAL CO-OPERATIVE CONFERENCE. ROYAPETTAH, MADRAS.

Dated 10th Feb. 1926.

Dear Sir,

The XIV Madras Provincial Co-operative Conference will be held under the presidency of Dr. B. Pattabhisitaramayya, Secretary, Kistna Dt. Co-operative Bank, and The Andhra Sahakara Sammelanam, Masulipatam, on the 3rd, 4th and 5th of April 1926, at the Wesley College Hall. The proceedings will commence at 12 noon on the 3rd of April 1926. Mr. T. K. Hanumantha Rao has been elected as the Chairman of the Reception Committee.

Mr. P. Ramanathan, B.A., F.R.E.S., M.R.A.S., President, the Central Co-operative Printing Works, has been elected as the Chairman of the Exhibition Committee, and will receive delegates at the same hall on the 3rd of April, 1926 at 2 p.m.

We request you to co-operate with us for the success of the Conference by making liberal contributions as usual for expenses.

We gladly invite you to attend and take part in the Conference by sending your representatives. Supervising Unions, Audit and other Unions, Dt. Federations and Dt. Banks are requested to send each not more than 2 delegates and every other limited primary society one delegate each. We would draw your attention to the fact that delegation for the Conference is entirely different from that to the Provincial Union.

A delegation fee of Rs. 2 will have to be paid for each delegate as usual. The Reception Committee fees for individuals is Rs. 5 each. The Boarding and Lodging charges are entirely separate and have been fixed at the following rates:—

	Rs.	A.	P.
1. Single Meals Ticket ...	...	0	8 0
2. Single Lunch Ticket...	...	0	4 0
3. Boarding charges for all the 3 days	...	3	8 0
4. Lodging charges per day	...	0	8 0

Delegates who require boarding and lodging will please communicate with us and register their names within 22nd March 1926.

There will be five sub-committees of the Conference for the following subjects:—

1. Co-operative Finance.
2. The Supervisory Organisation.
3. Consumers' Co-operation.
4. Agricultural Co-operation.

and 5. Special Committee on Rural Reconstruction and Committee of enquiry and for considering the resolutions from societies other than those which come under the other sub-committees.

The subjects for the Conference are herewith enclosed. The notes on the subjects will be posted to the address of delegates not later than 15th March 1926, whose names and clear postal address we would request you to intimate to us as early as possible. We would also request you to inform us on which of the sub-committees your representatives would like to serve. Any resolutions on the subjects of the Conference or others which you would like to be considered may kindly be communicated to us not later than 22nd March, 1926.

Reception Committee, Delegation, Boarding and Lodging and Sub-committee membership tickets are herewith enclosed which please fill up and return.

We finally appeal to you to make the Conference a splendid success by sending your representatives, and contributing liberally for the Conference.

Yours very Sincerely,

T. K. HANUMANTHA RAO,

Chairman,

RECEPTION COMMITTEE.

LIST OF SOCIETIES REGISTERED.

Dt. or Circle.	Month.	Number of Societies Registered.
1. Vellore Circle.	November '25 to January '26	13
2. Agency Section	January '26	1
3. Nellore Section	"	2
4. Bezwada Circle	"	12
5. Bellary Circle	"	7
6. Coimbatore Circle	"	24
7. S. Arcot Dt.	(July '25 to January '26)	25
8. Trichy Circle	December '25 and January '26.	19

NOTES AND NEWS.

Reducing overdues. The Registrar's circular No. C, 2266 of 24 dated 29-9-24 which is published in your Bulletin for March 1925 draws the attention of societies to the alteration effected in the model bye-laws with a view to enable the societies to adjust payments made by the members towards interest accrued though not due up to the date of payment. Whatever its justification be by way of enabling the societies to realise interest from members and prevent the accumulation of overdue interest, the policy of continuing it in the District Banks and altering the bye-laws of District Banks in such a manner as to empower them to credit payment made by the societies towards the interest accrued though not due, is a step of doubtful wisdom. In the first place even according to common law every debtor has got the right to intimate to the creditor whatever item, interest or principal, the payment he makes should be adjusted to. Secondly, there is a tendency, and in our opinion quite as justifiable a one, on the part of primary societies to demand that the payment of interest should be annual and not half-yearly. This new procedure would not only flout this demand of societies but would take away even the existing facilities in the matter of payment of interest, and what is worse, it is really making the society to pay more than the fixed percentage of interest. We shall try to make our position clear by taking a concrete example. Suppose a society borrowed Rs. 15,000 from the Central Bank at 8 per cent. If the payment of interest is annual, say on the 30th June, the society will have to pay Rs. 1200. If, however, part payment, made by the society is adjusted towards interest accrued though not due at the end of every month and if suppose for the sake of convenient calculation a sum of Rs. 100 is adjusted towards interest every month the borrower society would have paid not only 12 times Rs. 100 or 1200 towards interest but interest upon Rs. 100 for (11+102+1 or) 66 months, that is, Rs. 44 more.

The only thing that is said to be in favour of this proposal is it would help the borrowing society from becoming a defaulter in the matter of payment of interest if owing to some reason they are unable to pay the amount due at the proper time. The better thing to do in such cases would be not to anticipate or take for granted such default and make provisions for it but meet the situation when it does arise by a judicious grant of extension, even in the matter of payment of interest if that is

absolutely necessary. It is true that some district banks have accepted this change, that is, because they are more banks than co-operative institutions. In fact the policy of granting extensions has recently met with a good deal of adverse criticism at the hands of eminent co-operators. They fear that extensions are granted with the view to show less under the heading of overdue in principal and interest. We refer to the following passages from the presidential addresses of Hon. V. Ramadas and Mr. T. Srinivasa Rao respectively.

"There is a widespread belief among co-operators who possess an intimate knowledge of the working of the societies and banks that the figure in the official reports relating to overdues to the central banks are not genuine. It may or may not be so but, it is quite easy to manipulate them. If for instance a society which owed Rs. 100 to a central bank on the 30th June 1924 paid only Rs. 45 the percentage of overdues will be 55. But if the bank is induced by a tactful inspector to give an extension of six months for the repayment of one half of the loan the dues on 30th June will be Rs. 50 and when the amount of Rs. 45 repaid is credited toward it the percentage of overdues falls to 5. Having regard to the fact that the departmental staff is not only responsible for audit but also for the progress and good name of the movement it is conceivable that gentle persuasion, if not mild pressure, may be brought to bear by some of them upon some at least of the central banks."

"In some places near Madras certain futile measures have been adopted or recommended for adoption for bringing down overdues in central banks. One such measure is the wholesale grant of extensions by the Central Bank to all societies in the district in arrears of principal which however were not in arrears of interest on the last day of the year. Another measure is a similar wholesale grant not however to societies but in respect of loans on which interest had been paid. These measures ignore even applications from societies for extensions. They nullify every one of the tests which sound and prudent ways of business demand and which the Registrar has so clearly and so impressively set forth in his recent instructions on the subject. They are demoralising to the grantor as well as the guarantee and weaken the responsibility of the society panchayat and the union governing body. They serve no useful purpose nor can they ever do so unless they are the result of extensions guaranteed to members in primary societies. May I take the liberty of suggesting to the co-operators of this district not to yield to the temptation of reducing overdues in central banks in these ways. To have overdues without justification is bad but to reduce them in these ways is worse as they will not disclose the real state of affairs."

If the matter be as represented by these veteran co-operators they are highly disquieting and require immediate attention on the part of the officials and non-officials alike.

**The New Power to
summon the Production
of books etc.**

Elsewhere is published a note by M. R. Ry. Rao Saheb T. Srinivasa Rao on the new power to summon the production of books etc. The article deals exhaustively with the implication of this new power. While it recognises the importance of such a power for the efficient discharge of the duties of audit by the department, it also carries a number of points which should be made clear regarding the operation of this new rule. Such a clear definition of its scope will facilitate and justify its use. Mr. T. Srinivasa Rao's article helps in this and we reiterate his points for the benefit of our readers.

1. The need for intimating to the society the name of the auditor, his jurisdiction and the time of audit.
2. The need for auditing the accounts at the place of the office of the society.
3. Whether simultaneously two or more persons can have power vested in them to audit the accounts of a particular society.
4. What is meant by the term "person in possession" of records etc.
5. Who is to be deemed the auditor, whether the Inspector who does the work of auditor, or the officer who issues the audit certificate?

We are sorry to note this new power has already been abused in one place. We await further information regarding the operation of the new rule from our district readers.

Rural Indebtedness. The Viceroy has announced the appointment of a Royal Commission on agriculture. One of the purposes of the commission as already announced* is "to examine and report on the present conditions of agriculture and rural economy in British India and to make recommendations for the improvement of agriculture and the promotion of the welfare and prosperity of rural population." The indebtedness of the agriculturists therefore will be one of the most important subjects to be dealt with by the Commission and we hope some of the prominent co-operators of our Presidency will have the opportunity of giving evidence before them. We would request them to make out as strong a

* See page 361 of the Bulletin for this co-operative year.

case as possible without exaggerating the real state of affairs. Our attention has been drawn to the fact that the statements like the one given in the first paragraph of an article on Rural Co-operation and its Benefits, giving an account of agricultural indebtedness of the village of Kilayur will make one sceptical. How can life at all be possible if in a particular family indebtedness goes on increasing at a steady rate without any chance of getting diminished? We are quite sure the learned writer of the article had facts and figures before he made the statement; but even slight exaggerations for the sake of effect will spoil the case instead of eliciting the sympathy of persons concerned.

A New scheme Forward.

We have learnt from our Bombay contemporary that the Committee appointed at the 13th Provincial Co-operative Conference of Bombay held in December, 1924, to formulate a practical working scheme for co-operative insurance society has finished its deliberation and has prepared a set of bye-laws which have been approved by the Standing Committee of the Institute. We await with great interest the actual launching forth of the scheme by the registering of a co-operative Life Insurance Society.

A Good Example to Follow.

We are informed by our contemporary, *Bombay Co-operative News* that the Co-operative Cotton Sale Society of Gadag has given a donation of Rs. 500 to Sir Vithaldas Thakaray Memorial Buildings fund of Bombay. We have on more than one occasion expressed our hope the co-operators of our own presidency would have a grand building in Madras for the use of the Provincial Co-operative Union. The building should be spacious enough for holding training classes, public lectures etc., We expressed the hope that leading institutions like the Madras Central Bank and T. U. C. S. and others would contribute liberally. Perhaps if building become constructed with a borrowed capital and Government grant (which we are sure would be liberal) and the responsibility thrown upon the co-operators of the presidency to see this loan cleared, then their contribution would be coming more freely and quickly. If every one of the District Banks and flourishing urban banks were to make a liberal grant as Gadag has done the problem of building a central Building for the Provincial institution can easily be solved. We hear the cynic say this is only a dream. Dreams of to-day become prosaic facts of to-morrow, and there is nothing inherently impossible in this particular dream of ours.

NOTES AND NEWS.

Bombay Conferences.

Last month there were held in Bombay two important conferences; 1. Conference of Registrars of various provinces and native states, and 2. the conference of representatives of provincial banks and the Central Co-operative Institute of Bombay availed themselves of this opportunity to meet the co-operators from various parts assembled at Bombay to discuss the possibility and the desirability of holding an All-India Co-operative Conference. We have received no authentic information of what transpired at these conferences except what appeared in the dailies of Madras and what has now come to us through the *Bombay Co-operative News* for February. The starting of an All-India Co-operative Journal, a quarterly, seems to have been resolved upon and a committee has been appointed to discuss the preliminaries. In this connection the following extracts from the editorial comment of the *Bombay Co-operative News* would be read with interest by our readers.

"The Conference should have been, we feel, content with appointing a provincial committee to prepare the scheme in consultation with co-operative institutions and co-operators, officials and non-officials, and to get an editorial Board elected by the Federation. We have now quite a number of co-operative Journals in English and in the Vernaculars in the different provinces of India and the question may well be considered whether or not it would be better to raise a provincial journal to the dignity of an All-India one than to start a new one. We hope the preliminary committee that has been appointed will discuss the whole question fully and consider all the issues involved in the starting of an Indian Journal of Co-operation."

(*Bombay Co-operative News*, Page 407)

Recent Utterances.

Within about two months we have had a number of notable utterances on co-operation. Messrs T. Adinarayana Chettiar, Hood, Krishnaswamy Iyengar, P. Ramanathan, T. Srinivasa Rao and Hon. Mr. V. Ramadas have at various conferences given expression of their views on the co-operative progress in this presidency and Sir K. V. Reddy the president of the Provincial Co-operative Union delivered his presidential address at Dharwar. We hope to be able to publish a study of these various speeches showing how the view-points differ, how in spite of the fact that each one has the same authority to go upon, i.e., facts and figures regarding the movement, every one draws his own conclusion from them.

A New Venture. We have recently received an elaborate account of the French Co-operative printing industry. It differs from the co-operative printing in our own Presidency in this respect. Our presses are, to take the Central Co-operative Printing Works in Madras as an example, co-operative in the sense that it is only co-operative societies that are entitled to take shares and matters printed are mostly such as are used by the co-operative societies. It is true that they do some extra job printing also. This differs from the ordinary presses only in the fact that co-operative societies have stepped into the shoes of the capitalist. The workmen there are mere hands whereas in the French industry it is the workmen that have combined together to do the printing. We hope such an experiment like this will be started in some other parts of our Presidency and we are informed there is one such press in the City of Bombay.

Our Book Reviews. We are trying to publish the reviews of books as quickly as possible and we are thankful to the various friends who have helped us in reviewing books sent to us. We would draw the attention of our readers to the reviews appearing in this number by Messrs. T. K. Hanumantha Rao and C. S. Rangaswamy Iyengar, both ardent and enthusiastic co-operators who at the end of their study of the books concerned compare and contrast the conditions mentioned in the book with corresponding conditions in India and make us think of new problems, new lines of development and new fields to conquer.

Urban Critics and Theory. There is a belief among some co-operators, especially the officials, that those of us who live in towns and cities have very little knowledge of rural conditions and have therefore little right to talk of rural co-operation. Some such belief was at the back of the Minister's mind when he referred with a thinly veiled sarcasm to the urban critics of the movement. But as a matter of fact is there much of difference between a Town Co-operator and a Rural Co-operator? Do the rural conditions of Indian life differ so much from urban conditions and is Indian population divided into such airtight compartments as urban and rural with little interchange of ideas and communications? Even the mere superficial knowledge of Indian conditions would enable one to give an answer emphatically in the negative to the above question.

There are some others who believe that too much of theory is a dangerous thing. Their conception of a theorist is that of a person who watches the progress of the movement without being in any way connected with it and who indulges very often in crying out "You go wrong here and you are wrong there". Such a fine theorist of co-operation is a mere hypothetical figure, because to the best of our knowledge, even the most theoretical among the Indian Co-operators are connected some way or other with some Co-operative Society or another and no one can say that co-operation has got only one aspect, one essential feature.

But we are prepared to defend the existence and plead for the necessity of even such a hypothetical student of co-operation in the abstract because what after all is Indian experience of Mr. Wolff, whose opinions relating to Indian co-operative questions are regarded with so much of respect by all Co-operators, official and non-official. Does not his merit consist in the fact not that he is intimately connected with the working of a number of Indian Co-operative Institutions but that he has been a keen student of the Co-operative movement in India from its inception, an argus-eyed critic whose knowledge of the fundamentals of co-operation and whose vast experience and knowledge of the movement in other lands make his views really weighty.

The other day we were reading an English paper bemoaning the paucity of thought in the field of co-operation and deploring the lack of outstanding figures noted for clear thinking on co-operative problems. Over and above the mere working of the machinery India cannot have at least at the present stage of its development too much of theory. We must have elders, men with wide knowledge and experience who are not hampered by any official connection with a co-operative society and who will look upon the movement from outside as it were and watch its progress towards a well defined goal by steps steady and sure.

A warning and a severe lesson. On the 15th of February 1916 when the Madras Legislative Council was in session the following answers were given by the Government to interpellations by Mr. T. Audinarayana Chettiar M.L.C.:—

Q. Will the Hon'ble Minister for Development be pleased to state (a) whether it is a fact that the Local Government was asked to depute some non-officials to attend the Conference of the Registrars of Co-operative Societies at Bombay; (b) whether the Government consulted the Madras Provincial Co-operative Union in the selection of the non-officials to attend the above conference and (c) if not, why not?

A. (a) The Government were asked to depute the Registrar of Co-operative Societies and in addition not more than two representatives from this province. (b) no. (c) The Government consulted the Registrar of Co-operative Societies who is well acquainted with the leading Co-operators in the Presidency.

Mr. Satyamurthy asked why such a non-official body was not consulted?

A. Because the Registrar was a capable officer and could give all the information necessary.

Brother Co-operators! What inference do you draw from the above? Do you think the Bombay Government would have treated the Bombay Co-operative Institute in this way? We have the former Minister in charge of the Development Department as our President and an ex-Registrar as a member of our Governing Body. The other members also of the Governing Body are men of tried experience and high standing in the Co-operative field; men like Mr. A. Sivarama Menon, the President of the Triplicane Urban Co-operative Society; Mr. T. Adinarayana Chettiar, one of the earliest recruits to co-operation, and a pioneer who worked with Sir P. Rajagopalachariar; Mr. T. Srinivasa Rau, who retired after 35 years of Government service, the last 15 years of which were spent in the Co-operative Department; Mr. Seshachalam Iyar, who was in no small measure responsible for making North Arcot what it is to-day in Co-operative activities and upon whom the Government conferred the title of Rao Sahib in recognition of his services; Mr. K.G. Sivaswamy, who works with the zeal of a missionary in the cause of co-operation and some others; and yet this is the treatment meted out to us.

We are ourselves to blame. Our bye-laws allow Unions, primary non-agricultural societies having a working capital of Rs. 200,00 and above, District Banks, District Federations, etc., to affiliate themselves to us. How many have joined us?

	Number at the end of 24-25.	Number affiliated to P. C. U. till 30-6-26
Unions	280	75
Primary non-agricultural societies with a working capital of Rs. 20,000 and over	110	2 (affiliated in 25-26.
District Banks	32	15
District Federations	16	4
Provincial Bodies	(as it stood on 31-12-25) 3	3

Further the non-official co-operators are so ill organised, so shaky in their views, that anybody could do with them anything provided he sets about doing it in right earnest. They are ready to swear and forswear, own

and disown, any view as the occasion requires. All this must go. Make the Provincial Co-operative Union really strong by sending the pick of the lot of workers. Then we can speak with some authority and none dare ignore us, no, not even the Local Government.

There is an old story in Panchatantra that a Brahmin who was taking a sheep for sacrificial purposes was induced to give it up by four clever rogues who posted themselves at different stages on his way and 'suggested' to him that the animal he was carrying was an unclean dog and not a sheep. The Brahmin was taken in and gave up the sheep to the great delight of these rogues! Such is the mighty power of 'suggestion'—a fact which the proprietors of newspapers had realised even before the advent of the 'New Psychology'.

Similarly very often we are told that we are not a Provincial Union but only a Federation for the Tamil Nadu and that we are on a par with the Andhra Sahakara Sammelanam. Let us examine the fact a little.

In the year 1914 some prominent co-operators of the Presidency* felt the need for a Provincial non-official organisation and approached the then Registrar and he registered the P. C.U. as a co-operative society coming within the definition of the term as it stood in Act II of 1912. By-law No. II States, "The Madras Provincial Co-operative Union, Ltd. shall be registered as a Co-operative Society under India Act II of 1912. Its address shall be the Madras City. Its operations may extend to any part of the Madras Presidency."

It has, according to the spirit of this bye-law, continued to be a Provincial organisation intended to serve the co-operators of the Province from Ganjam to Tinnevely and Madras to Mangalore.

Meanwhile there has been going on a revival among our Andhra Brothers. They became more and more conscious of their cultural unity and raised the cry of Andhra for the Andhras and demanded a Province of their own with a Governor and High-court and all the paraphernalia of a province; an aspiration which is perfectly legitimate and which we hope would be realised at no distant future. The Registrar of Co-operative Societies, however, saw the possibility of good work in co-operative education and propaganda being done effectively if there be non-official orga-

* Messrs P. Rajaratana Mudaliar, M. Adinarayanaiah, K. B. Ramanathan, T. Natasa Iyer, C. V. Krishnasawamy Iyer, U. Venkitappayya, T. Adinarayana Chetty, K. Ramaswamy Iyer, M. Shiva Rau, V. S. Ramasawamy, R. Ananta Rau O. M. Venkatanatha Iyyangar and C. N. Krishnaswamy Iyer.

nisation in the Andhra Desa and hence registered the A.S.S, Its jurisdiction was limited to the Andhra Districts

What then is the position of the Provincial Co-operative Union? Why, it continues to be the Provincial Union so long as a separate Andhra province has not been created with at least a separate Registrar and so long as the one common Registrar did not direct us to modify our bye-law about our jurisdiction quoted above. The Provincial Co-operative Union, however, ceased publishing its Telugu Bulletin.

The work similar to that done by Andhra Sahakara Sammelana has to be done in Tamil Nadu and in the absence of a similar organisation the Provincial Co-operative Union continued to discharge that function also. This does not at all mean that Provincial Co-operative Union dwarfed itself into an institution for the benefit of the Tamil Districts only, on a par with the Andhra Sahakara Sammelana. Far from it. It continued to be the Provincial organisation keeping its doors wide open for all duly qualified institutions to join it from Berhampur to Nanguneri, but it also did some work for Tamil Nadu in the absence of an institution co ordinate with the Andhra Sahakara Sammelana.

As the idea of the Linguistic Federation began to mature the Provincial Co-operative Union has realised that the time has come for its surrendering its Tamil work to any institution that may come into existence and in accordance with the resolutions passed at the last Co-operative Conference* the Governing Body are taking steps to bring a Tamil Federation into existence and as soon as that is done the publication of the Tamil Bulletin would be handed over to that body.

While discussing the subject of reorganisation of the Provincial Co-operative Union at the last Provincial Conference Rao Bahadur M. K. Venkatachariar used the graphic picture of the Co-operative movement (the non-official side of it) resembling a house with many floors. The individuals constituting a society may be spoken of as the bedrock on which sure foundation the whole structure is based; societies would be the ground floor, Unions the first floor, District Federations the second floor, the Language Federation third floor and Provincial Co-operative Union the topmost storey. Remembering that after all this is only a figure of speech, we may say the Provincial Co-operative Union was the top storey and the third floor at the same time while it was publishing Bulletins in Tamil, Telugu and English. A portion of the third floor got consciousness awakened and was not satisfied with a mere submerged existence. The magic castle which is plastic got itself

*Resolution No. XLIII. See page 394 of Bulletin for 1924-25, Vol. XV.

THE FOURTEENTH Madras Provincial Co-operative Conference.

To be held on the 3rd, 4th & 5th of April, 1926.

The Coming Co-operative Provincial Conference is sure to be an important one.

Our Chairman of the Reception Committee, Mr. T. K. Hanumantha Rao, assisted by his able and energetic secretary is taking great pains to make the next session a grand success.

Dear Reader! What are you going to do on your part? You can do one or some or all of these.

1. To become a member of the Reception Committee and send us Rs. 5.
2. To get yourself elected as a delegate from your Society or Union or Bank or Federation.
3. To make your society pay a liberal contribution to the Conference.
4. To think deeply and well about the burning problems of the day and come with definite views on them, ready to 'give and take' suggestions.
5. To wish us success.

P. C. U.

adjusted. Another portion of the third floor will follow the example ere long and then the Provincial Union will be the top floor pure and simple. Till then it continues to combine both the functions. It is not at all uncommon temporary for a District Officer to be in charge of a sub-division also during the absence of the Divisional Officer. Because he does that he does not cease to be the District Officer. No more has the Provincial Co-operative Union ceased to be a Provincial organisation because in the absence of a proper organisation for Tamil Nadu it is inevitably forced to take upon itself those additional functions also.

We are forced to elaborate this obvious truth at such length because we are credibly informed our note on the Andhra Sahakara Sammelanam entitled "Union is Strength" has caused some pain to our Andhra Brothers. To wound the feelings of any was farthest from our mind. We gladly acknowledge the splendid work done by the Andhra Sahakara Sammelanam and realise the vast possibilities in store for that institution. We wish it all success; but we cannot help reiterating that our Provincial Co-operative Union is a Provincial organisation though it has additional activities restricted to a smaller sphere, Tamil Nadu, and that the Andhra Sahakara Sammelanam will do well, so long as they have not got even a separate Registrar, not to speak of a separate Governor or a High-Court to join the Provincial Co-operative Union and not to hold themselves aloof giving an opportunity to those who delight in dividing and conquering. Once at least a separate Registrar is granted to them, and we hope this legitimate aspiration of theirs will soon be complied with, the Provincial Co-operative Union will be the first to hail it as a sister fully co-ordinate with it.

If in spite of this some people are unable to see eye to eye with us, let us, as good co-operators agree to differ. However unpleasant it is, Truth must be told and our consolation is the saying of the poet *'Hitam manohari Cha durlabham vachah'* i.e., rare are the words that are pleasing and at the same time intended to do good. We shall not return to this not over-pleasant topic any more.

A Correction. In the reply given by 'Truth' to the note on H. A. R. by 'Sentinal' which is published in page 398 of the bulletin, the italics of two sentences were ours and not the author's.

The VI East Godavari District Co-operative Conference

HELD AT

PEDDAPUR

on 6th February 1926.

PRESIDENTIAL ADDRESS

OF

Rao Sahib T. Srinivasa Rau.

BROTHER CO-OPERATORS:

Let me first thank you for the honor you have done me in asking me to preside over the conference. So far I have not had occasion to meet co-operators on this side of the Godavari. As an official, my activities were confined to the ceded districts and Chittoor. Since my retirement I have visited some other districts but all of them lie on the other side of the river. It gives me therefore particular pleasure to be here, amidst you, to-day, and to learn first hand about co-operative activities in this part of the presidency. The pleasure is all the greater because I have had the opportunity of meeting during the last two days co-operators from other parts of the Andhra Desa as well.

PROGRESS DURING THE YEAR 1924-25.

The last co-operative year was one of steady progress in your district. The number of all kinds of societies rose from 505 to 550. Of these 440 were credit societies (406 agricultural and 34 non-agricultural), 6 distributive societies, 38 societies under "other forms", 12 unions and 4 central banks. Barring unions and central banks the remaining 534 societies are dealt with under numerous sub-divisions. Of these as many as 218 or 41 per cent are said to be in charge of the Labour department, the number in charge of the Co-operative department being 316. The number of primary societies affiliated to unions is however 341. Some of the societies in charge

of the Labour department will thus appear to be affiliated to unions, all of which however are in charge of the Co-operative department. The relation between the two departments in regard to control of societies in charge of the Labour department is not clear, though it appears from the Assistant Registrar's report that he has not much to do with them beyond passing on the District Labour Officer's report. The statistics furnished show that the working of societies is dealt with regardless of the department holding charge of them.

CENTRAL BANKS.

There are four central banks, a feature unique to this district. The transactions however of all the four banks put together are less than the transactions of some individual central banks in the presidency. There was an expansion of transactions in all the banks. Two of them were able to attract more local capital than the affiliated societies could absorb, while the other two depended for their requirements of money mainly on the Madras Central Urban Bank. There was a considerable rise in the volume of deposits received from local bodies, Government contractors, etc. Except Amalapuram Central bank all the banks showed improvement in recovery of dues both under principal and interest, while in the excepted bank, things remained stationary. All of them earned sufficient divisible profit to enable declaration of dividend at the maximum rate of 9 per cent. The experience in other districts with even a larger number of societies and a larger volume of transactions shows that one central bank is enough for one revenue district. Even here the indication seems to be in favor of one central bank for the entire district.

CREDIT SOCIETIES.

Both in agricultural as well as non-agricultural credit societies there was increase in number, membership and working capital. The seasonal conditions being more favourable than in the preceding two or three years, there was a general improvement in collection under principal in both classes of societies. The collection of current interest improved much in non-agricultural societies, while there was a very slight deterioration in agricultural societies. As regards arrear interest there was a marked deterioration in both classes. The increase in working capital is distributed over new as well as old societies, the latter relatively to their numbers absorbing a smaller proportion. These figures, by themselves, as

well as in conjunction with surpluses in two out of the four financing banks in the district, not to speak of the surplus in the Madras Central Urban Bank, indicate that the consolidation of existing societies did not keep pace with the surpluses in financing banks even as the latter accumulated.

Coming to distribution of loans it is found that a little over 25 per cent of the amount advanced was for discharge of prior debts, about 70 per cent for productive purposes and the balance of nearly 5 per cent for non-productive purposes. About 66 per cent of the loans were for periods not exceeding one year. 85 per cent was lent on personal security, and 14 per cent on the security of immoveable property. The remaining 1 per cent was covered by deposit securities. These figures relating to agricultural societies are interesting as indicating a fairly judicious use of loans.

PROFITS IN CREDIT SOCIETIES.

In non-agricultural societies (34) the net divisible profit was Rs. 6,945 as against a book profit of Rs. 13,854. In seven societies of which 6 are old ones there was a net loss of Rs. 207, rather an unusual feature in non-agricultural credit societies.

The figures as regards 402 agricultural societies (excluding 4 societies not started) furnish very interesting information. 45 societies worked at an absolute loss, that is, at loss even after including overdue interest in profit. The amount involved is Rs. 751, giving an average of Rs. 17 per society. All these appear to be old societies. Of the remaining 357 societies, 164 old societies have yet to recoup loss amounting to Rs. 18,243 or Rs. 111 per society on an average. 8 infant societies incurred loss amounting to Rs. 202 in the aggregate or Rs. 25 on an average per society. The remaining societies numbering 185 earned a divisible profit of Rs. 35,167. It is stated that the aggregate book profit in the year amounted in respect of all societies to Rs. 1,04,487. These figures show that when the loss of Rs. 18,445 in the 172 "loss" societies has been recouped, these societies and the 185 "profit" societies (in addition to the profit of Rs. 35,167 already made by the latter) will together be in a position to make a further divisible profit of Rs. 51,626. These figures suggest inquiries on certain lines to which I shall refer later.

NON-CREDIT ACTIVITIES IN PRIMARY CREDIT SOCIETIES.

These were too insignificant for mention, being Rs. 284 and Rs. 103 worth of transactions under joint purchase and joint sale

respectively. It is said that credit societies are as usual slow to take to non-credit work, especially because of the bitter experience in the past of the enterprise of certain societies in this line of business. A more vigorous propaganda is said to be needed.

DISTRIBUTIVE SOCIETIES.

There are six of these and their transactions are also inconsiderable being Rs. 2,256 under goods purchased and Rs. 2,573 under goods sold. The account is one of either failure, or unsatisfactory working, or the expression of a hope for better working in future.

OTHER FORMS OF SOCIETIES.

There are five building societies, two weavers' societies, one wage earners' society and one Labour union. Excepting the building society at Cocanada which is reported to have done good work, the administration report has not much to say in favour of the other societies. There are 82 societies for members of depressed classes, organised with the object of obtaining land for cultivation by them. These societies as well as 23 more societies included under other heads, with an aggregate membership of 10,402, obtained lands on lease which the members cultivated either jointly or individually. The extent of the working of these societies is indicated by the assessment paid to Government amounting to Rs. 1,10,224.

UNIONS.

There are 12 unions in the district with 341 societies affiliated to them. The strength of several unions varies from 17 societies to 47, with an average of 28. While almost every union showed better collection work than in the previous year, the collection of arrear interest in three unions and of current interest in four other unions deteriorated. The aggregate income of all unions including the rebate granted by the central banks appear to amount to Rs. 12,933 giving an average of Rs. 1,078 per union. The aggregate expenditure of all unions during the year was Rs. 9,177 giving an average of Rs. 765 per union. The lowest expenditure (ignoring out of account the newly started union of Kotipalli) was Rs. 303, in Cocanada, and the highest Rs. 1,488, in Alamuru. Two other unions spent as much as Rs. 1,306 and Rs. 1,427. All unions except two are deemed efficient enough to be allowed, and have accordingly been allowed, to recommend loans to the central bank direct.

* Some of these societies appear to be included under the head of agricultural or non-agricultural credit societies.

In one of the unions, namely Alamuru, the secretary did propaganda work by exhibition of magic lantern, distribution of pamphlets and otherwise.

COERCIVE PROCESSES.

In some unions difficulty is experienced in getting society panchayats to sue defaulters or take steps for executing decrees. The number of decrees pending execution with the revenue officers increased during the year from 128 to 193, notwithstanding that a good number (223) were executed during the year.

TRAINING OF CO-OPERATORS.

It is said that office bearers of societies have not offered themselves to undergo regular training. 8 Candidates are said to have been trained for the post of Supervisor but most of them remain unemployed. At a departmental conference which was attended by the Assistant Director of Agriculture, an Honorary Assistant Registrar, a few non-official workers and Supervisors and Inspectors, it is said that discussions on various matters took place, that batches of Inspectors and Supervisors were deputed to educate members and panchayatdars of neighbouring societies. Also magic lantern lectures were given by the secretary of the Alamuru union in two places.

LIQUIDATION.

17 societies were liquidated during the year of which one was a trading union and two, urban credit societies.

MISAPPROPRIATION.

A case of misappropriation in a society came to light but no prosecution was launched. It is said that the amount embezzled is being repaid.

This in brief is an account of the progress of co-operative activities in the district during the last co-operative year.

GROWTH OF OVERDUES EXPLAINED.

Though as observed above there was improvement in the working of societies during the year, there are several directions in which, in common with other districts in the presidency, matters call for further improvement. The two questions at present prominently engaging the attention of co-operators as well as the

authorities all over the presidency are overdue and surpluses, which cause no small amount of anxiety to all concerned. In some quarters overdue in central banks receive comparatively greater attention but what we should be more concerned with is the overdue in primary societies, especially rural ones. It is stated by the Registrar in his last published administration report (for the year 1923-24, that for the succeeding year has not yet been published) that, in spite of strenuous and unremitting efforts made by the departmental staff, unpunctuality in repayment of loans on the part of members of agricultural societies has steadily increased during the last five years. Speaking of unions in the presidency in general, credit is taken for their expending on the supervisory work carried on by them, a respectable sum of Rs. 1,91,603, during the year ending with 30th June 1924, the same being a little over 30 per cent of the amount spent by Government in working the Co-operative Societies Act. The actual amount spent on the supervisory work of unions, however, is something more, if you take into account the travelling expenses of Honorary Assistant Registrars borne by Government. The actual amount spent on this account is not ascertainable but it must be some thousands. And all this, with what result? The Registrar's answer is that unsatisfactory recoveries, though to an extent attributable to bad season, are in the main due to inefficient supervision. The real remedy, he says, lies with unions. True: their supervision should be efficient and at the same time effective. The management of the rural society must considerably improve. Admittedly, however, in spite of the efforts of the unions and the departmental staff, the results are far from satisfactory. And things are even deteriorating. These results suggest whether an improvement in the present methods of business or even a revision in some respects, are not called for.

Unions, Gentlemen, are rightly held responsible for slackness in supervision but in my view the entire responsibility does not attach to them. Overdues have been brought about by a variety of causes, over some of which unions have not much control. The question of their reduction cannot, I am afraid, be solved satisfactorily or with enduring results unless we find out how exactly they have been built up and seek to apply suitable remedies. In many cases the difficulty begins with faulty organization, faulty in several respects. The new society has no good society in the neighbourhood to imitate. When organized in a badly administered union it has no supervision worth the name over its ways of work. The organizer as well as the prospective member fails to grasp the real extent to which the society can help him, working, as it will,

under limitations, financial and otherwise, to which the working of societies in general is subject. There is often, even at the outset, indiscriminate admission of members and selection of unsuitable men for the panchayat. A main principle underlying credit co-operation is not understood, namely, that the society combines in itself the functions both of creditor and debtor, rather debtor first and creditor next. Started under this environment, it is no wonder that loans are advanced carelessly, and in cases even recklessly, with little regard for the repaying capacity of the borrower or for so many other considerations regulating the grant of loans. There is mismanagement and even dishonesty in places and wherever these exist things are worse.

The difficulties of supervision may better be imagined than described, when the union has a number of such societies affiliated to it. The difficulties are aggravated when the union does not count among its members at least a few good societies which understand their business. A systematic and periodical course of training to the panchayatdars of societies and the governing body of unions is wanting. These authorities lack a feeling of corporate responsibility for the society's position as debtor. They have only developed the sense of their privilege of borrowing. This uneven development of the sense of their duties and rights is at the bottom of so many evils. If societies had to raise their finance, themselves direct, they would be obliged to realize the difficulty of doing so. As things obtain, they get the money, it may be even said, for the mere asking, from the central bank. Though the central bank itself is composed mainly of societies, the responsibility of raising finance and inspiring and maintaining confidence of the depositor is not borne solely by the society representatives. There are the individual share holders there, who largely help him in this respect. While the initial carelessness in grant of loans in societies necessitates subsequent readjustment of conditions as to recovery (when summary recovery is deemed undesirable), there is another factor beyond the control of man which calls for periodical examination of conditions and necessary readjustments. I refer to bad and unfavorable seasons which occur more or less frequently. Even were loans granted quite in accordance with rules and principles, an unfavourable season or the happening of some unforeseen calamity, upsets the ryot's calculation. And a postponement and even revision of instalments is called for. In fact the real difficulties of finance of the agriculturist are not fully grasped. Even when realized, they are rarely met. Constitutional control over the

ways of work in the union is wanting and this makes the union feel that there is hardly anything wanting on its part or that there is hardly anything serious about its working. The deputation of a number of Government Inspectors on collection work at the fag end of the year, while failing to produce results commensurate with the trouble undertaken, impairs the union's sense of responsibility for collection work. Such then, Gentlemen, are the circumstances which have contributed to the growth of overdues to their present high level and such again are the reasons why the overdues not only persist but also increase from year to year.

EXTENSIONS FOR OVERDUES AND ABSORPTION OF SURPLUSES.

The situation as to overdues standing thus, the surplus money in the movement is causing its own share of anxiety. Unless duly otherwise accounted for, the existence of overdues implies that the members (in the primary society or the central bank) cannot be trusted with further loans and thus comes in the difficulty in regard to absorption of the surplus money. It therefore becomes incumbent primarily on rural societies and next upon central banks to conduct an annual examination of the overdue debts with a view to discriminate cases deserving extension of time for repayment of loan from those which do not deserve or call for such extension. In the absence of such examination which is rarely held, neither extensions are granted nor revision of instalments made. All overdues, those deserving extension as well as those calling for immediate recovery, thus remain mixed up and no effective action is taken or possible. With a view therefore to due regulation of business in both directions the Registrar some months back addressed central banks on the subjects of grant of extensions and further loans. He urged upon the directors of central banks the necessity for systematic endeavours to discriminate good societies from bad ones, explaining at length the several tests which should be applied in such discrimination. Societies which satisfied the tests should be deemed good and granted extension of time for their overdues and also granted such further loans as they may apply for. Other societies cannot have either concession. The Registrar's circular next pointed out that if rural co-operators are to reap the full benefits which they are entitled to expect from the co-operative movement and which the movement is capable of bringing within their reach they must be able to rely upon their societies for all the loans which they legitimately require for

productive purposes. He also instanced how the system of granting advances to members of rural societies on the pledge of their produce which has already been introduced in some areas has great possibilities for the economic improvement of the poorer agriculturists. The Registrar concluded by saying that the extent to which village societies can serve the requirements of their members depends in great measure upon the attitude of the central bank and exhorted central banks, such of them as were deemed to be nervous, to adopt a courageous policy.

Central banks should certainly deal with primary societies in the way desired. Equally with the Registrar the central banks undoubtedly desire that all the financial aids and other benefits of which the movement is capable should actually reach the members of village societies. Otherwise they will neither fulfil the objects for which they were established, nor fully justify their existence. However, in the nature of things they cannot take the initiative in the matter of granting extensions. Nor are they, under the methods of work now obtaining under which they are not allowed any active part in supervision, in a position to enforce compliance by societies or unions. The move must begin with the rural society and the union. Members' overdues in societies should be examined, once every year and extensions granted where necessary. If as the result of grant of such extensions to its members, the society cannot repay its loan in time, it should apply for extension to the central bank. On receipt of such applications the central bank should proceed to deal with them and grant the same, provided the society satisfied certain other conditions, also laid down by the Registrar, which are so essential to good and sound business. Without so much action taken in the society and the union previously, the central bank is helpless in the matter either of granting an extension to a society in arrears of loan or of advancing a further loan to it. While dealing with an analogous situation the Bombay Registrar, Mr. Otto Rothfeld, in his report for the year 1922-23, after pointing out that the members of agricultural societies at present get loans only 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." If rural co-operators are to reap the full benefits which they are entitled to expect from the movement, the responsibility lies heavily on rural societies and unions to take the initiative and move in the

matter. The central bank must move too, doing work lying within the sphere of its province. Rural societies and the central bank will then realize how, each of them in the first instance fulfilling its part, and next all of them acting in harmonious co-operation with one another, they will be capable of conferring any amount of benefit on rural co-operators. A comprehensive programme of action is called for which, while duly and fully recognizing existing conditions as to the human material available and the financial resources forthcoming, will at the same time provide for the reduction of overdues to justifiable proportions and the absorption not only of the present surplus but of much more money yet, of which the agriculturist is surely in need.

Your district administration report does not show that extensions were granted either in primary societies or in central banks. In primary societies the percentage of the members' overdues for the entire district was (in round figure) 35 but the percentages for unions varied from 19 to 52. In five unions the percentage was below the district average being 19, 21, 22, 23, and 26. In the remaining seven unions it was above the district average being 38, 39, 40, 40, 49, 51 and 52. Making allowance for the efficiency of work in some unions and for bad or indifferent work in others and for the local variations in seasonal conditions, it may still, I suppose, be held that in almost all unions, and especially in those in which the percentages are very high, a detailed examination of the members' overdues in primary societies is called for, for the purpose of discriminating cases deserving extension, or even revision of instalments, from the rest, with a view to speed up collections. That in spite of a favourable season during the year under review the overdues have remained so high in so many unions makes it clear, that, whosoever the fault in the past, the present position requires an examination with a view to enable the defaulter to pull himself up and behave better at least in the future, provided the security for the loan is sound and he may at least henceforward be trusted to turn a new leaf in his dealings with the society. Extensions and even revision of instalments are called for, for correcting the errors in grant of loan and the vagaries of the season. I appeal to the rural panchayat and the governing body of unions to undertake this task in all seriousness. It will be worth the trouble, however great it be.

Later, the four central banks in the district, the overdues to which from the societies were 13, 14, 30 and 34 respectively, will have to suitably deal with applications for extensions received from

societies. Central banks themselves have to revise their methods of business so that they will always be posted up with information, reports and records with the help of which they could at once proceed to deal with extension and loan applications and duly fulfil what all is expected of them.

In some places near Madras certain futile measures have been adopted or recommended for adoption for bringing down overdues in central banks. One such measure is the wholesale grant of extensions by the central bank to all societies in the district in arrears of principal, which however were not in arrears of interest on the last day of the year. Another measure is a similar wholesale grant, not however to societies, but in respect of loans on which interest had been paid. These measures ignore even applications from societies for extension. They nullify every one of the tests which sound and prudent ways of business demand and which the Registrar has so clearly and so impressively set forth in his recent instructions on the subject. They are demoralizing to the grantor as well as the grantee and weaken the responsibility of the society panchayat and the union governing body. They serve no useful purpose, nor can they ever do so, unless they are the result of extensions granted to members in primary societies. May I take the liberty of suggesting to the co-operators of this district not to yield to the temptation of reducing overdues in central banks in these ways. To have overdues without justification is bad but to reduce them in these ways is worse as they will not disclose the real state of affairs.

COLLECTION OF INTEREST.

As regards interest, co-operators never think of granting extensions and in the opinion of many rightly so. In central banks, at any rate most central banks, the collection of interest is satisfactory, so that even the published statistics do not find it necessary to distinguish interest under arrears and current. In your central banks the percentage of uncollected interest was practically nothing in one bank and in the remaining three banks it was (in round figures) 1, 6 and 10. Contrast with this the percentages of interest uncollected in rural societies. Under arrear interest the district figure was 36, and under current, 22. The union percentages varied under the former from 2 to 60 and under the latter from 6 to 39. The reason is simple. In central banks, whether co-operators do so or not, there are others, namely the depositors, the general public, and the other banks with which they have dealings, who judge of

efficiency of the management by its ability or inability to declare the maximum dividend allowed by rule. Reputation, and it may be self interest also, impels prompt collection of interest. The working of rural societies however does not receive so close attention at the hands of the depositors and the general public, though in fact it is they and not the central banks that furnish the prime security for the investments in the movement. This is one reason. Another reason is that the desire of rural co-operators for payment of dividend, which certainly exists, has not made itself articulate. Panchayats and the supervisory authorities have in consequence not paid adequate attention to the matter. Money has its own value as much in the rural society as in the central bank and the hire for the use of it may be desired in the rural society with as much justification as in the central bank, so long as the constitution of both classes of societies in this respect is the same. It will be quite a different matter if by its constitution the rural society makes no provision for payment of dividend. Its constitution, however, is otherwise. Under present methods of calculation of divisible profit and rules regulating its appropriation, dividend which cannot be paid in any one year in consequence of short collection of interest cannot be disbursed so long as the society is alive. Though the short collection in a particular year or years is made good in a subsequent year, what was once withheld from payment is held as not available for payment in the year of collection. What is once lost is lost for ever. In the year of recovery, dividend is paid in respect of that year only, and the surplus is carried to reserve. However, out of the reserve so accumulated, the rule permits the payment of dividend on liquidation of the society in respect of all past years in which it had not been paid in full or part, though as a matter of practical politics such payment will well nigh be impossible. That what is held as available for appropriation on liquidation should not be available for that purpose during the lifetime of the society hardly stands to reason. Incentive is thus wanting for collection of arrear interest which is always worse than collection of current interest, which in itself is bad enough. In some districts the societies have recently been recommended to collect interest from members once every month, as far as possible, and also to recover interest from every payment made by the member; notwithstanding that the general principle is upheld that interest is payable once in six months only. The clamour in so many districts has been for making collection of interest annual instead of half yearly as at present. It seems to me that in the case of the rural

agriculturist monthly collection is hardly suitable. A better method will be to alter the rule and allow the society to pay dividend in years of sufficient collection in respect of previous years also in which owing to short collection no dividend was paid. There is nothing wrong in principle in doing so. Nor is it necessary to carry the entire surplus to reserve which in principle is only the surplus of asset over liability, left after meeting all charges including in societies with shares the dividend to which the shareholders are entitled. This is a matter which deserves your consideration.

MISAPPROPRIATIONS.

This is rather an unpleasant matter but I cannot help referring to it. In your district one case was discovered in the year, though, it is said, the necessity to prosecute the offender has abated. As co-operators we are not concerned so much with prosecution as with an inquiry which will disclose how the fraud came to be perpetrated and how best to avert the recurrence of such cases in future. In recent months you may have noticed two very heavy misappropriations in two rural societies, in two different districts, the amounts involved being Rs. 8000 and Rs. 4000 respectively. That such heavy misappropriations were possible and escaped detection until the amounts grew so large indicates something wanting as regards the rendering of the balance sheet by the panchayat and the acceptance of the same by the auditor. Whatever may be said in respect of such frauds occurring in big banks without the knowledge of the management, conditions being different in rural societies where the members live in a compact area, and possess knowledge of each other's character and doings, the matter is different. It is very difficult to imagine that such huge frauds, which it must have taken some years to accomplish, can continue undetected year after year, provided due care was taken in the rendering of the balance sheet by the panchayat and in the acceptance of the same by the auditor. This again is another matter to which I would invite your attention.

TWO QUESTIONS ARISING OUT OF THE PRESENT SITUATION.

The situation in the administration of co-operative credit which I have sought to explain raises in the mind of any earnest co-operator the two following questions:—

(1) Whether after all in the co-operative organization of which the motto is "Each for all and all for Each" there is not forthcoming that degree of co-operation and conjoint action, among the

several component parts thereof, which will ensure better work and satisfactory results?

(2) Whether there does not exist a duly regulated plan of work, such a plan as will ensure that what cannot be done by a component part, by reason of its inefficiency or incapacity, or what is not done by it through neglect, is done or got done, by some other; so as to ensure a satisfactory working of the entire organization?

Neither question admits of an unqualified answer in the affirmative. What is the reason? Are facilities wanting? Or, facilities being present or available, are they not availed of? Let me answer. The facilities present or available, some of them, are not utilized. Some facilities are wanting and their want imposes disabilities. Such is the position. An analysis and examination of the causes is called for.

The Co-operative institutions of various kinds, which are figuratively described as forming two arms of co-operation, namely Finance and Supervision have each of them a democratic constitution. Except the union which is intended for the supervision of the affiliated primary society, the organization does not admit of one class of societies exercising control over another. The supervision by the union is more nominal than effective. This is not to be wondered at. Most societies are weak or indifferent and the union is but an association of such societies. The self-imposed convention keeps the financing central bank apart from the supervision of the society financed. Whatever control the financing central bank, even with its limitations, can exercise is rendered not possible. There then exist a number of institutions, whatever the theory, in practice, disjointed in transaction of work. And work of what kind? Work of a kind in which, in respect of every one of the several functions which comprise it, each component part of the co-operative organization cannot properly discharge its duty, unless some thing is done by another component part or parts either as preparatory to or in continuation of what it has itself to do. And most component parts have no sanction behind them to enforce each other to play its part. The only component part which has such sanction inherent in it is the financing bank; but it is kept aloof from supervision which practically is held as the monopoly of the supervising union. And the supervising union is weak and inefficient and its supervision is ineffective. A district federation or district council of unions exists in some districts but its powers do not extend to getting a union to do what it has failed to

do, or in the case of a recalcitrant union to arrange for the due transaction of business either by suspending the union or otherwise. Even were this power vested in the district federation or council, its composition is such that it is not usually capable of rising equal to its duties. It is only an association of weak unions and there is none to hold lofty ideals before it. Such then is the situation.

While each component part of the organization has its own part to play, as distinguished and distinct from that which the other parts have to play, one or more component parts have to partake in the discharge of almost every one of the several functions. These functions may be said to represent a horizontal division of the work while the several component parts may be said to represent a vertical division thereof. The functions in question are:—(1) The organization of and grant of initial loan to the primary society; (ii) The recovery of loan; (iii) In the process of recovery, the grant of extension and even revision of instalment when it is called for; (iv) In the grant of extensions and revisions the discrimination of good societies from the rest and the grant of further loans to good ones; (v) Further inquiry as regards remaining societies with a view to their resuscitation or cancellation; (vi) The watch of condition of societies from year to year with reference to the results of the annual audit and a review of their condition, and (vii) The continuance of the watch during the next following year by periodical reviews of the progress made.

A moment's reflection will show that the satisfactory working of the primary society, the union and the central bank will largely depend upon the care and prudence with which the organizer organized the society and recommended the initial loan. (Function i). The existence of a number of badly organized societies within its area is sufficient to upset the working of the union or the central bank. On the prompt and punctual recovery in the primary society (Function ii) depends the credit not only of that society but of the financing bank, in fact, of the very finance of the movement. Defaults in recovery in the primary society and consequent defaults by the primary society which are so often brought about by bad and indifferent seasons call for extensions, (Function iii), which cannot be granted by the central bank unless the primary society has granted extensions to its members and the primary society cannot grant extensions to its members unless the overdues have been examined with a view to discrimination of cases deserving extension from the rest. The examination of overdues has to be done

by the panchayat in the first instance and also by the auditor. If overdues are not duly examined, the primary society does not, cannot, grant extensions and unless the primary society grants extensions to members and as the result of such extensions cannot itself repay to the central bank, the latter cannot grant extensions to the primary society and failure of duty in one quarter leads to failure all round, with its consequent train of evils. This further leads to inability of central banks to grant further loans to good societies (Function iv), for the simple reason that central banks cannot distinguish good societies from the rest, unless the processes mentioned under function (iii) have been duly complied with. This results in further inquiry (Function v), either being indefinitely delayed or not being undertaken at all. And this means that good and bad societies happen to be treated alike, good societies for want of encouragement growing indifferent, and bad and indifferent societies for want of attention growing worse. To crown all the failure (Function vi) to watch the condition of societies from year to year with reference to the results of the annual audit not only leaves the central bank and the union in ignorance of the real situation as regards the constitution, working, and financial condition of the societies in its area, but also contributes indirectly to discourage good societies, by the withholding of such support as is their due, and to encourage bad and indifferent societies in their bad ways, by their being left without check. This review may well be done by the union, or the central bank, or the Assistant Registrar. Whoever else may or may not do it, the central bank cannot afford to neglect it. Likewise, even if such an annual review were made, unless it is followed up in the next year from month to month or quarter to quarter, (Function vii) the requisite progress cannot be ensured or attained.

Amidst these circumstances some component part must move, that part which stands to suffer. And that is the financing bank, which after all is no other than a bank composed mostly of societies. The provincial bank (the Madras central urban bank) has already given the lead. It has roused the district central banks to a sense of their responsibility. The district central banks have to take action, the bonds of the convention that finance and supervision should be kept apart notwithstanding. After all, that convention is only a domestic arrangement, an arrangement in the family circle of the co-operative organization. If the convention worked well, that is, if the union had kept the societies in proper trim, there would be no occasion for the central bank to trouble itself in

the matter. The convention, however, having failed of its purpose, Finance can no longer sit quiet with folded hands as the Madras central urban bank would put it. It should move. Against this theory the argument is advanced that supervision by the financing bank would fall short of the full requirements of what the term "supervision" stands to connote, because the financing bank would rest content with that much supervision only as would be sufficient to get back its instalments of loan, and that the rest of supervision which comprises much more would be left uncared for. There is more of unfounded apprehension than much of reality in this argument. No sensible central bank will be satisfied if its instalment alone were returned on the due date, unless, by a perusal of the auditor's report which deals with an examination of the overdue debts and a valuation of the assets and liabilities, it finds that the financial position of the society is safe and sound. When the central bank finds that this condition is satisfied—it is its primary duty to satisfy itself in this respect—a considerable portion of what is comprised in "supervision" would be satisfied. Whatever else is not so comprised will follow as a matter of course. And there will generally be an improvement of the society in various other directions. When once by extending its supervision the central bank gets the society's present affairs into order, the incentive will arise for expansion of the society's activities in its present line of business and in the development of its activities in other directions. And the union will be better enabled to discharge its supervisory functions thereafter. The central bank's failure to move in the directions indicated, if it should still be persisted in, will be attended with very untoward results which would shake the credit of the movement. But this cannot be.

Even from the stand point of the supporters of the theory that finance and supervision should be kept apart, namely, the co-operative department, my view that the central bank should now intervene receives support. In his recent circular on the subject of the utilisation of the surplus money in the movement the Registrar has impressed on the directors of central banks the necessity of systematic endeavours on their part to discriminate in dealing with applications for loans between good and bad societies, the one deserving extensions in respect of defaults, if any, and also further loans, and the other deserving neither. Such discrimination is called for otherwise also. At present this discrimination is rarely done for, as already explained, this can only follow a lot of other work to be done by the primary society and the union which however is done by neither. And how else can the central bank take

the next step except by intervening. It only remains for it to depute its directors to visit unions and in consultation with unions make arrangements for the carrying out of the necessary measures. Of the several agencies, five in number, which will have to participate in the work, three are non-official, namely, the primary society panchayat, the union governing body (several members thereof and the union supervisor) and the Honorary Assistant Registrar. In consultation with the union, at a general meeting to be specially convened for the purpose, as much work as can be undertaken for actual and immediate fulfilment by the three agencies mentioned, in view of the qualifications, capacity, and even willingness of the human material available and in view of the financial and other facilities forthcoming, should be taken over by them. For what is then left unprovided for, the help of the other two agencies, namely, the departmental supervisory and auditing staff, should be sought. The former is maintained with the express object of helping weak unions and societies in their supervisory work. As regards the latter, its duties, which include an examination of overdue debts will also help the unions in their supervisory work. If further human material be still wanted, the central bank should not hesitate to employ such staff of its own as may be necessary.

In addition to making arrangements in this way for the examination of overdue debts in societies the central bank should with reference to the materials already available in its own office, and with reference to the latest available auditors' reports of societies (of which it should not lose time in getting copies), review the entire situation as it stands and pursue the progress month by month. Unless the central bank does this it will not be discharging the responsibility which it owes to its creditors. Nor would it be discharging what the Registrar expects it to do in the matter of discrimination of good and bad societies, in other words, what it owes to the societies which compose itself.

SOLUTION OF QUESTION (1).

In saying these things let me not, Gentlemen, be misunderstood as advocating anything inconsistent with the growth and development of the sense of responsibility attaching to unions and their federations in regard to supervision. All that I advocate only tends towards that end. The movement as a whole ought to maintain a certain standard of efficiency and when this is not reached we cannot afford to stand on formalities. The motor force must be supplied by some one, force which will set the others in motion.

Even in this it is not suggested that the central bank should arrogate to itself more than what it is itself responsible for. In this way, co-operation and conjoint action referred to in question (1) which should in the usual course of things be forthcoming voluntarily, will be brought into play though under compulsion which cannot be resisted. When once the financing bank moves and keeps incessant watch over the progress of events, it will be impossible for the primary society or the union to keep quiet. What is once done under compulsion will, in due course, become the normal feature. And before long time will arrive when question (1) will admit of an unqualified answer in the affirmative.

SOLUTION OF QUESTION (2).

It cannot be said that a plan of work of the kind described in this question does not exist. It exists but the methods of its working require to be readjusted. How exactly this is to be brought about, I have already explained. The plan only requires to be duly elaborated in actual working. Starting with a systematic, annual examination of overdue debts and grant of the necessary extensions, the good and bad societies will be distinguished. Good societies will begin to further improve. Bad and indifferent societies will be marked as such and receive special attention. They will either begin to improve or present no indications of revival. In the latter event, after a reasonable lapse of time but without unnecessary delay, steps for their dissolution should be taken. The presence of a number of bad and indifferent societies is a source of weakness and also forms a menace to the movement. An annual stock-taking, as it were, should take place, and the progress watched. The co-operative motto "Each for All and All for Each" should be duly enforced; each must do its duty, and it is only by doing so that all will serve each. In the programme of work advocated certain things should be prominently borne in mind. They are (1) each institution must be made cognizant of the full extent of its responsibility; (2) it should be made to undertake for immediate and actual fulfilment only that much of its duties as it feels competent to do; (3) a superior institution should see by means of periodical reviews and otherwise that this undertaking is fulfilled or that genuine attempts are made; (4) help by Government supervisory staff should be accorded only in response to a written requisition and only to the extent actually desired. In this way the several institutions will become more and more self-reliant and more and more efficient. The Government supervisory staff

would be setting an object lesson as to how to do things. Further, as time advances, this will result in the Government staff getting in measured terms less and less to do of the supervisory work devolving on unions. This will also result in the Government staff being enabled to do its auditing work more and more thoroughly and efficiently, in that it will be doing less and less of the supervisory work. More than anything else, this will result in the removal of the reproach levelled against the movement by a veretan co-operator that the existing arrangements for supervision are such that no one is directly responsible for the efficient working of rural societies. Indications of such feeling existing in other quarters also are not wanting and it is for co-operators to say whether they should not proceed to revise their methods of work without delay.

THE RELATIVE POSITIONS OF THE UNION, THE DISTRICT FEDERATION AND THE CENTRAL BANK.

The movement is essentially a people's movement and all these institutions have democratic constitutions. A democracy, however, it is said, has to be safeguarded against itself, against its own tyrannies, subtle and all powerful, before it can securely become an instrument of human progress. Freedom it is said must submit to self-imposed limitation on itself, if it is to secure the highest purposes of life. These observations of an eminent authority are not inapplicable to co-operative institutions. The primary society must submit to control by the union, and the union must allow its work to be co-ordinated and regulated by the federation; and all these must so conduct themselves and their work that the financial stability of the movement is duly assured and maintained from time to time. In this last respect the central bank should be all vigilant and keep itself posted with information which will enable it to know how things stand at any time, so that, in the event of anything going wrong and failing to receive attention in proper time, it may draw attention to the lapse or, if necessary, itself intervene and take action. Such, in the main, is the inter-relation between these institutions and detailed rules must subserve this end.

THE POSITION OF THE INDIVIDUAL IN THE MOVEMENT.

In the course of his address at a farewell function held at Conjeeveram recently Sir P. Rajagopala Achariyar speaking of central banks observed that, if an old co-operator like himself could

give a piece of advice to the thousands of societies all over the province it was that they should not be in a hurry to eliminate the individual share-holders in district central banks, that the time would come when those banks would be composed wholly of society members but that such time is yet far off and *that any attempt to force the pace would jeopardise the movement by depriving it of valuable human material essential for working it.* Please note the last few words in italics. With reference to an appeal made some time back by Rao Bahadur A. Vedachala Ayyar to the officers of the department not to throw the apple of discord between individual share-holders and society share-holders as such a course is fomenting disunion between the two sets of co-operators, the Registrar gave an answer that there was no intention at present of making any move towards the elimination of individual share-holders in district central banks. So far as the actual elimination of individual share-holders from district central banks is concerned, it may be so. But one may ask, what is the position which the department would assign to the individual in the movement as a whole. Has the individual no place in it outside the central bank? So far, he has played his part in the central bank and played it well. He has inspired confidence in the depositor, and attracted even more money than the movement has been capable of absorbing. The counterpart of that confidence, which is no other than efficient management of societies such as ensures financial stability, is borne by unions which however, have not adequately justified their responsibility. The question naturally suggests itself, why not utilize his services in connection with supervision as well. Sir P. Rajagopala Achariyar says that the individual share-holder furnishes valuable human material which is essential for working the movement. Movement is the word that he uses. The department, however, is nervous in the matter of utilizing his services in connection with supervision, as the original draft constitution for the district federation and the revised one amply make out. What the movement stands so sadly in need of at the present time is workers. The wisdom of any policy of not utilizing to the full the services of such workers as are available is open to question. The constitution of the district federation would appear to call for revision in this among some other respects.

CERTAIN FUNDAMENTAL PRINCIPLES.

Gentlemen, you will permit me to invite your attention to a few fundamental principles which are not steadily kept in view.

I have already referred to one of them, namely, the principle of the creditor and debtor being combined in the same credit institution. If this principle and all that it implies be understood and borne in mind, the improvement in the working of credit societies will be more easily attained. Another principle is that a co-operative credit society stands to gradually gain for its members complete independence of the usurer. The object of the society does not consist solely in getting cheap loans to its members but is something much nobler. It seeks to enable him to emerge from his present state of dependence upon the sowcar. It exists not only for the present but for the long future as well. This object can be attained only by the gradual building up of a common capital fund. This purpose should always be steadily borne in mind, and progress made from the very beginning. The rate of progress is for themselves, but the necessity for the fund can never be ignored. Co-operation no doubt stands for service to members at minimum cost but such cost, it is admitted on all hands, should include provision for reserve as well as the capital fund. A real co-operative spirit should be fostered, which may be described as a willingness to sink individual opinions and interests and to subordinate temporary advantages to the achievement of the common good of the community. The spirit of self-reliance and self-help should be cultivated in increasing measure from time to time. Whether in point of the human material required for the management of their institutions or in point of money required for that purpose, co-operators must first look to themselves, and refuse to seek the help of others unless compelled by sheer necessity to do so. Except for carrying on educative propaganda they have no right to expect any help from Government. Educative propaganda is badly needed and most of the short comings in the administration of the movement trace their origin to want of education. Co-operators have a claim for State Aid to enable them to impart education to members in general and the managing committees in particular. Government have practically accepted this principle and it is for you, Gentlemen, to make the next move.

LOSS SOCIETIES AND RESERVE FUND.

In dealing with profits in agricultural credit societies in your district, Gentlemen, I have said that the statistics suggest inquiries on certain lines. For this purpose I prefer to adopt the presidency figures, because the question is one of general application to all the

districts. On this subject the Registrar in his report for 1923-24 has stated: A question which has been engaging the minds of certain co-operators during the last 12 months is whether the general reduction in the rate of interest charged on loans granted by rural credit societies has not unduly restricted the margin of profit between their borrowing and lending rates and thereby adversely affected the growth of the reserve fund of those societies. The Registrar quotes certain statistics and then concludes that the loss is due not to an unduly low margin of profit but to bad management.

The numbers of loss societies during the five years ending June 1925 were 3049, 3123, 3768, 3846 and 4205, bearing to the total numbers of societies the percentages of 58, 50, 53, 49 and 48. The average amount of loss per society not recouped was Rs. 93, 102, 120, 165 and 167. It has steadily risen. The percentages of arrear and current interest left uncollected during these years were (in round figures) 58, 48, 48, 50 and 49 under arrears and 28, 28, 32, 35 and 36 under current. About one half of the societies contribute nothing to reserve year after year. There has been hardly any improvement in the collection of arrear interest while the uncollected balance under current interest has been steadily rising. The result of this is reflected in the increase in the loss not recouped from Rs. 93 in 1920-21 to Rs. 167 in 1924-25. No doubt considerable sums are awaiting collection under arrear and current interest, the figures being Rs. 7,60,149 and Rs. 11,48,650 on 30th June 1925. The aggregate loss not recouped on 30th June 1925 was Rs. 7,01,438, an amount almost equal to the arrear interest awaiting collection. When the loss is recouped the profit will be a little over the unrealized current interest. In the first place any reasoning based on presidency figures may be fallacious, in regard to the question whether the general reduction in the rate of interest has or has not unduly restricted the margin of profit. For, there is no reason to maintain that a uniform rate of margin of profit holds good in the case of all societies. The average loss per society on 30th June 1925 being Rs. 167, there must now be several societies with more, much more, than this amount of loss to recoup and several others with less, much less, loss to recoup. In the former class, one cannot, without examination of individual societies, say how much will be left, or if anything will be left, after the loss is recouped. The overdue interest awaiting collection presumably is interest calculated at the penal rate charged to the member. In dealing with the margin of profit, one is concerned only with the normal rate. We cannot say how

much of the overdue interest awaiting collection represents the surplus over what is due at the normal rate. If this surplus is excluded, we will know how much is available out of the normal margin. Again even that margin will not represent the true margin to which the reserve is entitled. For the real reserve is only what is available out of the margin, after meeting all expenses including in societies on the share system the dividend to which the share-holders are entitled. We cannot say what the dividend so calculated will amount to. Again the examination of individual societies will disclose how far the expenses of management bear a reasonable proportion to the margin available. The annually growing loss-to-be-recouped would appear to call for an investigation on lines of the kind indicated. Such an inquiry will bring out whether there exist or do not exist societies in which the reduction has adversely affected the margin.

Then another question is how long this state of things in which about 50 per cent of the societies go on year after year without contributing anything to reserve is to be tolerated. The question would appear to call for consideration. It will have to be found out how many societies have been getting on in this way since their very inception. The number of such societies would furnish data as to the societies calling for close attention. This inquiry may even suggest a reconsideration of the method of calculation of profit for purposes of appropriation to reserve. This inquiry advocate such a thing or any other thing. It is not that I matter is one in which co-operators have no reason to be satisfied with general deductions from the presidency figures. A detailed inquiry into the conditions of loss societies in each district seems highly desirable.

SALE AND PURCHASE SOCIETIES.

As regards distributive societies the district report recognizes the need for a more vigorous propaganda, especially in view of past failures. To ensure success there should, in the first place, exist a strongly developed consumers' interest. In order to awaken this interest a considerable amount of propaganda is wanted. Any organization started should be adapted to the special circumstances of the locality. For success in business competent management is essential and competent management can be had only when there is a large volume of business. Credit alone cannot do very much. The ryot in the village loses far more on his purchases in the retail

shop and sales to the retail trader than he gains by way of reduced interest at which the credit society lends. There is no reason why a big organization should not succeed which will carry to the door of the villager the articles of food, clothing, agricultural manures, implements etc. of which he is in need and which will at the same time purchase his surplus produce. A big organization of this kind covering a wide area and counting among its members either individual villagers or existing rural societies or both need not, I think, despair of success. For organizing a society of this kind an extensive and intensive propaganda is needed and I earnestly appeal that the co-operators of this district will undertake it.

Gentlemen, my address is devoted almost exclusively to the credit side of the movement and the actual day to day business aspect of it. I have thought fit to pay so much attention to the subject in view of its importance and of the present situation. In conclusion let me thank you again for the patience with which you have listened to me.

—:O:—

REVIEWS OF BOOKS.

I. THE CAUSEWAY OF CAPITAL AND LABOUR.

By S E. Brent.—P. S. King & Sons. 5/—

The struggle between Capital and Labour has been mainly an inheritance from the Industrial Revolution, and attempts of adjusting it to find out a remedy for *pacifying both parties* have also been made ever since that time. Many great thinkers do not see any way out of the difficulty, but by a radical revolution in the existing society; schemes propounded by Socialist and Bolshevik writers may properly be placed in the class. Another class of thinkers treats the problem from a more conservative stand-point, and hopes for a remedy in a mere readjustment in the economic forces which govern society,—a mere shuffling of cards—of the latter, the author of this little volume is one.

Mr. Brent as he himself states at the outset does not pretend to originality on the subject. It is only a restatement of an old remedy—but an old remedy which has not received a fair trial. And it is as an *appeal*, on the part of a sincere well-wisher of the happiness of all concerned, for giving to "*Industrial partnership*" a fair trial. Mr. Brent's little book is to be received by the general reader in that light.

The problem to the mind of the author is to secure industrial peace. How is it possible?—Industrial peace depends on an equitable distribution of national income. National income is the outcome of the combination of the material asset of the nation and its labour asset. The material asset measured in terms of capital, and labour asset measured roughly by the wages received by labour. After deducting the cost of production, interest for the capital, which is its due, as well as charges for depreciation, waste, Reserve Fund, etc, and after deducting the *minimum wage*, which is required to maintain the labour capital, the residue is to be divided between capital and labour in the proportion of the amount each invests—the labour capital in a particular branch of industry being measured by the amount of wages paid. In other words, capital and labour form an Industrial partnership, with equal rights in the share of the profit which is rightly the outcome of both.

This happy conception of the "*labour wealth*", though not a new idea is clearly explained, and its use justified by the author. Labour wealth is defined as the power which men have to work, as opposed to material wealth, and because it is created and destroyed at the same time its value is exactly equal to the value of its product. This product is paid for in wages. Therefore the total amount of wages recorded in the books of any branch of industry, if *properly valuated*, expresses the correct amount of the labour capital contributed to the particular branch of industry and the workers are entitled to receive a

share of the profits in the proportion that the total amount of wages bears to the capital of that industry—the total amount of profits accruing to the workers to be divided amongst them in proportion to their individual earnings.

The benefits thus accruing to the labourer are to be supplemented in the author's opinion by a system of universal Old Age Pension and sick pay, and co-operation of workers amongst themselves wherever possible.

In concluding the treatise, the author enumerates the advantages of the system as he conceives it. It is a system that will enrich all workers. It is a system that will restore to capitalists more than that which it appears to take away. It is a system that will bestow gifts outside the limits of material wealth. Above all labour will be raised from a state of depressing drudgery to intelligent enthusiasm. The bitter feelings between rich and poor will be replaced by strong, mutual respect. It will instil into the minds of men a high form of discipline. The author ends his eloquent plea for the scheme in the following manner :—

"It is a system that will bring industrial peace and make for the peace of the world. It is a system that will bring the bright sunshine of life into millions of homes and create the proper atmosphere in which men's best qualities may be nurtured. It will bring us nearer the long-desired time, when nations will enjoy perpetual peace and all mankind will advance together in harmony."

Two points call for our attention as a set off to this eloquent optimism of Mr. Brent. The whole basis of the success of the scheme recommended, is the proper valuation of the labour capital: The author's method of valuation is the only one possible, i. e., the wages paid to the labourers entered in the books of the capitalist. It is evidently to the interest of the capitalist to so manipulate the accounts as to show a lesser amount. And the natural position of weakness of the wage-earning class tends to throw the weight of the scale in favour of the employer.

And the point which the author scarcely touches upon is the machinery to make the system universal. The vague idea of an Industrial Senate is thrown out somewhere, but it would have been better for the unity of thought to have developed the idea further.

But with all these, the book is worthy of attention from employers as well as the lay readers. We feel at the end of our reading that the author has made out a convincing case for giving a fair trial to the scheme which he recommends; and by avoiding too much technique in the language he has also placed it within the easy grasp of the general reader—a thing not easily accomplished specially when the subject is a technical one.

A. APPADURAI AIYAR.

II. THE RELATION OF WEALTH TO WELFARE

By W. A. Robson George Allen and Unwin Ltd. London.

The theory of an economic man intent on the pursuit of monetary gain only, has received condemnation on all hands. Yet the shadow of a justification for such a theory appears to exist in the belief, so ably expressed by Dr Marshall, that an increase of material wealth in general denotes a corresponding increase of material welfare. Against this measurement and connotation of welfare the author of this arresting little book sets up a bold defiance. He considers whether any perceptible increase results in such important elements of welfare as health, art, work, and education, by an increase of income among the individuals of a society.

Now, relying on the statistics offered by author, it is true that the poorer classes in England are physically healthier than the well to do. This however only proves the hard fact that a class of people with just enough opportunities to enable them to earn a livelihood compatible with industrial efficiency and social decency are healthier physically than a class with plenty of wealth and which consequently indulges in luxuries and excitement. The theory of an increase in material welfare together with wealth has got a limit. It does not mean that welfare increases infinitely as wealth grows. But, in a land where poverty has been the heritage of the majority, there need be no illusions as to the enormous social welfare that would follow an increase of private income. With regard to art, one feels it necessary to think twice before including the capacity to appreciate what is highest and best in art as a vital factor of social efficiency. This is true from a broadly ethical view point. But from the point of view of economics we may note that an economic sufficiency is the very basis of that leisure which is so necessary for the appreciation of art. So with regard to work and education. While admitting that in work as in education a right selection is not made to the particular trend and inclination of individuals for particular things, we have to note that such drawbacks in our social system are due to causes other than wealth.

One fact is apparent as one reads the book. The author has a distinctly socialistic turn of mind, and the plea he emphasizes for the necessity of bringing more and more things under public control is characteristic of many a modern mind. Only, from the point of view of economics the author's conception of welfare seems to be a factor resulting from causes other than those directly connected with economics. Consequently, while welcoming his plea for public control, we should think it necessary to refrain from indulging in any thoughts against increase of private income, on the score that it does not increase material welfare.

S. Y. KRISHNASWAMY.

III. INTERNATIONAL WHOLESALE CO-OPERATION IDEAS AND PROPOSALS.

By Anders Hedberg, 1925. 22, Longmillgate Manchester."

Ever since the immortal flannel weavers of Rochdale awakened the consumer interest of the worker, and made the social act of "buying together" the basis of "a new moral world", there has been a growing tendency on the part of the people of every country in the world to organise Co-operative Societies of consumers with an eye to an economic and ultimately social betterment.

"A society of this type arises" says the writer of this booklet, "through a number of householders combining with a view to *procuring* and eventually also *producing* such commodities as are used in those combined households. These local societies, which thus correspond to the retailers in the private trade, are able to extend the idea of co-operative organisation by organising national enterprises—under the name of *Wholesale Societies*—intended to perform those functions which are otherwise performed by wholesale firms and private industrial concerns. Such national co-operative combinations have in fact been established in most European and some extra-European Countries."

"It is our purpose here" says the author "to examine the question whether, besides the local and national organisations just mentioned, there would also be room for a business-running international combine and to discuss briefly to what extent an International Co-operative enterprise may be expected to fulfil certain functions better than national organisations can do." In other words he examines the necessity for and the possibility of the formation of the International Co-operative Wholesale Society. The idea is not a novel one; it has been engaging the attention of the International Co-operative Alliance from the year 1907 to the year 1920. The author has given in chapter vii a summary of all that has been done by the International Co-operative Alliance during the period referred to above. He confines himself in this booklet to the task of "discussing problems and offering practical suggestions."

He finally arrives at the conclusion that such a federation of the national wholesales into an International Organisation is not only a possibility, but also the next and necessary stage in the development of consumers' co-operation and in the progress of that movement towards its goal of a co-operative commonwealth embracing eventually the whole humanity.

The principles and practice which conduce to the formation of this International Federation are exactly the same as those which have conduced to the combination of consumers into the local society and of the local societies into the national wholesale societies, and form only an extension of the Rochdale plan over a wider sphere.

Far from being a dreamer or a utopist the author has had ample opportunities of knowing intimately the "buying" and "selling" transactions of the several national wholesales in all their details and has gone to the length of utilising that practical knowledge in drawing up a set of Draft rules and Regulations (22 in notes for each rule) for such a Federation, in chapter vi.

He points out that a similar step has been partially anticipated in the formation of a Federation of the wholesale societies of Sweden, Norway and Denmark—whose rules and regulations he has given *in extenso* in Appendix II. It might be of interest to observe that this Federation's largest purchase from abroad is *coffee*, and the next largest, that of grains, *rice from India* being one among them.

The author is at some pains to find a suitable name to the new organisation and discards the name "International Co-operative Wholesale Society" for the reason that its abbreviation I.C.W.S. might be confounded with that of Italian or Indian Co-operative Wholesale Society. Thus it is seen incidentally that continental co-operators of Europe expect India to soon evolve an I.C.W.S. and hesitate to deprive us of the abbreviated name. (Alas! How far are we Indians from it!). He would Christianise it as Gafic—"General Agency for International Co-operation". "Gafic" is composed of five letters of the alphabet, and thus forms half a code word. This constitutes an economic advantage in connection with code telegraphy to an undertaking which will engage in telegraphic correspondence to a very considerable extent."

The author fully realises that the day may indeed be very far off when that Big Federation may become an accomplished fact; because at present consumers' co-operation has become widely spread only over a portion of Europe. Further, between nation and nation, there is the barrier of language preventing a free mingling of each others' ideas, and the barrier of tariff walls over and above political differences owing to the unsettled state of many European Countries, all tending to hinder the progress of this International idea. But two circumstances are relied on to counteract the above named adverse influences. Firstly, the increasingly extensive propagation of co-operative ideas among the people of different countries, will it is hoped contribute to the furtherance of such ideas and of otherwise levelling down international boundaries and will lead to a feeling of co-operative solidarity which can most certainly be relied on. Secondly, we have the *International Trusts* whose continued and rapid development will drive co-operation into a situation of finding that its future development is simply and solely dependent upon the taking of joint international action on behalf of the consumers.

The appearance of the book is very timely for Europe and for India. In Europe the cessation of the after effects of war allows of attention by co-operators to the problems of consolidation and advance towards a world union, and the ideas and proposals contained in this book must be welcome to all co-operators. In India too, the consumer is slowly awakening and *Consumers' Co-operation* is on the lips of every one, and search is being made for the best means of enlisting the services of co-operation for the benefit of the Consumer. This Booklet contains a summary of arguments for consumers co-operating locally, nationally and internationally. It places vividly before the reader the mistakes into which the earlier co-operators had fallen and the means devised by them to avoid those mistakes.

The approaches, arrangement, sanitation, and attractiveness of these villages upon which a sound and healthy economic and social life depends are of vital importance to the half of our population living in villages or using them throughout a lifetime, villages should be easy of access; approaches should be direct, durable and enjoyable. Physical layouts should be based on naturalness, healthfulness and convenience; housing conditions should be sanitary, convenient and economical, dwellings should be satisfactory to the eye and set in pleasant surroundings. Dump heaps and congested places should give way to open spaces; public buildings should be so located and arranged as to facilitate business efficiency and stimulate civic pride."

This lengthy quotation explains the object of the book. The author gives instances of villages planned, replanned and planned continuously, of special features in villages that have been planned—of gateways to railway, Trolley, waterfront, road, street, Bridges, commons, parks, riverbank improvements, local reservations cemeteries and public buildings. The examples taken are small and big villages. The work has been undertaken, in very few instances, by town councils which the author says are often slow to move; in most others, by improvement associations, women's civic clubs, and individuals imbued with local patriotism. Money has come from subscriptions and donations largely. Open spaces in the centre of villages have been created with roads all round, planted with suitable trees. Old, unsightly buildings have been removed where they interfered with the beautiful growth of a village; fine roads have been laid; beauty spots have been reserved and carefully looked after; libraries, school houses, churches have been built; lawns, playgrounds, gardens have been laid out. Bridges have been built, river fronts made attractive. And these things have been achieved in villages with 100 to 3,000 inhabitants.' 'A glorious tale.

Where are we in India? Our local patriotism speaks of the temple, the four streets, the village tank or well, the chavadi (a civic centre?), the mud walled thatched cottage where the school master plies his trade and so on. We then keep away from our mental vision, our refuse heaps, our rural insanitariness in general, the evil uses to which we put our open spaces and our tanks. We forget the poorer quarters, the cheries, where man and beast herd together. It is necessary to look things in the face and rouse our rural conscience if things are to be better and the large toll which death and disease claim in our villages is to be put an end to.

C. S. R.

VII. SCOTTISH AGRICULTURAL ORGANISATION SOCIETY, LIMITED: REPORT FOR 1924.

This is a co-operative organisation, and like other such organisations, it has to call itself non-political, so as to obtain the help of all people. Its object is educational and propagandist, designed to promote the formation of local co-operative associations for agricultural trading and to further the work of such associations. The office bearers are all men of standing and influence. In the

report, a good deal of useful work has been recorded. Here are a few activities:—

(1) *Co-operative milk depots*.—Milk is collected, brine cooled and is sent to distributors far and near. Surplus milk is made into cheese in the depot which have complete equipment for making this article. There is a great demand for depots everywhere.

Again, dairy societies are federated to prevent competition and the *Hirshir federation* sends milk even to distant English markets. So also the *Scottish Farm and Poultry Produce Federation Limited* acts as marketing agency for eggs, poultry, hosiery, tweed and other products and purchases for its constituents seeds, oat, potatoes and other requirements for prompt cash on best whole sale terms.

(2) *Joint purchase committees* representative of Trading societies collect approximate orders for manure, seeds, etc., invite quotations and purchase requirements on most favourable terms. Since payment is cash, no capital is necessary. The real benefit of co-operative enterprise is obtained by the pooling of the orders of small and large farms.

(3) *Stock improvement and egg collecting societies* have, in spite of unfavourable conditions for egg production, done well.

(4) Other organisations are the *Scottish Private Gardens Co-operative Society* and the *Fur Breeders' Association*.

Propaganda.—The secretary and members of his staff conducted active propaganda work throughout the year. After a deal of initial work, the *Border Farmers' Co-operative Bacon Factory* was formed. A society for small holders has been formed at *Midlothian* and help has been obtained for others.

Future programme.—A scheme of short loans compatible with Scottish Agricultural conditions has to be evolved, in order to afford farmers greater freedom in buying and selling. The Executive Committee has been examining the question of expanding co-operative marketing of produce and have before them the Report of the Tribunal (Dairying, etc., Reports) dealing with the economical aspects of Agricultural Co-operation.

Brother Co-operators in India, go and do likewise.

C. S. R.

VIII. UNEMPLOYMENT INSURANCE IN GREAT BRITAIN. A Critical Examination by the Authors of 'The Third winter of unemployment etc.

Price 1/- net: Macmillan & Co., Limited, 1925.

The question of unemployment has become a social menace. Beginning with countries which had developed a high degree of industry, it has come to spread throughout the world. In Great Britain, there are to-day nearly a million and a quarter unemployed. And this number has been persisting for some years in spite of the efforts of its statesmen to reduce it. Under the

circumstances a pamphlet like the present which examines one aspect of this problem, the keeping of the honest workman, who is unemployed through no fault of his own, informed up to the time he gets an employment, is sure to attract respectful attention.

The authors who formed a committee for the purpose obtained full and detailed reports for the towns selected for investigation and these have been summarised in the book. They themselves base their conclusion on the reports. They had shown their capacity to do their work by their activities in this direction in the past. They had studied the problem of employment in Great Britain during the autumn of 1922. They had continued those investigations further and given their views in their 'Is unemployment inevitable?'

They preface their report with the statement that British experience in this respect has an international importance—a statement that can be readily accepted when one finds that the great experiment in National Unemployment Insurance was first started in that country in 1911. The Scheme was extended in 1916 and in 1920. Twelve millions of workers come within its scope. It is not a 'poor law', relief, though many people mistake it to be so and wrongly apply the term 'dole' to benefit under it. It is an Insurance scheme to the funds of which employers, employees and the Government contribute. In 1924, for example, the contribution paid by employees and employers together equalled the sums paid out in benefit. In the first half of 1925, these contributions came to 75 per cent of the benefit.

The scheme is administered by a host of public spirited employers and workers. There are four local committees which carefully examine every case claiming benefit, determine questions of law or fact connected with individual cases which require special consideration or have a grievance. The opportunities of deceiving the committees may be taken to be few indeed, but every consideration is shown to the worker. The standard rates of benefit are 18/- and 15/- to a man and a woman and 7/6 & 6/- to a boy and girl respectively. They can be granted for periods aggregating 26 weeks in a benefit year. But extended benefits can also be given under special conditions.

Investigation was made in different industrial centres of Great Britain. It was found that the scheme was particularly useful to the unemployed. It did not encourage idleness to any extent. People would rather work than take employment benefit. In Bolton, for example, a witness said that the unemployed were 'the finest body of men I have ever met'.

Unemployment insurance, to some extent, diminished reliance on 'poor law' relief, but very often, the benefit was supplemented by relief, and, when benefit failed, many claimants fell back on relief.

The chief difficulty felt was with workers over 60 years of age, with youths between 18 and 21 and with married women. It was very difficult in the present condition of things for old men to get jobs. The rate of benefit for youths was 18/- and very often their wages was below this sum or very near to it. Such a state of affairs encouraged them to prefer idleness with the benefit.

but in many places it happened that boys between 16 and 18 were preferred by employers, who consequently sent away the older ones.

Married women were a difficulty. In some places there was great objection to their being employed. Often they worked only in the hope of qualifying for benefit.

Yet, under all these circumstances, the scheme has worked well. It has helped to diminish distress. It has not encouraged malingering. With labour exchanges, it has helped mobility of labour. It has, on the whole, been quite justified. The authors end with a few suggestions. They would like employers to co-operate and prevent abuse. The benefit paid to youths between 18 and 21 should be revised. Insurance benefit and poor law relief should be clearly distinguished and wisely co-ordinated.

Who in this country think of the poor unemployed? They either accept their fate or immigrate to slave in other lands. When will we awake?

C. S. R.

IX. (1) FARM MANAGEMENT—(2) EDUCATION.

Farm Accounts, Credits, Marketing, Homes and Statistics.

List of publications relating to the above for sale by Superintendent of Document :: Washington D. C.

The activities of government departments may be said to depend in an indirect way, upon the number and excellence of their publications. Regarded in this light there can be no doubt about the fact that the Agricultural and Educational departments of Washington are particularly active and desirous of giving the farmer and the teacher really good tips in carrying on their work. The department of Agriculture has 3 lists and each of them is full of information as regards publications available on several subjects of importance to the farmers.

Taking Farm management, one finds literature enough to satisfy the most voracious appetites, on Accounting, Agricultural associations, Agricultural credits, Agricultural depressions, Agricultural diversifications, Engineering products, General agriculture, different vegetables and fruits, Clubs, containers, co-operation, cotton futures, ginning, grading and marketing of cotton, crops, demonstration work, farm animals, equipment, forestry, homes, income, labour, management, vegetables, Insurance, Farms, grain, grain futures and standards, hay, marketing and markets, milk, meat, Organisation, Range management, rotation of crops, rural planning, sewers, statistics, Tanning, Tenant farms, Tractors and wheat, among others.

So far as regards subjects in general, let us take particular subjects,—co-operation in agriculture, for example. One finds that the list contains bulletins on agricultural credits, Land Mortgage, bank loans to farmers on personal and collateral securities and ever so many others. Co-operation extension work in agriculture and home economics has 5 annual publications to its

credit. There are books on agricultural co-operation in general and on agricultural co-operation in Denmark and on co-operative organisation and business methods and co-operative relations in agricultural development. Under farm forestry, there is a book on co-operative marketing of woodland products. Under 'grain', is a bulletin on co-operative grain marketing. In fact an effort is made to introduce co-operation into almost every agricultural operation so as to make for the greatest good of the farmer.

In Education there is a similar range of publications. From a programme of education in accident prevention to the Educational work of the Young Women's Christian Association, (A to Y) there are 34 pages of titles. There are bulletins on Adult education, Agricultural education in schools and colleges and upon education in Australia, Belgium, China, England, Europe in general etc. Elementary, secondary and collegiate education, Technical, Industrial and vocational education have all their own individual publications. Indeed there is not one aspect from which education can be viewed which has been neglected in this remarkable list.

One could wish that our own departments of Agriculture and Education had quite as many books. Though the former has many excellent little works to its credit, yet one could wish for more. As for the educational department, one wonders what amount of help it has given to the teacher and to the citizen. The Central Government has a few good publications. But the provincial? And under the reformed ministry? Let us hope for progress in the near future.

C. S. R.

X. SUCCESSFUL FARMING ON 160 ACRE FARMS IN CENTRAL INDIANA, U. S. A. DEPARTMENT OF AGRICULTURE.

Farmers' Bulletin No. 1463, Washington, D.C. 5 Cents.

Indiana is an East-North Central State in the United States of America, South of the lake Michigan: It has an area of 36,500 sq. miles and a population of 2,700,000. The eastern part of this district is manufacturing and 42 of its population is urban. The rest is agricultural. The most important products are maize (corn) and wheat, oats, rye and hay (clover and timothe). Rearing of horses, cattle, pigs and sheep, and the management of poultry is carried on in the farms in addition to cultivation. In fact, livestock pays the agriculturist a great deal more than the crops. 'Hogging' is an exceedingly important enterprise, many farmers making pigs the principal livestock in their farms. But there are other parts of the state that attract greater importance to dairying and horse rearing.

A 160 acre farm is valued at 31,600 dollars, (real estate). At Rs. 3 a dollar, this means that land here cost only Rs. 94,800, slightly less than Rs. 600 an acre. And yet, the value of the annual receipts is an average of 5.265 dols, or Rs. 15,800 a year in the 4 most successful farms. Even in the least successful the average is Rs. 9,000. This does not include the value of the family living

furnished by the farm which comes up to Rs. 1,850 in the most successful farms and Rs. 1,100 in the least successful.

A comparison with South India is rather disconcerting. Land here is far more valuable. Every district here can boast of hundreds of thousands of acres of land costing Rs. 600 and more an acre. Whole villages in the deltas cost three to four times as much. A great deal more individual attention is possible owing to, in many cases, minute sub-division in holdings. And yet, few of our farmers, large or small, can boast of such incomes. Take into consideration the facts that the land there is 'dry,' that the climate is 'raw,' and rainfall, 30 to 40 inches a year and the income seems to be really high.

The factors that go to contribute to this result are scientific farming, use of economic machinery and careful livestock production. The Purdue University specialises in agriculture and livestock and gives information as regards feeding the animals and these are strictly followed. Crop rotation is observed, three year rotations in general and four year in certain cases. Leguminous crops, capable of supplying nitrogen to the soil, rotate, for example, with Indian Corn which exhausts it. "Keeping considerable livestock, conserving and returning the manure to the soil, using commercial fertiliser on at least the wheat crop, tile draining the land, liming the soil where necessary, using good varieties of seed and strains adapted to local conditions, treating seed to prevent diseases, and proper cultivation are a few of the methods used to obtain profitable yields."

Man labour is reduced to a minimum. "The average of the most successful farms (160 acres) required 25 months of man labour during the year." This means that two men are engaged throughout the year with occasional day labour hired in grain harvesting, haying or corn husking.

The equipment of the farms is a matter of interest. Capital other than real estate employed in a farm averages 4,100 dollars or 12,300 Rs. It consists of the farmhouse, a number of well-built barns for stocking grain, good hog houses, poultry houses, machinery shelters, and attractive tenant houses in addition to agricultural machinery.

This bulletin is exceedingly interesting and ought to be very useful to the farmers for whom it is intended. Every page is full of tips for the man who would profit by such knowledge. A number of tables give convincing information. The illustrations vary the monotony of statistics. The whole shows a praiseworthy attempt on the part of the U. S. A. Agricultural Department to be of real help to the farmer.

C. S. R.

XI. Mrs. TATTERSALL'S TEA PARTY.

Mrs. Tattersall has recently joined a 'co-op' and finds that her old prejudices against it are all wrong. She would like to convert her friends and invites them to tea. All of them have their prejudices. Mrs. Mincinghain thinks that the 'muck' the stores sell would choke her; Mrs. Olo-fangle, that they ruin

honest tradesmen; and Mrs. Slack that the 'dier' comes from the high prices they charge. But all the good things on the table—salmon, marmalade, lemon and cheese-cakes, strawberry jam, pears, custard cake, and the two tins of biscuit and tea above all—the best that these women have tasted,—have all been brought from the Grace Street Stores, at rates cheaper than those charged by the grocers, with the prospect of a 'dier' at the rate of 2sh. in the £. The women go convinced and converted. We want more and more books and pamphlets written in the vernaculars to popularise the co-operative movement among the masses.

XII. THE WORLD'S MAY DAY.

On the world's May-day, there arrives an ambassador from Mars. Great Britain greets her. Soon after arrives her sister Ireland, somewhat apt to rebel. But the King of Hearts is there and things are made smooth. France, Germany, Russia, Italy, The United States, other European countries, Asia, Africa, other American countries and Australia are also there. The more prominent are all introduced to the visitor and speak of their achievements for the common good. France of her wines and silks and 'briar pipes' and a thousand things without which the world would be poorer; Germany of her inventions, her poets and great masters of music; Russia—at the mention of whose name all the others held their noses up—of tallow, hides and wheat and—Tolstoy, who lived as he preached. Italy, the child of Ancient Rome, speaks of her ancient ruins, and the fruits and straw hats she sells. The United States acknowledges she has taken more than she gave but still, did she not give some time ago 14 points, most of which became rather blunt?

All this does not go on without disturbance. Mr. Never-move wants things to be as they are and tries to get the help of Mis(s) Understanding. The old witch machinery is also there trying to bring in competition. But the King of Hearts sternly silences them. There is no time to introduce the other nations, whom, Great Britain sneers at as inferior; but the King strongly dissents and reserves the introduction to another May Day.

Now, the May Queen is announced and appears, followed by the beautiful fairies, Wild flowers and Open country and all the artisans. They all dance and sing and the carpenter, the binder, the ploughman and others speak of what they have done to make the world happy. Everybody applauds. Machinery appears and is made the servant and no more the ruler of men. She has now been made a fine fairy. Even Never-move and Miss Understanding see the absurdity of their position and marry, becoming Mr. and Mrs. Understanding.

The dramalet is a delightful attempt at heralding a world-federation, by removing misunderstanding and competition and ennobling the trades. A good idea. It is a good school play; but, the songs—the principal feature—are English and European.

C.S.R.

XIII. MEMORIES OF ROBERT OWEN AND THE CO-OPERATIVE PIONEERS.

By Edward Owen Greening. Price four pence. Published by the Co-operative Union Ltd. Holyoake House, Hanover Street, Manchester 1925.

Edward Owen Greening (1836-1923) was the first honorary Secretary of the co-operative congress—a place which he handed over to William Pare of Messrs Cassel & Company, the biggest publishers of the day. He himself was for 50 years the Managing Director of the Agricultural and Horticultural Association. As an ardent co-operator and social reformer, he came intimately into contact with many of the Owenites, followers of the school of social philosophy founded by the great philanthropist. He delivered the two lectures whose substance is given in this interesting pamphlet.

Robert Owen was the poor man's friend, and, even during his life time, had among the supporters of his ideas, men like Jeremy Bentham, and later, the eloquent but quick-tempered Lord Brougham.

Among his followers were Pears of the 'Soap' fame, Sir Erskine Perry of the Indian Council, Lloyd Jones, author of the best 'Life' of Owen and Holyoake. But not the least among them were the Pioneers—Abraham Greenwood, William Cooper, Charles Howarth and their comrades.

This great philanthropist had early in life, a remarkably successful career as a business man, becoming the Proprietor of the New Lanark mills at the age of 29. But the hands, 2,500 in number, were semi-savage and Owen set about improving their condition.

At a time when there was no limit to the earning of dividends, he was satisfied with 5 per cent dividend for capital and consequently revolutionised labour conditions in the Mills.

His idea was to create little communities—partly agricultural and partly industrial—of good men and women. He preached this doctrine and did start some such communities but they all failed. But his ideas took root and the success of Messrs. Cadbury's company, for example, at Bourneville attests to their practicability; for they were the ideas of the world's great religious teachers—Christ's, Buddha's and Mahomet's and even of later teachers like Wesley, Fox and Booth, who all aimed at the formation and development of a high moral character.

But the most famous result of Owen's teachings was the co-operative movement, begun in a small way by the Pioneers and now developed into a nation-wide organisation by its rapid spread. A Co-operative Commonwealth could only be achieved by the spread of co-operative education for which the C. W. S. can give, not the original 2½ per cent fixed in the good old days when its members were poor and destitute, but at least 5 per cent of its profits.

Co-operators will do well to keep out Politics from their programme of work. Miss and Mr. Sidney Webb, in their book, Industrial Co-operation,

advocated the C. W. S. adopting a political programme. They said that the State would then help them to grow more and a co-operative commonwealth could be brought within a reasonable distance of realisation. But a study of the History of Co-operation in England and Germany would show that voluntary effort has been opposed, if not attempted to be suppressed, by the supporters of a political co-operative commonwealth. Lasalle was the great opponent of Shulz Delitzch in the Prussian Parliament. The Congress of the Social Democratic Party pronounced against co-operation. Even the English leaders of the party looked on it with considerable distrust.

Moreover Government and open local bodies, had their hands fairly full. A recent election manifesto for the London County Council mentioned that the member attended 350 meetings in a year—a meeting almost every night! Can such people be expected to do more and that efficiently? Public work, when organised on a co-operative basis, gave full satisfaction and reduced costs. The co-operative gas organisations in London reduced the cost for the consumer from 3s—4d to 2s—3d per thousand feet before the war, providing at the same time for fair wages, provident funds for sickness, old age and death, sports and recreation funds and even educational funds.

An ordinary political programme will divide co-operators into different parties. But, it is by unifying and harmonising the interests of all parties, that best possible attention to the actual needs of the people can be assured.

C. S. R.

XVI. THE WORLD'S INDUSTRIAL PARLIAMENT.

By E. M. Oliver. 2/net.

It is at first sight surprising that the humane work of the International Labour Organization is so little known to the average man. "The average Englishman does not know that the I. L. O. exists" and may I add the average educated Indian to this class of persons. This ignorance is partly explained by the general indifference of the public to such matters and this, coupled with the fact that convenient handy text books on this interesting work are very rare goes a long way to explain the ignorance.

Mrs. Oliver's book has not however, merely supplied a desideratum; she has succeeded in clothing these dry facts with a human interest. Her knowledge of the facts, aided by her sympathetic imagination has enabled her to bring out a very readable account of what the generality of people might consider a dry matter-of-fact subject.

She has told her story simply and well. In the first chapter she explains the object of the International Labour Organization—to secure better, more humane and more uniform conditions of labour throughout the world. Its business is "to bring about in all states the passing of international labour laws, which shall tend to become uniform throughout the world". This uniformity is necessary, as otherwise in this world of competition some countries might gain

at the expense of "sweated labour". It is its duty, by study, by inquiry, and by propaganda to seek to raise the condition of the worker, everywhere to make them more free, happier, better taught, more capable of thought and action.

Having thus stated its aim in simple terms, its origin is traced. It was set up by the Treaty of Versailles—as a branch of the League of Nations. In a most beautiful paragraph, the learned writer next explains how Switzerland by its central position, historic tradition, its liberal atmosphere, democratic government and its harmonious mixture of races, living in brotherly love—is fitted above all to be the home of this great house of the I. L. O. Mrs. Oliver, of course, gives a good part of the credit for bringing out this organisation to British influence, at the Paris Conference—a claim natural in the present case and not quite unjustified.

She next goes on to explain the inner working of this organisation. It meets once a year and its meeting lasts for about four weeks—generally at Geneva. The delegates are four, chosen from each country, one to represent the Employer class, one the working class, and two to represent the Government which helps to give it the necessary official support; The delegates are paid a tribute in point of sincerity—they are bent on achievement in spite of all difficulties—Their resolutions take two forms—(1) Draft conventions, binding on the Governments subject to the ratification by Parliaments—(2) Recommendations, having advisory effect.

The governing body consists of twenty-four. Their work is two-fold, to prepare the agenda for the annual conference, and to control the work of the permanent staff. The latter, which is the third organ does all the dry spade work.—collecting statistics, about factories, hours of labour, conditions of labour etc. It is this body which enables the I. L. O. to be a clearing house of industrial information, and a radiating centre of industrial inquiry and research.

The most interesting portion of the book however is the chapter describing a typical conference. It is well-known that a description of "Tom Brown's School Days" enables us to understand the ins and outs of the English Public School—in a way that cannot be outdone by any general account of English Public School Life—so too, Mrs. Oliver's description of the Conference of 1921 fulfils its purpose.

The later chapters are devoted to a description of the achievements of the I. L. O. It has rendered a good account, within the short space of six years.—The securing of better conditions of labour for the worker in the Persian carpet industry, the adoption of the 8 hour-day 48 hour week in principle, with exceptions and limitations, the better rules relating to the work of women, before and after child-birth, the preparation of statistics relating to unemployment, the draft conventions regarding the work of children—about agricultural work and emigration are the most important of these.

In an impartial review of the work of this admittedly useful organisation, however, it is impossible not to perceive a touch of the evident anxiety for the British worker. It appears, as though the organisation exists to raise the position

of the workers in other countries not for their own sake—but to save the standard of British labour which has otherwise to compete with "sweated goods"!

Hear the words of a recent British writer on the subject:—

"For in our home market as well as in most foreign markets the goods which we produce have to compete with goods which must be regarded as a "sweated goods", since they are made in conditions which public opinion in this country would condemn. On our part, we are carrying on production under a rigid trade-union dictatorship, which has imposed upon employers in the great staple industries and transport services standards of wages, hours and conditions of work, which exceed anything dreamt of in "the philosophy of Labour in pre-war days"!—a good compliment to disinterestedness of the work of the I. L. O!

But this is only by the way. It does not take away any credit which belongs to the organisation and to the neat little book which attempts to popularise it.

A. APPADORAI

XIV. IS CO-OPERATION A SOCIAL MENACE?

It is the subject of a pamphlet published by the Co-operative Union Ltd., Manchester. Its issue had been occasioned by the series of four articles contributed to the "Financier" (Britain) by 'A special commissioner' condemning outright the Co-operative movement in Britain and connecting it with communism in Russia. Its author is A. V. Alexander Esq. M. P., His position as the Secretary of the Parliamentary Committee of the Co-operative Congress has fully entitled him to the role of an authoritative defender.

The special commissioner had directed his attack as is gathered from the pamphlet, upon these alleged evils thereof. The co-operative movement is a "syndicalism," "It is a vast growing power to be reckoned with—one whose aims are subversive of the principles upon which society and civilisation, as we know them, are based." Co-operative production is for privileged consumers'. The co-operative control is worse than capitalistic control. Co-operative organization is under-taxed. Its international activities tend towards international conspiracy.

Mr. A. V. Alexander has made a vigorous reply as is acknowledged by the publisher. He takes the charges and controverts them meeting arguments by arguments, facts by facts. A resume of his rejoinder is briefly as follows. It is not a social menace. Great men like Lloyd George and Sir Robert Horne have looked upon the movement as exercising a steadying and stabilising influence in the country. Syndicalism stands for the ownership and control of industry by the Workers' Trade Union but the Co-operative movement is a federation of Consumers' societies with open membership confined to no section, industry or class. If it is a crime he says, to organise consumers to avoid profiteering and waste of the middleman, to have built up a capital of £ 118,000,000, by the savings thus effected, and to return each year to themselves as members and

shareholders over £ 20,000,000, per annum thus increasing purchasing power, consumption of commodities, and therefore employment, Co-operators plead guilty. With a comparison of wages to labourer under C. W. S. and in private concerns and with a reference to the aim of the movement and the rules of the share capital, it is argued co-operation is not a capitalistic concern. He asks if it is a conspiracy to strive to save the superfluous intermediate profits. Pressing into service the reports of the Government Committees, he points out how trusts are a real menace in their sale of articles at unrestrictedly high prices and how the C. W. S. bases prices on a rising market on actual costs, and on a falling market on replacement costs, the exact reverse to the procedure adopted by the combines.

From the foregoing, it will be evident that both the attack and the re-joinder have reference to the manufacturing concerns of the C. W. S. It may be argued, therefore, by co-operators here, that the pamphlet is not of much value to us. True with the expansion of credit societies alone, we are not confronted with this problem as the British people are. However, there are some at least of credit co-operators who are eager to discover the social significance of the movement and work it up with an eye more to its social and ethical values. Again there must be some among the co-operators who desire to develop the non-credit side, especially the stores. To them the pamphlet is of inestimable value in its glowing references to the wonderful achievement of the C. W. S. and in its effective laying down of the bogey of social menace, that the 'Special Commissioner had sought to raise.

V. JAYARAMAN.

XV. THOMAS BLANDFORD, HERO AND MARTYR OF CO-PARTNERSHIP:— BY ROBERT HALSTEAD.

It is perhaps too sweeping a generalisation to say that at the start of a movement men dominate and determine its character and then the movement dominates and determines the character of those brought under its influence. There can be little doubt that in no small degree such is the case. Robert Owen, the Rochdale Pioneers, the Christian socialists, Mitchell and others have counted for much in the formation and early constitution of the co-operative movement generally while Joseph Greenwood, Craven, Vivien, Thomson and Williams, largely set the pace and divided the general direction in the rise and progress of the modern movement of Labour Copartnership. Perhaps as important as any of these outstanding characters, certainly as heroic and impressive a personality as any amongst them all, was Thomas Blandford.

He was born at Curragh in Ireland on August 19th 1861. In his early days he proved to be a youth with a desire for intellectual life of a high level for one so young. In 1881 he attended a course of lectures given by Mr. James Bonar who himself wrote about Blandford that he showed great interest in economic subjects.

In 1881 in the year of its origin and formation Blandford joined the Labour association for the promotion of the Labour Copartnership. When the co-operative festival society was started Blandford saw in the great national festival a great means of publicity for co-operative production.

Copartnership or more fully Labour Copartnership is a system of organisation in industry which aims at bringing about a permanent improvement in the relations of capital and labour and a definite change in the status of the workers.

It claims for all its workers (1) a share in the profit or economy of production in addition to wages (2) an accumulation of their share of profit in the capital of the business (3) the rights and responsibilities of shareholders.

The earliest experiment in this direction in England was started in 1889 by Livesay in the South Metropolitan Gas Company. In this company the workers received a dividend of 8½% on wages before the war. In 1920 there were 8500 copartners holding capital worth £412,800. In this company the workers elect three directors from among themselves. In Messrs. J. T. J. and Taylor woollen manufacturers, a scheme was instituted in 1892 by which interest at 5% was paid on share capital and the remaining profit was paid in equal dividends on share capital and on the total wages for the year. The dividend on wages was paid in shares but during the war in war loans.

The principle of copartnership may be worked in various ways and in formulating a scheme the conditions and circumstances of the particular business should be taken into account. The general application of the system would go far to harmonise the interests of the employer and the employed and would gradually extend the ownership of capital to every worker of character throughout the country and would transform the capitalistic organisation of industry.

In 1884 a wider and a special type of work called Blandford to somewhat new services and he gave up his previous occupation to become secretary of the Co-operative Productive Federation. He secured for the federation publicity and recognition amongst important people in London and in the south of England. Another important addition he made to the federation was in its financial work. Yet another additional work was on the side of press publicity. He initiated and edited the monthly magazine, "Labour Co-partnership," and 'Co-operator's Year Book.'

Finally on the morning of Feb. 25, 1899, he passed away owing to an attack of influenza. So passed one of the noblest and greatest characters that ever graced the co-operative movement. The Co-operative Congress through Mr. J. M. Gray paid a tribute to his memory which it sought to perpetuate by the Blandford memorial fund.

S. V. RAMASWAMI, B.A., HONS.

THE SEVENTH North-Arcot District Co-operative Conference. *1st February, 1926.*

The Presidential Address

BY

MR. P. RAMANATHAN, B.A., M.R.A.S., F.R.E.S.

Advocate, High Court,

President, The Vellala Bank,

The Central Co-operative Printing Works, Ltd., Madras,

Association of the Hony. Asst. Registrars.

Brother Co-operators :—

When my friend and your Chairman of the Reception Committee, Mr. Manicka Mudaliar, asked me, without previous notice, three days ago, that I should preside at this conference, I hesitated to accept the honour firstly, because the chairmanship is usually offered to a person whose knowledge, dignity and influence would add considerably to the importance and usefulness of the conference and secondly, because my knowledge of the Co-operative Movement was mainly derived from a study of the literature on the subject in the spare hours of a Lawyer's profession, than upon the solid foundations of practical experience gained by a long and strenuous working in the field of co-operation. When your representative perceived my hesitation he said I should view the request made to me not as an honour which might be endorsed over to some worthies but as a call to duty from a brother co-operator which I could not refuse. Hence my appearance before you to-day.

India Predominantly an Agricultural Country.

Any one that has even a superficial knowledge of Indian economic conditions can easily see that the large majority of our population is composed of those who raise from the soil in most cases with the help of the most rudimentary tools, appliances and methods, the materials of food and clothing for the teeming millions who depend upon them. It is equally patent that their condition is becoming worse and worse every

day owing mainly to two causes, viz., *Ignorance* and *Indebtedness*. The villages which are the stronghold of the agricultural population are being abandoned by the middle and lower classes allured by the glamour of a city-life and the seemingly better prospects of the industrial occupations in towns. The drama of 'The Deserted Village' is being enacted in our own days before our very eyes to the deep sorrow of all true lovers of our country. This slow passing away of the village is very graphically described by our Countryman, Radhakamal Mookerji—a lover of India and an ardent co-operator. All co-operators should place 'Rural Reconstruction' in the forefront of their programme. It is this principle and message that was contained in his Majesty's reply to the Delhi Municipal address in 1911 when his Majesty said "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."

Why Government started the credit type of Co-operative Societies in India.

The Co-operative Movement in India followed the model of Germany because the indebtedness of the Indian agriculturist was the most pressing of the economic problems awaiting the solution of all well-wishers of India. The McLagan Committee on Co-operation clearly points out the attitude of Government in the matter when it says that "The forms of co-operative activity that have proved most popular and successful in England are those connected with purchase, production and distribution. But in most continental Countries these branches of work were not undertaken until credit societies had been firmly established and development in India has followed the continental precedent. The first Act (X of 1904) provides for the formation of credit societies only and postponed to them all forms of non-credit co-operation. This policy was deliberately adopted not because of the vital importance of other kinds of co-operation was not fully realised, but because it was held that among a relatively backward population the difficulties involved in the management of productive and distributive business were likely to prove a stumbling-block in the way of progress."

Now that the rural population has secured the advantages of facile and ready credit from the present co-operative organisations, it is but fit that their attention should first be directed to other forms of co-operative activities besides credit, the chief among them being the productive co-operation in which France takes the lead; Agricultural co-operation in which Denmark and the United States have very far advanced; the workers' co-operative societies which is the characteristic of the Italian

Co-operative Movement; and last but not least, Great Britain in which the consumers' movement has so far developed that co-operative industry and manufacture is in a fair way to supersede the capitalistic system.

In spite of many acknowledged difficulties advanced against the credit movement it has made considerable progress and we might boldly say that it has passed the stage of experiment and that it has come to stay. Our attention must next be directed to other forms of Co-operation. The most important among any such non-credit activities that our country largely needs is the consumers' co-operative societies of the Rochdale type. Although it is a depressing fact that the consumers store movement has not made much progress in India still the possibility of its success, growth and development is amply proved by the unique success which has attended the Triplicane Urban Co-operative Society which is considered by Co-operators all over the world as an exceptionally successful one.

When closely examined it would be found that the lack of co-operative consumer-societies in our land is not due to the unsuitability of that form but owing to lack of sustained effort to establish such institutions. Two of the chief causes that have contributed to the success of this unique institution may be briefly stated. 1. The principle of neither giving nor taking credits. The well known axiom of co-operation is here recognised that

"Loans to producers leads to prosperity
And loans to consumers to poverty."

As Holyoake the great historian of co-operation has very well put it "He who is in debt is owned by others, the shoes upon the feet, the garment on the back of the children of the indebted workman, 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 shops might more reasonably than the jew of Venice claim their pound of flesh at his hands. No one is independent who is in debt.", 2. and none the less important is the intensive propaganda which the originators of the Triplicane Stores carried out in its early history.

Why the stores movement should be advanced.

The development of the store movement would have far-reaching consequences on the progress of the co-operative movement as a whole. It will first create capital, train and fit people for the work of self-government, conduce to the development of productive industries and will serve

as a market for the produce of the already existing productive activity of the country, and last but not least, *foster* a feeling of unity and brotherhood so essential for the advancement of the country at the present day.

"Soughana kimva yathin nikamathyam
Kinvika mathyana nachen maneesha"

"Numbers without union are powerless
And union without knowledge is useless."

Following the precedent of giving a brief review of the working of the co-operative movement of a district, in its annual District Conference, I may note for the information of the co-operators and the public some salient features of the working of the various types of organisations in the District—credit and non-credit.

The Central Bank.

The Central Bank which is the financing institution for the co-operative activities of the district, has had a good career in the past and is doing satisfactory work for the present, it being the First Bank in the Presidency having the largest working capital. Last year it had a paid up share capital of 3.58 lakhs 1.91 Deposit; 28.35 lakhs Borrowing; 63,000 Rs. Reserve Fund; and a net profit which returned Rs. 9 on every 100 Rs. of share capital paid up. It is also gratifying to note that the societies have contributed mostly to the paid up share capital less than a third having been contributed by the individuals. The District being purely agricultural with a few trading centres, contributed the low amount of local deposits in the central bank as well as in primary organisations.

Rural Primary Credit.

There were 516 societies at the end of last year, 31 new societies having been added in the year. There has been growth in these institutions in share capital, loans from central institutions and in Reserve Fund. It is also noteworthy that the year's progress was more in the direction of consolidation than of expansion—a wise course to be followed by others. But one disquieting feature is in regard to the heavy overdues by members to societies and by societies to central banks. However strenuous efforts last year, seem to have contributed towards the recovery of the entire interest dues to central bank. Overdue of principal by societies to central bank seem to have been given adequate extensions on, it is hoped, sufficient grounds. But the overdues by the members to societies under principal having reached the level of 70 per cent and interest of 50 per cent. It is decidedly the work of the

Co-operators, both official and non-official, to look into the causes, which contributed to this condition and devise suitable and effective remedies for rectifying this state of affairs. In this connection every available agency should be tapped to render their help in the matter. The non-official institutions should be well manned by paid or unpaid staff and adequate help should be made available financially by the Central Bank and if need be by State subsidy. The non-official institutions are entitled to full help from Government to enable it to discharge its duties satisfactorily and Government aid will practically be to those who help themselves. And such aid is only for the betterment of Agriculturists whose betterment should have the first and foremost claim on State finance as being the chief contributory to the State income. Besides there is likely to be a good ground for thinking that unpunctuality by co-operative agriculturists was due to absence of enough knowledge in banking and co-operative principles. Such defects can only be remedied by education and propaganda by non-official institutions. Once such aid is given by the State non-official institutions, will in course of time, be able to shift for themselves when expanded transactions on business principles are brought into existence. State aid in this direction, if given in the shape of Government inspectors, do not cultivate self-reliance or the responsibility to help themselves in the near future. Hence importance has to be attached to co-operative training for the conduct of business, co-operative knowledge for the administration of these organisations and such activities unaided by State is not practicable by non-official agencies at present.

Co-operation in Urban Areas.

The District being purely agricultural there are few non-agricultural societies, the number being 46. The transactions in them are very moderate with a share capital of 2 lakhs and a borrowed capital of 2.90 lakhs. Here also the disquieting feature of overdues of principal and interest is predominant. This is apparently traced to promiscuous lending without paying sufficient attention to the repaying capacity of the borrower. Such Urban Banks are ordinarily likely to deviate from the principles of co-operative lending and drift into mere money-lending shops. Such a pitfall has to be avoided by persons who are at the helm of affairs in the official and non-official ranks.

Building Societies.

There are 4 House Building Societies in the District which have obtained Rs. 85,000 as loan from Government under the rules promulgated by it. They have just begun their operations and it is hoped that the members will keep up to their obligations.

Non-Credit Work.

Ordinarily credit is a matter which is easily understood by the perpetual borrowing population of the agriculturists but they have not yet realised that they lose a large amount in the purchase of their necessities domestic and agricultural from traders. Nor do they realise that the sale of their produce by pooling the products of a number of ryots can secure better prices if handled co-operatively by business experts and under their Supervision. It is for carrying out such work that trading unions seem to have been established in different centres in the District.

It is a melancholy feature to note that all such activities amounted in the District to a very small figure of Rs. 4,000 only; in spite of the fact that the institutions had Rs. 11,000 as share capital and a Reserve of Rs. 3,000. This aspect of the question is one which requires very careful discussion among the co-operators of the District and suitable arrangements should be made to see to the growth of such activities on cautious lines chalked out for them. If traders with very small funded capital can be in a position to carry on such trade with borrowed capital unaided by any communal or economic expert it is rather discouraging that this activity should not progress as satisfactorily as we want in spite of a central Bank having an overdraft of over 2½ lakhs with the Imperial Bank which by turn over can finance 20 lakhs of transactions and with the assistance, advice and control of experts given by Government in the shape of Assistant Registrars, Auditors and Deputy Registrars. The time has come that the official and non-official agencies should tackle this problem and lay out a very safe course by which the end in view may be realised and the promised land reached. This seems to be a very vital matter for the District to be considered in conferences like the present.

Other Societies

It is gratifying to find that a few societies are working purely for the benefit of labourers and that adequate attention is being paid for the amelioration of the Audi-Dravidas.

General

Non-official supervision is being conducted by contributions from local societies supplemented by the aid of subsidy or rebate from the Central Bank. There are 22 supervising unions, one District Council of Supervision, and one audit union. The Supervision fund of the District spent during the year amounted to Rs. 26,828 while the expenditure of the State was only Rs. 25,807. It is a problem how

far these two agencies should not adequately, co-ordinate themselves and bring about a better result not only in the direction of credit expansion but also in the much more vital activity of the purchase and sale of the requirements of the agriculturists and the marketing of such produce. It is equally gratifying to note that the District Council of Supervision is reputed to have done very good work during last year and it is hoped that it will encourage, foster and bring to success the non-credit side in the District which had reached a high position on the credit side.

Honorary Agencies.

There had been Honorary Assistant Registrars who evidently have done useful work in aid of the department and it is found that a number of people have been recruited as Honorary Arbitrators for the disposal of suits filed by societies against defaulters. There were 26 such Honorary Arbitrators and it is hoped that their decisions have found satisfaction with co-operators. All credit is due to the very exemplary manner in which the co-operative movement has been worked in the District to the energy, zeal and ceaseless efforts of the Deputy Registrar of your District who deserves the gratitude of all co-operators.

Speaking generally it may be said that credit co-operation is progressing but at the same time it must be stated that the Agricultural industry has not yet been financed to the desired extent mostly because all the agriculturists in a village have not joined the co-operative movement and also because all credit facilities required by the co-operators have not been offered to the required extent. If the credit side of co-operation is going to solve the problem of Rural Reconstruction which is the ultimate goal of any co-operative organisation in a village, One must concede that every co-operator should be given every financial aid for all lawful and economic purposes at all times and in sufficient quantity so that he will not be dependent either on the village sowcar or trader. Such a state of things is an ideal which every co-operator should have in view if the movement is ever to be considered a beneficent one. The Co-operative Central Bank should be regarded as the financing bank for all credit accommodation to agriculturists the biggest industry in the District and of the Presidency. I may be permitted here to quote for the information of co-operators the fact that the District Director of Agriculture in Mysore desires that Agricultural co-operative societies should be formed for the following purposes.

1. For the supply of seeds, manure, implements and other articles required by the farmer such as concentrated feeds for stock.

2. For the sale of the produce grown by the members, whether it is grain, fruit, milk eggs or poultry or livestock.
 3. For the Co-operative ownership, and use of large scale appliances which may be too big for individual ownership such as power Gins, power-driven sugarcane mills, irrigation pumps, threshing machines, rice hullers, fodder cutters, spray pumps etc.,
 4. For the purpose of serving special forms of farming, such as dairying, sericulture, etc.,
 5. Colonization and co-operative farming.
 6. Insurance against loss of stock or crops by sickness, storm or pests.
- To this I will add.
7. To introduce suitable cottage industries to give scope for labour when not required in agriculture.
 8. To secure the establishment of schools and improved village sanitation for protection from epidemics.
 9. The construction of village roads, the excavation of a tank or a well.
 10. To purchase domestic requirements of the village inhabitants and generally to organise and bring together all people connected with agricultural industry in a village so that they may make a bold stand against moneylenders and traders.

The working of co-operation in future should tend towards distributive co-operation in village areas and towards the ryot population getting more purchasing power which is the real foundation for the rural folk to enjoy the amenities of urban life in their healthy surroundings unhampered by the difficulties experienced in urban areas. They would secure better Business, better Farming, better Education, which ought to be the goal of every patriot of the country, be he a politician, an economist or a co-operator. It is in this field that men of all shades of opinion can coalesce together and bring about the harmonious improvement of the agricultural population which is the mainstay of our country. In all improvements generally economists are confronted with the question of indebtedness of the real sons of the soil in rural areas, the removal of which has ever baffled everyone. The application of co-operative principles to this problem is no doubt a matter of difficulty. First and foremost is the question of Finance and experimental efforts are being made by Government in selected areas in view of removing the indebtedness of the petty landholder whose debt does not exceed Rs. 1,000. Such a Bank has been opened at Ambur and is known as the "Land Mortgage Bank of Ambur." It has just commenced work

and it remains to be seen how far it attracts deposits for long periods but such experimental efforts are not likely to solve the problem of the middlemen to any large extent. In this country where there is the largest amount of indebtedness by the agricultural population owing to low harvests due to seasonal fluctuations, bad commercial handling and absence practically of any banking concerns for the agriculturists. The few in existence are all for commercial purposes fitted for urban parts and traders. The co-operative bank is the only one which has for its absolute aim the financing of agriculturists. The working of mortgage banks of a suitable size for removing the indebtedness of agriculturists who have repaying power should be worked under a centralised system with effective assistance from the State, either by guaranteeing of interest or by affording other facilities of employing paid trustees to manage such Land Mortgage Banks.

Social Reconstruction.

At a time when the greatest war the world has ever witnessed has upset all the existing political and economic institutions of the several nationalities that were directly or indirectly affected by it and when all the thinkers of the world are busily endeavouring to devise methods for the reconstruction of their social, political and economic life it has been the will of Providence and the wish of our rulers that we should be initiated into the mysteries of self-help and mutual help which is another name for co-operation. To be thrown on one's own resources is to be thrown in the lap of good fortune. This is as true of individuals as of peoples. There is all the world over an unrest in the field of human activity that has never been heard of in any era of the world's history. There is at the same time a desire on the part of the weaker classes to resort to co-operation as their only hope of social and economic salvation. Therefore it behoves on every co-operator to get over the spirit of greed, selfishness and strife that has divided us against ourselves into the hostile camps as buyers and sellers, borrowers and lenders, employees and the employed, landlords and tenants, and endeavour to live in peace and plenty of the children of a benevolent creator and thus establish the brotherhood of man on earth.

Need for propaganda.

The large masses of humanity round us, have no definite principles of action but slowly move on through life without concerning themselves about the consequences of their daily actions. It is from among them that you must find the true co-operators; if you do not find them create them by education and propaganda. What then is co-operative education? The education of the citizen. By this is meant the education of each member of the community as regards the relation to which he stands to

other individual citizens and to the community as a whole. The ideal purpose of the co-operative movement is the realisation of the purpose of "All for Each and Each for All." The most important matter in the furtherance of this movement is co-operative Education. The Provincial Co-operation Union, an organisation specially intended for education and propaganda for the first time in their history, organised an advanced course of lectures on co-operation with a subsidy from Government of only Rs. 1,200. Although as a voluntary movement of the people, State help ought not to be sought after, still the work of education must primarily be the work of Government. In every European Government and even in the other Provinces of India liberal contributions are being made towards the work of co-operative education and propaganda. It is my earnest wish that every district, should be enabled to organise courses of lectures in the vernaculars of the District for the benefit of even the poorest.

The Madras Co-operative Exhibition.

It is the aim of co-operation to produce things conducive to the comfort of co-operators by methods which do not admit of profit to middlemen. Such productions however humble they may be must be encouraged and with this view an Exhibition has been organised in connection with the coming conference of the Provincial Co-operative Union at the next Easter on the 3rd of April next. I beseech you one and all Co-operators in the Presidency to contribute whatever you can in the shape of co-operatively produced goods and make it a complete success.

Conclusion.

I have within the space of a few minutes attempted to convey to you my message and in order that the movement may achieve the high aims we have in uplifting of our country we must collect together a true band of selfless workers who have hearts beating in them, hands to aid and tongues to speak. In the words of Sir Frederick Nicholson we must find our Reiffelens. Without a commander no army can fight. No cause will thrive without workers. Every one of us can, to a small neighbourhood, become leaders to diffuse the co-operative message in a humble way. I will only conclude by saying that our greatest and immediate want is men.

"Wanted men
Not systems fit and wise,
Not faith with rigid eyes,
Not power with gracious smiles,
Not even the potent pen,

Wanted men."

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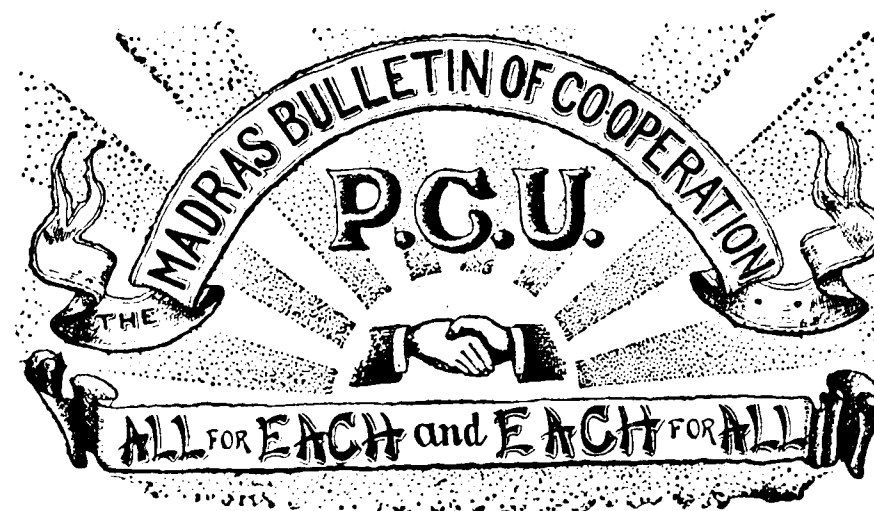
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MEMORANDUM ON THE BYE-LAWS OF DISTRICT FEDERATIONS.

Submitted to the Registrar by P. C. U.

FUNCTIONS.

A district federation, being the head of the non-official agency in the district has to undertake all the duties for consolidating and promoting the movement of Co-operation.

It is the central body (a) for improving agriculture and allied home industries in the district, and spreading the co-operative method for all economic enterprises whenever found beneficial,

(b) for regulating the work of the co-operative societies, upholding co-operative principles and setting the co-operative standard of efficiency,

(c) for rendering those common services to societies which could be economically and efficiently done by a district agency and

(d) lastly for supervising, controlling and doing administrative work wherever necessary, for the primary societies and Local Unions with a view to prevent any breakdown of the existing credit machinery owing to their imperfections. The first function it will have to discharge for all times. The second will also include continuous education and supervision with a view to raise the tone of the societies to an efficient co-operative standard and will in course of time reduce itself to a formal supervision over the movement and the maintenance of a co-operative code of principles and practice adapted to local conditions. The existence of the federation itself will discipline the societies in co-operative conduct as the common association of societies will evolve a high standard. The third function will comprise all those common services as the appointment of a staff for supervision and audit, expert staff for non-credit work, courses of studies for training classes, supply of books, forms and literature, and these services will change with the fresh developments in the growth of societies. The fourth function arises out of the present situation as the large number of local unions that have come into being require control and stimulation for the discharge of their proper duties in relation to the central bank, and as primary societies which could not be improved by the concerned unions should be overhauled and reformed in the interest of the central bank.

The first function embraces two phases of work, namely a broad study and the introduction of the co-operative method (a) for organising agriculture, and (b) for reforming the economic system of trade and industries. It denotes economic surveys, analysis of non-credit schemes, elimination of obstacles to the furtherance of co-operation and so forth. The second function denotes those duties of the federation which always devolve on a central agency which has to evolve common lines of policy for regulating the work of its constituent societies, and when this agency has to consolidate the co-operative force as a method of ordering economic life, it should vigilantly watch and protect co-operative principles in the daily administration of societies. Consideration of by-laws and rules of societies, methods and procedure relating to their administration, education and training of societies in co-operative principles, interpretation of by-laws and rules, settlement of disputes, all these form the different kinds of work arising out of this function.

To maintain a trained staff to act as the advisory body for the co-operative societies and to arrange for common services as exhibition of

co-operative products, formation of non-credit societies as wholesales and printing press etc. arise out of the third function.

The fourth function devolves on the federation as it is its first duty to set right the societies and the unions and fit them for the due discharge of their duties. In fact till the capacity and the loyalty of the average member in the village society are raised to a sufficient degree so as to ensure the vigilance of the general body over the affairs of the panchayat as well as a steady supply of rural leaders in the panchayat and till the local unions are in a position to become real co-operative teachers setting up the standard of co-operative conduct, a very large duty falls on the federation of undertaking administrative duties, of inspecting unions, bad and indifferent societies, overhauling and reconstituting them wherever necessary. Thus the federation is not merely a co-ordinating body of efficient primary societies and unions, interfering little and devoting its time to the large problems of expansion in all aspects, but also a centralised non-official agency for improving and training the societies in the co-operative method of doing business. It inspires confidence in the central banks to distribute loans freely and liberally to the societies by undertaking this aspect of work. In short the federation will have to discharge the non-statutory duties which the Assistant Registrar and his staff are said to be doing and which should be taken up by the non-official agency and discharged to the best of its ability.

RELATION OF CENTRAL BANKS TO FEDERATIONS.

The question is often raised whether central banks might not themselves undertake these functions. Absence of community of interests of a central bank and a primary society is given as one of the reasons. This no doubt existed largely when the number of society representatives was smaller than that of individuals in the central bank. But in a majority of central banks the societies and the unions have a majority by one or more in the Board of Management. The division therefore is one of functions rather than of different conflicting interests. But even in the discharge of functions, banking on the one side and the consolidation and expansion of the co-operative method in the other, conflicts may arise and the following quotation of the system in vogue in Germany given by Mr. M. L. Darling, formerly Joint Registrar, Punjab, in his book 'Some Aspects of Co-operation in Germany, Italy and Ireland' will show how co-ordination of the two functions is secured in Germany.

"In India the relation of central banks to the audit and inspection of primary societies has been a much debated point. Some would give

the central bank full control, others none at all. In Germany opinion is emphatic that the central bank and the controlling union or federation should be separate organisations, *but as legs would be useless if they attempted to walk in opposite directions it is also agreed that they should be closely interlinked. This is done by exchanging representatives to sit on each others' committees.* In the Raiffeisen organisation with its one central Bank for the whole of Germany, the president of the national federation is also president of the central bank, and is elected at a joint sitting of the general committees of both bodies. Similarly in the provinces the president of the Raiffeisen union is always the managing director of the local branch of the Raiffeisen central bank. *In this way the latter throughout Germany is rivetted to the Raiffeisen federation system and identity of policy is secured.* The functions which a district federation has to discharge, namely, protection of agricultural interests, and creation of a body of stalwarts wedded to the religion of co-operation preclude a central bank which has banking duties to perform from undertaking them. While, even in advanced Germany where the community of interest is secured by the fact that the societies manage the central bank and finance it, the need for the inclusion of the central bank executive in the federation is recognised, the argument gains added force in our presidency as individuals are required for management and a large part of the working capital of central banks is made up of outside deposits. Further the machinery created here separating supervision and finance delicate as it is, was made to work with the co-operation of the departmental staff who acted as the props inspiring confidence in the central bank in the conduct of the primaries. But the changes in policy or the non-discharge of certain functions by the department from 1920 with a view to de-officialise the movement without strengthening the non-official agency adequately, entail a heavy responsibility on the central bank to post themselves with all information about the societies and directly take interest in their improvement. The delegation of arbitration work to Honorary Assistant Registrars and the withdrawal from that close inspection of a small number of societies by the subordinate staff, have deprived the department of that scope to have a fresh and first hand knowledge of societies. This is really so in the case of Assistant Registrars who have lost touch with the primary societies.

The formation of a number of local unions without arranging for their adequate finance and training has eliminated the large help gained by central banks in matters of supervision through local unions. The specialisation in audit has placed the central banks to get the latest information about

societies from the departmental staff. The assistance given for collection work by the government staff practically has been stopped. No point is raised here whether these changes are good or bad for the movement generally and whether the government should devise a proper arrangement. But the fact of these changes does require on the part of the central bank which finds a major part of the capital from outside depositors, that it should devise some arrangement for duly discharging its duties as a responsible creditor.

CONSTITUTION.

Owing to these various reasons the constitution should provide for all the individuals in the Board of Management of the central bank to be in the federation and help it in the direction of supervision and education and propaganda just as they are in the case of finance in central banks. An analysis of the functions of the federation will show how best its composition should be made up. The ideal of promoting the agricultural interests in all aspects of credit and non-credit work can be translated into fact only by providing for competent and best co-operators to come into the Board of Management. The Advisory functions of the federation to advise societies and unions in the daily problems requires the help of the best available men in the field. The maintenance of co-operative principles and a code of conduct and the spread of co-operative education entirely rests on a personnel of co-operative missionaries. Regulation of the work of unions, their supervision, the improvements of bad and indifferent societies, and the effective discharge of the last two functions are possible only through a representative body composed of the executives of the Local Unions. The development of the movement in all aspects requires that all types of societies should be represented in the Board. Hence in every district federation there should be sufficient provision in the constitution of the Board of Management for the due representation of the individual members of the executive of the District Bank, a representative of each type of society and two governing body members of unions. Sufficient scope should also be given for the selection of 5 or 6 competent individuals having keen interest in the movement.

The question is often raised whether in a federation which has to undertake mostly supervisory functions, other representatives of societies, urban and central banks and individuals may be admitted. The fittest answer to the question is given by Mr. Darling himself in the book already referred to "*Throughout the movement the question of leadership is important. Leadership postulates education and for this in India we have to a great extent to go to the town. Germany has not hesitated to draw upon all classes for the qualities she required and much of her success may be attributed to this. In*

so catholic a movement as co-operation this undoubtedly is the best policy. The problems of co-operation are becoming increasingly complex and ultimately the best brain available whether of town or country, will be required for their solution. No one could fail to be impressed by the high level of industry, capacity and intelligence to be found throughout the German organisation. Everything possible should be done to attract those qualities to the service of co-operation in India". Sometimes it is said that the outlook of the town-bred man and that of the agriculturist is different. The argument cannot apply strictly even in industrial countries where an urban population with habits, tastes and attitudes different from those of the rural folk has come to stay. For constant migration bridges such gulf. In an agricultural presidency where towns have largely an agricultural bias and their citizens have live connection with village life and agriculture, the argument loses its force. Secondly as already mentioned the restriction of the number of individuals to 4 or 5, the Dt. Bank individuals to the same number and the representatives of special types of societies to one each while each local union will be represented by two members will preserve the representative character of the body. Other healthy restrictions that the individuals should be elected by the general body once every year, and (2) that if possible they should be members of co-operative societies if one such exists in their area of residence might also be imposed. But the individuals once elected should not be distrusted and cribbed from giving their best to the movement. There should be no restrictions as to their membership in the executive committee or for holding any office.

There is one other question, namely, how the general body of the federation should be constituted. The functions of the federation being large and wide, to guide, regulate and control the working of the movement and express the co-operative public opinion of the district, the constitution should be broad-based so as to ensure the general confidence of the societies. Such a constitution will necessitate the explaining of policies to the societies at least once a year and give scope to the latter to express their needs and difficulties in a large body. In Germany all societies are members in the federations and meetings are held every year in different parts of the country thus giving scope to the near by societies to attend them. The question of unwieldiness cannot arise as it is not a deliberative body and does not exercise the right of election of all the members of the Board the majority of whom are sent by the Local Unions, the District Bank and the special types of societies. Also 18

quote the words of Mr. Darling "As organisation grows, the voice of the cultivator who is the backbone of the movement, is in danger of being lost in the upper air of authority and wisdom. Accordingly it is important to

give him every opportunity of making himself heard." Lastly one has also to consider the fact whether a District Bank General body will not be more democratic in its basis for consideration of common questions than a federation consisting only of two representatives from each union. Hence the general body of the federation should consist of all the societies in the District.

RELATION TO LOCAL UNIONS AND THE PROVINCIAL UNION.

The bye-laws should specially indicate that the internal autonomy of Local Union is in no way interfered with by the District federation while giving all facilities to the latter to assist them: The place of the Provincial Union should also be recognised in the bye-laws with a view to build up the non-official agency. The functions of the district federation could be efficiently and harmoniously discharged only under the aegis of a larger Provincial federation which will bring to bear on questions relating to policy model by-laws, education, propaganda, non-credit work etc. the experience of the whole province. How the relationship of the district federation and the Provincial Union should be maintained and the subjects on which they can usefully communicate with one another have been already published in pages 25 to 28 of the English Bulletin Vol. XVII No. 1.

SOME RECENT CHANGES.

In the bylaws of the federations recently registered it seems that inspectors are appointed as their paid secretaries. While one should welcome the assistance of the department for lending the services of experienced inspectors for the conduct of the federations, they should not be given such a place which will usurp the natural and legitimate functions of a non-official body which are vested in an Honorary Secretary. Such appointments take away the inherent right of the secretary to initiate in and administer the affairs of the federation. The evil effects of this policy are well described by Mr. A. Rajabada Mudaliar, Retired Deputy Collector and Vice-President of the Chengleput District Bank, in the Madras Bulletin of Co-operation pages 265 to 268. The Registrar is requested to communicate to the Deputy Registrars not to introduce this change in future.

CONSUMERS' CO-OPERATION AND EDUCATION.

BY PROF. K. B. RAMANATHAN.

Co-operation, said Prof. Marshall, is "at once a strong and calm and wise business and a strong and fervent and proselytising faith." Such a faith can flourish only when there is an efficient clergy strenuously preaching the doctrine. And hence the stress laid by all

friends of the movement on the educational and propagandist side of its activities.

The co-operative movement is itself an educational agency, giving those who take part in it an insight into business methods, a training in practical citizenship and an enthusiasm for social ethics which they couldn't obtain otherwise: It is those who take an *active* part in the working and not the passive members who talk of the "stores" as "your stores" when matters are not as satisfactory as they ought to be. These forget that it is as much *theirs* as *yours* and it is by their habitual neglect of their responsibilities it gets to be 'yours' or any narrow clique's.

The store is a democratic organisation and the success of its working depends on all pooling ungrudgingly their intellectual resources, their knowledge of business and men. The need for the members making themselves as intellectually efficient as possible is obvious. In the Gloucester Congress of 1879, Professor Stuart said: "If the mass of your members are not sufficiently instructed in economic science, in the facts of commerce, in the state of this and other countries, in the history of trade, in general knowledge, and in particular knowledge of what you aim at and how you seek it, I say, if the mass of your members are not sufficiently instructed in these things, there arises a real danger to the co-operative movement; your members become a hindrance, and your possessions become a peril, and your productive endeavours will continue to be the failure which they too often hitherto have been. Your movement is a democratic movement, if ever there was one. It, therefore, cannot repose on the good sense of a few; its success will depend on the good sense of the masses of your people...First you must educate your members in your own principles, and in those of economic science, and in the history of endeavours like your own; and in the second place, you must educate them generally. Education is desirable for all mankind; it is the life's necessity for co-operators."

Arnold Toynbee specifies the particular educational mission of co-operative societies—Elementary education, he says, is provided by the state; religious education by the various religious bodies; professional and higher education by the universities, technological institutions &c. "What part of education then," asks Toynbee, is left for co-operators to appropriate? The answer I would give, the education of the citizen. By this I mean the education of each member of the community as regards the relation in which he stands to other individual citizens and to the community as a whole. But why should co-operators more than any one else take up this part of education? Because, co-operators, if they would carry out their avowed aims, are more absolutely in need of such an

education than any other persons, and because if we look at the origin of the co-operative movement we shall see that this is the work in education most thoroughly in harmony with its ideal purpose'.

The decay of the Roman Republic was due, says H.W. Wells,* to the want of any wide organisation of education to base the ordinary citizen's mind upon the idea of service and obligation to the republic, to keep them willing, i.e., the absence of any medium of general information to keep their activities in harmony, to enable them to will as one body. Though our co-operative societies are comparatively small bodies, they need as much as the big Roman republic harmony of collective will for purposes of common action. The need for education is as pressing—if we want to avoid disaster—as it was in the other case.

Though in India the movement has been fostered by official help, it is necessary to base it on the people's will, and the will must be an enlightened will and this can be effected only if co-operators get educated to the height of their responsibilities. We do not want any dictation from above, we want to direct ourselves, we must have our initiative, we must be free to develop ourselves: we want Self-Government. Under Self-Government according to Prof. Jack† the range of duty becomes enormously expanded, the character of duty so transfigured, that the word Government is no longer applicable to the process. One undertaking to govern himself has not only to think of himself as exercising the Government, but must think of himself as the object on which the Government has to be exercised. To be self-governing, he must have his total self under control. To call a man self-governed, he has not only to be his own master in the use of his vote or in any other selected activity, he has to bring under the rule of law the rest of his powers and faculties, his private habits and his human relationships in general. And this kind of self-mastery is given by education; which properly understood is nothing more and nothing less than self-development.

Education in connection with co-operation may mean education *by* co-operation, or education *for* co-operation, or the *general* education of co-operators in various subjects.

With regard to the first, no rules can be laid down. Where the movement is healthy, good results will follow. Self-reliance and a spirit of mutual confidence are promoted. The business and administrative capacity of the members are brought out. The advantages of honest dealing, cash trading and fair distribution of wealth are appreciated.

* Outlines of Roman History, page. 494.

† page. 53.

With the expansion of business, the members gain a true sense of the duties and responsibilities of the good citizen. A co-operative society efficiently worked will soon transform the civic life of the people.

As regards education for co-operation, it is a technical matter. This is the education given by co-operative societies or federations to members, secretaries, managers and committee men in order to fit them to carry on as well as possible, the business of the societies, to understand and observe the rules, to appreciate and foster the ideals of the movement. This work is properly taken up by federations where they exist and here organisations like the Provincial Co-operative Union may be expected to undertake the task and the present course which is of an educative character has been organised by the Provincial Co-operative Union.

It may take the form of (1) practical instruction given by co-operative officials and employees of the society in visits and interviews (2) publication of printed matter, leaflets, pamphlets, books, newspapers on matters co-operative (3) lectures by travelling agencies (4) holding of classes either at local centres or in the form of short 'schools' at a convenient centre, or in a permanent educational institution (5) institution of libraries and reading rooms. Publication of printed matter in order to disseminate co-operative ideas and ideals and establishment of Co-operative Libraries as of the Plunkett Library in Dublin act in an impersonal manner and will be useful and appeal effectively to those who have already made some progress in co-operative education. The *viva voce* instructions in interviews and class instruction and lectures will be useful for those who had made less progress. If those who have special gifts of instruction and lecturing be enlisted for the work, co-operative education will spread rapidly and leaven the masses.

Children in Denmark and in Finland are instructed in the schools they attend in the elements of co-operation and the real hold the movement has taken of the people in Denmark and Finland is partly the cause and partly the consequence of the early interest in the movement imbibed by the children in the schools. In Germany and in Great Britain great progress has been made in co-operative education. The education work is done in Germany by federations and classes are held at selected centres. These classes cover various aspects of the movement, the duration of the course being proportioned to the use which the learner proposes to make of his knowledge. The number of books on co-operation in Germany and the minuteness with which small points of theory or practice in co-operation are discussed show how wide co-operation has spread in Germany. The standard of education among those who direct the affairs of co-operative societies in Germany is much higher than is the

case in most other countries: much of this may be ascribed to the high level of education of the people in Germany but some credit must be allowed to the educational activity of the federations.

In Britain it is only recently that co-operation has been regarded as worthy of serious study in the universities as an economic movement. The British Societies have each their educational committees and the work is financed by a grant from the surplus at the end of each accounting period. The amount obtained is supposed usually to be used for the education of the local members by means of classes, lectures, libraries, publications &c. But the money available has been found insufficient to provide a really effective system of instruction, and in consequence there has been a great deal of apathy in many places. Education committees are sometimes apt to sink into inactivity or to spend the money on amusements rather than education.

The need of a central agency is felt to avoid a waste of money and energy and inequality of opportunity and a Central Educational Committee of the British Co-operative Union has been formed. Its educational programme is of a very comprehensive character. An adviser of Studies has been appointed to unify and extend the work of the committee. Classes are held throughout the year and instruction is also given through correspondence classes, lectures and summer schools. The subjects of the courses include, in addition to the history and principles of co-operation, technical subjects like auditing, book-keeping, management, secretarial work, Industrial History, general economics and civics.

The main object of the educational scheme is the inculcation of the principles of co-operation both in theory and practice, in order to maintain the supply of trained employees, officials and committee men. There is also the further object of instructing all the future members of the state in the duties and responsibilities of citizenship. There is the third kind, the general education of co-operators in various subjects in order to make them play their parts as citizens. In this education, Denmark has been very successful. In the people's High Schools of Denmark, there is general education imparted of a high standard and co-operation forms one of the subjects of the course. The young people are trained for a real democracy and the impulse to co-operation among them is all but automatic. Such funds as are available for educational purposes must be utilised for employing really efficient teachers who could handle most efficiently those subjects which are essential to the co-operative citizen and are not usually part of the courses of instruction provided in the schools maintained from public funds. Such subjects as practical economics, social reform, industrial history, do not find a place in the ordinary school

curriculum. Yet instruction in these subjects is an absolute necessity if we are to train our young men for democracy. How many educated under the present system have any real knowledge of the constitution and governing principles of municipal and other public bodies to which they may hope to be elected?

It behoves co-operators to get such education: Co-operative societies of which these are members should be in themselves models of the larger society to which they aspire. If all the members really understand that their society is something larger than a mere trading agency, they are already on the first rungs of the ladder which leads to true citizenship. If they do not so understand it, the sooner they are made to do so the better. The lessons to learn are those of loyalty, fairness and temperate ambition. The gospel of co-operation must be interpreted in co-operative centres as the educational basis of citizenship. There are three kinds of co-operative activity—Distributive Co-operation—that we are particularly concerned with, credit co-operation, which is the predominant type here in India and productive co-operation. There is education common to all the three kinds and there is education peculiarly adopted to each kind of co-operation.

In the common education, associative work has to influence in a double way. The selfish stimuli that are powerful in ordinary life have to be educated into due subordination and the social sympathies have to be cultivated so that the interests of each would be one with the interests of all. This is the ethical side of co-operative education. The other is the more general kind of education that helps personal development. There are three stages in this: 1st, there is that training which is necessary to produce a human being; next, there is the training necessary to enable a man to become the particular individual into which he is fitted by nature to develop; then, there is the training enabling him to bring his individuality into harmonious relationship with the rest of the world.

Taking the first there is the education which is immediately useful and that which is useful as a key to further knowledge. The problem is whether it is better to use the bread or to cast it on the matters. On some the advantage of furnishing the key to higher knowledge is lost. These would require nothing more than what would be directly applicable to life. There are others to whom it is of more importance to develop powers for the future than to gain instruments for the present. General education has to be a compromise between the two. Another difficulty is with regard to the end aimed at. Is it to develop intelligence and power or to communicate particular kinds of information? The safe rule

will be to impart such knowledge as will be useful in nearly all kinds of circumstances, such as will supply a key to a great variety of things, and above all such as will stimulate interest and develop character.

The common good to which the special fund of the co-operative society can be most safely devoted is education. The supremacy of this *vidya dharma* is recognised by us all. As regards the second stage, the training of specialised activities, care must be taken that specialisation is in the right direction. How many of us can judge truly of our abilities and tastes? With regard to this stage of education, i.e., the training of specialised abilities in Technical Schools and universities, the co-operative organisations are not resourceful enough to do much. They may do something in promoting knowledge of co-operation and Economics by Studentships and professorships or by courses of lectures in these subjects.

The last is a life long process when the man educates himself in wisdom alike in thought and feeling and conduct. The co-operative movement can be helpful to the members only as life experience is helpful to the growth of wisdom in man.

CO-OPERATION AND THE MADRAS LEGISLATIVE COUNCIL UNDER THE NEW REFORMS (till Nov. 1925.)

BY MR. K. G. SIVASWAMI

A perusal of the Madras Legislative Council proceedings of the first and second Councils will indicate the larger interest evinced by the second council in co-operative matters than the former. Very few questions were asked in the first council on the working of the movement and the policy of the department, while useful and important subjects have been interpellated in the second. The exemption of co-operative societies from fees due to the Industrial Department for installation of machinery or boring, the provision of peons for co-operative inspector, appointment of Muhammadan Assistant Registrars, official and honorary, and inspectors, abolition of duty allowance to Assistant Registrars, and the future policy in not filling up Deputy Collectors' places were the few subjects on which questions were of a parochial interest and did not evince a sympathetic understanding of the larger problems with which co-operators are confronted.

The Post of a Joint Registrar.

But what was wanting in interpellations was somewhat compensated by the fact that during the budget debate in the first council a number of

cuts were made and spoken to in the Council. 6 motions were made for reducing the expenditure under a Joint Registrar. All parties united in asking for the abolition of the post. Dr. Natesa Mudaliar said 'that it will serve only as a fifth wheel to the carriage'; Mr. O. Thanikachalam Chettiar complained "that we are having too many officers for doing a certain amount of work which can be managed by a smaller staff"; Mr. A. S. Krishna Rao sounded the note of warning against rapid officialisation of the movement; and Mr. Vekataramana Iyengar remarked that 'the department would not in any way suffer by its abolition'. The Minister, Sir K. V. Reddi, was willing to meet half way the wishes of the Council by providing for a Personal Assistant instead of a Joint Registrar. What an irony of circumstance that the very same Government which considered a Personal Assistant would suffice, should budget during the current year for the creation of the same office in spite of the declared opinion of the Registrar in the annual report for last year that the appointment of Deputy Registrars for every three districts and the creation of 9 Assistant Registrars "would relieve the upper controlling staff of routine work" and that "any addition that would be made as the movement develops will mainly be for audit work". The wheel of time in its rapid march brings with it strange happenings and disagreeable contradictions. The Legislative Council which demanded for the abolition of the post of the Joint Registrar five years before is asked to vote for its creation and this after sanctioning for the increase of a larger upper controlling staff and a lower subordinate staff of inspectors, which appointments were claimed as making the department 'self-contained and self-sufficient'. But whoever thought that the same Ministerial party would be put in the awkward position to speak against their own motion and contradict their own words.

Officialisation at the top

Another interesting motion of the first Council came from Mr. T. M. Narasimhachar who wanted a reduction in the number of official Assistant Registrars. His speech was one which definitely condemned the policy of officialisation at the top and asked for the appointment of qualified inspectors on a higher pay. To quote his words, 'instead of finding out whether the work we are doing at present is sound, the Government go on multiplying the officers at the top and want to have an Assistant Registrar for each district. This kind of top heavy administration is not at all conducive to the better working of this department'. His motion failed in the Council but the then Minister made a speech avowing the grand ideal of the department "to lay the axe at the root of that being who is known as the Indian Shylock, the village

sowcar." Co-operators would like to reflect whether anything more has been done to achieve the ideal than this mere graphic and lurid picture of rural conditions. The average loan per member has decreased from Rs. 44 to Rs. 31 during the life time of these two councils and the overdues have increased from 23 to 42%. The number of awards executed under the Revenue Recovery Act have so much increased as to create a set of members who form centres of discontent against the movement and are forced to repay their dues by falling into the hands of that very Indian Shylock, the village sowcar, against whose root the axe is being laid by the Assistant Registrar.

No Policy of Non-officialisation

The same note of warning was sounded against officialisation, successively during the last two budget debates, by Mr. T. Adinaryana Chettiar. He feelingly spoke in the following terms on this subject. "With the co operative service unorganised, 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 the non-officialisation of the movement, it seems to me that we are simply crawling against a blind alley which will lead us nowhere" At the last budget session he again said. "while the Hon. Minister pays lip service to the principle of non-officialisation of the movement at the earliest opportunity, he lacks the strength to withstand the attempts of the officialis who must necessarily justify their own existence and try to make out a case for their continued entertainment. The Hon. Minister in the administration of the co-operative department seems to have no other policy except that of weakness, vacillation and drift with the result that after quarter of a century in the practice of co-operation the taxpayer has to find annually seven lakhs of rupees to maintain an ever increasing army of co-operative officials." The Minister of course replied that he was in agreement with the view that the devolution of other duties than statutory ones to the non-official agency should proceed as rapidly as possible.

One is tempted to ask what steps have been taken towards training non-official agencies for duties other than statutory. The only Government document on this subject is G. O. 1671 of 14th Nov. 1923. There they state the present position as regards non-officialisation. Neither organisation nor starting work could be transferred. As an ardent co-operator at Ramachandrapuram expressed to me, the department is anxious to send an inspector on the starting day though the organisation is done by non-officials, perhaps to show their controlling and guiding hand as the authorities "responsible for the ultimate control of the

movement'. The G. O. states that the majority of unions court "the financial control over budgets and the payment of honorariums lest they might lay themselves open to charge of suspicion or partiality". Supposing this is true, it only indicates the evil of official control and the mentality that is created by it. Credit is taken for the transference of collection and arbitration work to non-official agencies, but responsible co-operators question the value of any non-officialisation which helps the throwing off of irksome duties on to the shoulders of non-official bodies without making any arrangement for equipping them for the task. This is the sort of devolution of power made by the Government.

Consultation builds up non-official bodies.

When one goes through the interpellations and the replies of the Government, in the second council they indicate rather that there has been too much officialisation. There can be no devolution of any power by the department to the non-official bodies. But they may further or hinder it according as they fit up non-official bodies (a) by consultation on all non-statutory matters or by administering them, keeping the societies in the dark (b) by using their non-statutory powers merely to influence them by their controlling them as subordinate bodies, by the issue of official orders and (c) by the proper or improper discharge of their own statutory duties and the co-operative education of societies. When one views the interpellations and the answers from these 3 points of view, it would be easy to understand to what extent the Government have taken steps for strengthening the non-official agency.

No consultation by the Department.

A number of questions has been put in the Legislative Council as to the consultation of non-officials regarding the formulation of policies, the starting of Land Mortgage Banks, reorganisation of the department, and departmental conferences. Resolution after resolution has been passed by early provincial conferences asking the department to consult non-official bodies before any rules or by-laws were framed or any changes in administrative policies relating to the working of societies were introduced. In fact there was a former practice of inviting non-officials to departmental conferences. But of late the departmental officers consider and resolve on questions affecting societies without the knowledge of non-officials. Circulars are issued by local officers to introduce such of the changes as are approved by the departmental conference and they are thrust on the societies. Rules regarding payment of honoraria, crediting of collections first to interest even when not due, splitting of unions and restricting their area of operations, in fact any number of circulars bearing

on subjects largely affecting the societies are issued without the consultation of non-official agencies.

Present Procedure for Consultation is Lame and Haphazard.

In reply to the question whether the non-official bodies are invited to the departmental conferences (6—12—24) the Government have replied (a) that a conference of central banks is held every year, (b) that the district conferences are attended by the departmental officers and (c) occasional conferences of non-officials are called whenever necessary. For the question asking for information about the expenditure involved in the calling of departmental conferences, no reply was given. Can it be said that a conference of central banks mainly called for a consideration of financial questions relating to them, satisfies non-official consultation in relation to the policy, control and administration of the movement? Does the conference of central banks consider all co-operative questions? Are all the resolutions passed at departmental conferences reconsidered at the conference of Central Banks? Reference is made to the conduct of occasional conferences. Only two such conferences were held during the last three years and that too to deal with specific questions. One was called for considering the rate of interest, the withdrawal of the department from the duty of recommending loans, and the transference of organisation work. The second conference was called to discuss the by-laws of district federations and while only one subject was discussed, by-laws have been made on various other important questions without a full discussion and against the declared views of co-operators. Another answer to the question was that the officers are attending district conferences. But they do not attend these for consulting non-officials on the resolutions passed by them at the departmental conferences, nor do they revise them in the light of the resolutions of such conferences. What co-operators do require is that the department shall not take action on any non-statutory matter without consulting the non-officials.

Regarding Land Mortgage banks non-officials not consulted.

Other answers given by the Government on this subject of non-official consultation reveal the way in which they treat non-official bodies. On the question (Qus. 1430 Vol 21) whether non-official bodies were consulted on the subject of land mortgage banks, the Government replied that the Provincial Conference was consulted. But the Provincial conference was asked only to express its view whether necessary money would be coming from the public at the start and whether Government's help would be required first. The conference was not consulted at all as to the constitution of these banks. Again on the question (20-8-24)

whether the proposals for starting land mortgage banks would be circulated to non-official bodies, the Government replied "that it is not considered necessary at present but these suggestions will be borne in mind." We have yet to know how it was borne in mind by the Government.

Consultation on rules not done

The policy of the Government on this subject is also clear from the answer to Q. 1429 Vol. 21 which we quote below. "Whenever a new rule is framed or an existing rule is amended the draft of the rule or the amendment is published for general criticism as required by Section 43 of the Co-operative Societies' Act. In regard to new schemes affecting the working of societies the Registrar consults representative non-official bodies. The Government take the advice of the Standing Advisory Committee in important cases."

Regarding the publication of the new rules in the Gazette for public criticism, co-operators in the first place may not have access to the Gazette. Further while there is the Madras Bulletin of Co-operation which is purchased also by the Government, the reason is not known why such rules are not sent to the Bulletin for publication. Secondly, public criticism is not binding on the Government while due consultation of co-operative bodies will reveal to them the strength of co-operative opinion. They themselves admit that when a scheme affects the societies non-official bodies will be consulted. Does not the new rule recently passed empowering auditors to summon the production of books etc. from office-bearers of societies affect all the societies? Were non-official bodies consulted in this matter? Recently a rule has been published which empowers the Registrar to levy audit fees on societies not affiliated to Local Unions or Audit Unions. Many co-operators have not seen this rule and objections to it are to reach the Government before the 16th of March. The implications of this new rule are many. If only the coming Provincial conference will be given an opportunity to consider it, I am quite sure there will be an unanimous condemnation of it. More than all these reasons, co-operators have been agitating for long on this subject of consultation regarding rules. The 1916 conference passed a resolution "that this conference desires that, before Government makes any material innovation or change in the existing practice and procedure of co-operative societies, responsible non-official opinion should be consulted before final orders are passed." In 1918 the same resolution was modified to the following effect. "That in the opinion of this conference it is highly desirable that before any existing rules are modified or new rules are enacted, the Government should invariably

consult important co-operative societies such as district central banks, Banking unions or any associations of such bodies."

No Consultation on new schemes affecting societies.

The second procedure mentioned by the Minister as being followed by the Government is that representative non-official bodies are consulted by the Registrar when any new schemes are adopted which affect the working of societies. Mention has already been made of the number of new schemes adopted at the departmental conferences and how they are thrust on the societies by official circulars about which the latter are in complete darkness till their issue. A few more instances may be given. A number of circulars are issued by the Registrar on the grant of extensions to societies, collection of share capital and so on about which non-official bodies are not in the know till they are published. Recently a bylaw has been introduced in rural credit societies, without asking for non-official opinion on the same, namely, bylaw 62 which makes a meeting called by the Assistant Registrar, during the course of an enquiry under Section 35, at any time or at any place and even when the requisite number of members as required for a quorum is not forthcoming as a valid meeting under the bylaws. Power has been taken without consulting non-official bodies by the department to reduce the maximum borrowing power while the older bylaw gave only the veto power to the Assistant Registrar. Again special bylaws have been formulated regarding the formation of Labour Societies, Crop Loan Unions and so on which largely affect the working of societies, without consulting the non-official bodies. No point is raised here whether the changes or bylaws introduced by the Registrar are good or bad for the movement. But the fact is stated that many matters are solved and administered by the department without associating the non-official bodies in such a work.

Consultation on non-Statutory matters also necessary.

The third procedure mentioned by the Government for public consultation is that they "take the advice of the Standing Advisory Committee in important cases. The Standing Advisory Committee is a body formed of the Legislative Council and it might be consulted regarding the improvement in official staff and the performance of statutory duties. The position of the Government becomes clear on this point in answer to a question (on 16-3-25) for consulting public opinion on the reorganisation of the co-operative department. The Government replied that it was an administrative question and that public opinion need not be consulted. Again the same question was raised whether the scheme would be placed on the table of the house and the Minister replied that it

had been placed before the Advisory Committee of the Council. Co-operators have nothing whatever to do with any kind of scheme which is evolved by the department for the efficient discharge of its functions. But just as the Registrar feels that "responsibility for the ultimate control of the movement" necessitates his interference in all non-statutory matters and the need for the laying down of policies concerning the societies, co-operators also feel that any scheme intended to carry out statutory duties should not trench upon the scope of non-official organisations to grow on healthy lines and to reach the goal of making co-operation a people's movement. The increase in the staff of Assistant Registrars and the creation of Deputy Registrars produces entirely a new situation which requires that the relationship of these officers with the non-official bodies should be clearly and definitely settled. Deputy Registrars are to undertake non-credit work under the new scheme. Is it not necessary that the non-official bodies should be consulted as to their relationship with them on questions of non-credit work? Is it not necessary again that the societies should be asked to express their views as to what non-statutory matters should be transferred to Assistant Registrars and what others to Deputy Registrars? The recent G. O. of the Government defining the non-statutory powers of the Assistant Registrars itself indicates that there are a number of questions on which non-official bodies should have been consulted before these new rules were enacted.

Non-official growth rests on consultation.

Co-operators and co-operative bodies have been agitating on this question of consultation which it is the duty of the department to arrange for, if they ever want that co-operative bodies should be self-governing organisations in matters of supervision and administration. But they not only do not do it, but make no arrangements even at the request of co-operative bodies to consult them. It is only through such consultation that non-official bodies would be trained in the consideration of common questions and disciplined to abide by their own mandates. Co-operators do not want that at this stage of the movement they should decide and formulate schemes and policies independently of the department. But sufficient arrangement should be made for consultation so that at least at some distant time they would feel the necessary self-confidence to undertake the regulation of the movement. The last Provincial Conference appointed a consultation committee at the instance of the Registrar to be consulted in all non-statutory matters. The governing body of the Provincial Union appointed a committee to be consulted by the Registrar. With a view to provide itself with all necessary

information regarding the policy followed in the several districts, it asked for the circulars of Assistant Registrars and Deputy Registrars. No circular has yet been received from local officers. It is time that the department is definitely informed of the feeling of co-operators on this question. For the whole non-officialisation of the movement rests on the outlook of the department, that it is discharging a trust, and that its efficiency rests in the speedy and sound arrangements it makes for its transference. One can clearly see from these facts how no steps have been taken for the devolution of powers about which the Minister said that he was very anxious, but on the other hand the department have been absorbing non-statutory functions, which is largely detrimental to the growth of non-official bodies.

Office orders vs. advice.

If we notice the interpellations and the answers in the Legislative Council from the point of view how far want of co-operative outlook the institutions are degenerating into subordinate bodies under the control of officers, one can clearly see how the non-official bodies are further hindered in their work. The difference between co-operative officers and others is that while the latter are charged with responsibility for the administration of certain powers, the former have a great task not to do the administrative work of co-operative bodies, but so arouse their self-respect and build them up as to make them discharge their duties independently of themselves. The following quotation from Hemingway's Manual will show the position of the Co-operative officer in this Movement. "It is quite necessary to remind the officers of the department that it is their duty by all the means in their power to stimulate the self-respect and independence of societies in general and of supervising organisations in particular. The co-operative officer is rarely called upon to issue orders except the usual statutory orders about registration, amendments and audit". The power vested in the Assistant Registrar regarding the approval of certain administrative acts of primary societies and Local Unions as the payment of honoraria, budget expenditure of unions, and the appointment of supervisors is not at all intended to be used as an official power, for it will only lead to deadlocks, but to give scope to the officer to advise, influence, and persuade the societies to manage their matters economically and prudently. Of late the interference of the Assistant Registrars in the matters just mentioned, has grown to such an extent that a new meaning is being given to this power of official approval. It is said that it implies the right of an officer to veto the resolutions of societies and the unions. From the quotation given from Hemingway's Manual one can clearly see that the

officer is prohibited from issuing orders. Time there was when no orders were issued on non-statutory matters and the officer merely used his power for influencing the decisions of co-operative bodies. It is a pity that the Government should have supported the right of issuing orders on the basis of the power of approval regarding the appointment of supervisors. The question was raised in the Council in the case of one Mr. Srinivasa Iyer who was appointed by the Natrampalli Union which was disapproved by the Assistant Registrar. Hemingway's Manual gives the procedure as regards these appointments, namely, that the supervisor is selected by the Union and sent for training to the Assistant Registrar. Official disapproval of the acts of the non-official agency by office orders hardly conduces to its harmonious working and weakens its self-respect. A better policy would be for the Government to make arrangements for the training of supervisors and restrict the power of approval to a mere certification of the standard of training.

Inefficiency of audit.

The third point of view from which the steps taken towards non-officialisation may be looked at is whether the officers are so discharging their statutory duties as to improve the quality of work of the non-official bodies. The duties which the department are at present discharging in relation to co-operative societies are (1) Audit work and (2) Educational work. Both these functions require a high type of officers who possess sound ideas of the principles of the movement and will perform the duty of audit so efficiently as to expose the defects in the societies with a view to their rectification by them during the following year. It was in this view that during the first council a number of Legislative Council Members wanted that any new Assistant Registrars to be appointed by the Government should be recruited from senior grade Thasildars or last grade Deputy Collectors. The Minister accepted this principle. But the interpellations put on 8-2-24 regarding the previous appointments of the new Assistant Registrars showed that one was a chief Inspector of co-operative societies, another held no appointment at all before, the third was a head clerk in the Collector's office, the fourth was Deputy Tahsildar, the fifth was an acting Deputy Tahsildar and the sixth was a Telugu Translator in the Government of Jamaica. It is curious that there are no rules prescribing the qualifications for Assistant Registrars. In answer to a question on this subject on 8-2-24 the Government replied "that no qualification under examination rules has been prescribed for appointments as those of Assistant Registrars. In answer to another question whether the Government would start an institute for training Inspectors and Assistant Registrars, the reply was

that it was not "feasible" to do so. The question was again repeated on 22-8-24 and the following was the reply given by the Government. "No rules have been framed by the Government prescribing qualifications for the post of Assistant Registrars. The reorganisation of the superior officers of the co-operative department is under consideration and the question whether it is desirable that such qualification should be prescribed will be considered in that connection." We are yet to know whether the Government have decided upon the desirability of prescribing qualifications for Assistant Registrars.

One need not reiterate the point that the improvement of the societies mainly rests on the efficiency of audit. The series of questions put in the Council on 17-3-25 on this subject of audit clearly revealed the fact that there is no efficient arrangement for the proper scrutiny of the audit made by Inspectors. In answer to the question (Q. 472-17-3-25) whether the audit done by the audit Inspectors is tested anywhere and by any one, the reply was no. In answer to another question whether there is any system by which Assistant Registrars are asked to super-audit a certain percentage of societies audited by Inspectors, the answer was another definite no. In answer to a third question regarding the audit of Central Banks by the Assistant Registrars the reply was that the audit was done by the Inspectors, that the Assistant Registrar tested it, but the number of days spent in such testing could not be given and the Government had to admit that there was no definite system prescribed by the Government for the audit of societies by Assistant Registrars. Certain other interpellations about the mishandling of cash balances (30-3-25), frauds in co-operative societies and malpractices of panchayats (21-8-25) clearly revealed that the audit was not as efficient as it should be. Enquiries conducted by the Secretary, South Kumbakonam Co-operative Union, under section 35 have also clearly revealed the inefficiency of audit. Many of the criminal defects found in societies would never have existed if only the audit had been efficient.

Wrong Education

The interpellations also showed the spread of a wrong education by local officers. The advance collection of heavy share capital before societies are started, and their investment in the Central Banks was followed mainly in Chittoor and Vellore Districts. The Minister was unable to give any reason for this procedure (Vide Q. 352—24.) The Registrar himself has condemned it in one of his circulars. The answers in this connection also showed that share capital was levied from the members without taking into consideration their capacity to pay. Share capital has not a very

important place in an unlimited credit society except for building the reserve fund. Again in answer to a question whether it was wise for the Vellore Central Bank to lend at 4 annas margin, the Government refused to investigate into the matter which is another example of wrong notions held by the department. Hence then, if the answers given in the Council be considered from these three points of view namely (a) to what extent the department has consulted non-official bodies to build them up for the discharge of non-statutory functions; (b) in what manner they are utilising their non-statutory powers, whether to arouse the self-respect of the institutions or to snub them and (c) whether the Government have made any arrangement for the proper training of their officers and the efficient conduct of audit, one has to reply that on all these three points the department has not furthered the non-officialisation of the movement.

Decline in the condition of primary Societies.

The interpellations have also revealed the deterioration in the condition of the primary societies during the last few years. Reference had already been made to frauds and malpractices of panchayats and mis-handling of cash balance by office-bearers. The reserve fund forms the main bulwark of the village society and one of the questions in the Council (3-4-24) showed that the percentage of societies that have not contributed anything to the reserve fund during the last three years was about 50%. The reason given by the Government for such a state of things was the existence of arrears of uncollected interest. But one has to note that if overdue interest and interest due on loans on which no item of interest is overdue are excluded under profits the actual collections under overdue interest are included. Even in granting that uncollected interest is the reason for the non-building up of the reserve fund is it not a matter for serious consideration that the overdues under interest extended to 40% and thus prevent its growth? Another interpellation (6-12-24) showed that in some district banks there has been a fall in the rate of dividend. Questions were raised by some members on 2-3-25 regarding the extravagance in lending and corruption and favouritism in the panchayats. The Minister was no doubt anxious that such a state of things should be stopped. But one has to realise in all these matters that it would be impossible to control the working of an innumerable number of societies by an official department and the right policy should be to provide the necessary facilities for non-official institutions to maintain their own staff for educating and improving the societies.

A deliberate policy of demoralisation.

The policy regarding the institution of Honorary Assistant Registrars has come in for a great deal of criticism in the Legislative Council and the

whole discussion on the subject throws a clear light on the absence of any policy of non-officialisation of the movement. The Minister for Development at Cheyyar explained the need for an Honorary Assistant Registrar for each union with a view to educate the Co-operators, and the Government themselves have accepted in reply to Question 234 on 20-8-25 that the Minister said at Lalgudi that "he favoured the idea of helping unions with Honorary Assistant Registrars against subsidies to them." The Government have therefore not only favoured an increase in the number of Honorary Assistant Registrars at the rate of one for each union but actually propagated it. One cannot understand therefore the reiteration of the Minister till June last that the Government kept an open mind on the question. Having themselves favoured an increase in the number of appointments the circular of the Registrar to Local Unions could not be to ascertain about their continuance but, in view of the resolution of the Provincial Conference, to make sure for themselves whether the unions would receive an Honorary Assistant Registrar nominated by them (Vide answer to Q. 234 of 20-8-25). The circular was not to elicit views on the principle of the appointment at all. Secondly, Government's reply (Q. 882—Vol. 25) has shown that even though the Minister said at Lalgudi that the appointments would be made in conformity with the wishes of unions, none of the unions were asked to recommend names while 26 did so of their own accord, and some stipulated that a certain man should be appointed, and then alone they required an Honorary Assistant Registrar. All these facts indicated that the appointment of the member recommended by the union is all an eyewash and that the Government were only anxious to make the unions consent to have an Honorary Assistant Registrar. About the protests received by the Government from all Local Unions against the resolution of the Provincial Conference which wanted the discontinuance of Honorary Assistant Registrars, a question was put in the Council and it invariably indicated that they have been sent on the initiative of the Deputy Registrar of Chingleput who has always the straightforwardness to acknowledge that it is his duty to educate the Unions on these lines. If this institution is intended only as a temporary help to unions for improving them, the sanity in the distribution of this office to any union that asked for it becomes a questionable one (and by parity of reasoning, the Government may give what all a union asks for) and perhaps, owing to this reason the Minister had to say at Rajahmundry that the help of an Honorary Assistant Registrar would be given only to weak unions. One is at a loss to know whether the Government made a qualitative analysis of the condition of unions before they nominated their Honorary Assistant Registrars. The question was put in the Council regarding this

aspect of the subject (Q. 538-V. 25) whether the Minister made any speech that the help was intended only for weak unions and the issue was evaded on a trifling matter that the questioner gave a wrong name of the place where the Minister addressed the co-operators, namely, Coconada instead of Rajahmandry. The feverish circulars issued by certain Deputy Registrars quoting what the Minister has spoken in favour of it, and the confidential letters sent only to certain individuals in a union by Assistant Registrars with a view to get them nominated throw light to what length the department would go in demoralising co-operators and preventing them to come to their own conclusions if only they had a fear that they might get a majority vote for their views. It is distressing to find the very department that started to build up the non-official agency now going about the country to break it. If there was any doubt that the resolution for the discontinuance of Honorary Assistant Registrars did not reflect the true opinion of co-operators, the straightforward course would have been to remit the subject back to the Provincial Union asking them to place it before the next conference.

That would have instilled a sense of responsibility in the Co-operators and avoided the very unpleasant work to the department of teaching unions to rebel against their Provincial resolutions, while it is maintained to teach the same unions to respect resolutions of larger bodies. If anyone looks into the fact how this power of appointing Assistant Registrars has been used, he will be surprised to find that defaulters and mishandlers of cash balances are rewarded with this dignity of an Honorary Assistant Registrar and thus honest and tried workers in the field discouraged in their work. If concrete examples are required, a visit to the Local Unions of Thalavasal and Athur in Salem District will convince anyone of the truth of this statement. Another view elicited from the Government on this subject (Q. 1091 vol. 20) was that "non-officialisation and the institution of H. A. R's. cannot go on together as they are mutually exclusive." Co-operators cannot be too much thankful to the Council Members for eliciting information and views on this subject of Honorary Assistant Registrars which has revealed to them the manner in which the department is building up non-official organisations.

Agricultural Co-operation.

The second council has not only interested itself in the question of non-officialisation but also in the importance of agricultural Co-operation for the ryots of this Presidency. Dr. John Mathai spoke against the present policy of the department during the budget debate in 1924 and asked for a change in its methods and basis. He said :—"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.* The farmer should be helped to produce more and get better prices for his crops. I am firmly convinced that in both these directions it is possible for the Co-operative movement to do a great deal more than what it has really done. (Sir Arthur Knapp Hear! Hear!). Mr. A. Ranganatha Mudaliar spoke in the same strain during the budget debate. The Minister's reply was not at all to the point and where he was definite, he has taken no action on such lines. He has referred to the experiments of Mr. Parnell in increasing the produce whereas Dr. Mathai referred to the need for developing agricultural co-operative production. The Minister referred to the recommendations of the Board of Agriculture for furthering agricultural non-credit work but their recommendation is that the first requisite for non-credit work was the appointment of officers 'specially selected and specially trained for the purpose'. It was with this end in view that Mr. Audinarayana Chettiar put a question on 21-3-24 whether Deputy Directors of Agriculture would be appointed as Assistant Registrars to which the Minister replied that it was not feasible to do so. Great things are expected as a result of the re-organisation of the department and 9 Deputy Registrars have been released from routine work so that they might devote large attention to agricultural non-credit work. It is hoped that these Deputy Registrars would be able to make the "ryot produce more and sell it at better price."

Redress of Local Grievances.

Other questions put in the Legislative Council only wanted to draw the attention of the Government as regards local grievances of particular societies. Seizure of the books of a co-operative society by an Honorary Assistant Registrar, long term loan for a new society, loans for house-building in Malabar, the discouragement of non-official workers in the Nilgiris, organisation of societies for the fishermen in Malabar, the conduct of the Assistant Registrar of North Arcot, difficulties of the societies for the depressed classes, and representation of different communities in honorary and paid appointments, these formed the subjects of several interpellations. But as most of these questions do not involve any issues of large policy, they are not of provincial interest to the readers.

While in the first Council members had opportunities of making some budget cuts and moving a resolution regarding the appointment of new Assistant Registrars, the Minister could afford to smile at the second council which, perhaps being fond of its own voice or consisting of groups of candidates not subject to party discipline, could afford to

talk out and fail to reach the motions on the development budget within the allotted time. The Minister was therefore safe during the last two budget debates. But he had ever to be alert to answer the volleys of questions regarding the working of the co-operative department during question time. And co-operators owe not a small debt of gratitude to their tried and veteran colleague, Mr. T. Audinarayana Chettiar, who has shown a promptness and readiness in eliciting the views of the Government on the problems which vitally affect the movement.

CO-OPERATIVE FARMING.

BY C. S. RANGASAWMI.

The question of introducing scientific methods of agriculture in a poor country like India is a question of ways and means. For an initial outlay is necessary for introducing it on a large scale, or, for the matter of that, on any scale. The poverty of the agriculturist, not to mention his ignorance, is so great that he finds it very difficult, if not impossible, to go in for such things as an improved plough, bulls strong enough to drag even the least weighty of them, improved strains of seed etc., while the price of scientific manure is far too much for him even to think of. It would be wrong to say that he does not appreciate them. He does. A co-operative society for example, that purchased a good monsoon plough and let it for use by members at 2 annas a day and by non-members at 3 annas a day, had a roaring custom in the season. Many of the ryots did not have bulls strong enough to drag them; but it did not matter. They cheerfully paid the hire for the use of good bulls.

Similar was the experience of a union, that, in an unguarded moment, had ordered for a stock of fish guano. There was no demand for a number of months in spite of wide advertisement. In sheer despair the secretary negotiated with a neighbour and disposed of almost the whole stock. There was a fall of rain, the irrigation tanks filled and a number of demands for small—quite small—quantities came in. The dozen bags or so sold in a trice and the poor man had the chagrin of saying no to a number of others that came late.

If further illustration were necessary the Tindivanam Industrial Society is a case in point. Bonemeal as a manure for rice is widely appreciated. But, if a certain quantity is available on the spot, the ryot is willing to go in for some. The demand cannot be located. The ryot that went in for a quantity in one year cannot always be expected to come back for a further supply next year. He is too poor to do so or has not cash for the time being. But should there be a stock—one to three

tons—in every village, it is sure to sell. An agent cannot get an order—not even a promise—to purchase if it is available. But purchased it will be, if available. Thus a number of societies hereabouts did put in some money last year and kept a stock. No complaint has been received it has not been sold.

The lesson is there. That the Tindivanam Industrial Society is a necessity for agriculture in South Arcot and elsewhere, is recognised; but nobody comes forward to keep it going as an indispensable concern. The reason is the poverty of the ryot, not his failure to realise its usefulness.

As a result, we have the spectacle everywhere of land being indifferently cultivated. The profitable crop cannot come in because of the necessity of initial outlay. Intensive cultivation on scientific methods cannot come in for the same reason. Costly but useful appliances are not for our poor countrymen. Scientific manure does not make headway because the stuff is far too costly for them.

Is there a way out? An attempt should be made to bring Co-operation to the rescue of the farmer.

When agricultural credit societies were first started, it was thought that cultivation advances will be largely availed of and the capital-lacking agriculturist will find the wherewithal to finance his enterprises. But the expected has not altogether come to pass. There is a persistent cry from societies for long term loans and only long term loans and this cry is daily gathering force. A long term loan is rarely applied for purposes of improvement of land. Money is wanted badly by the average member of a co-operative society for purchase of land, for discharge of old debts, for non-agricultural purposes. Sir F. A. Nicholson in his report in the nineties of the last century put it thus;—"Such borrowings are seldom for land improvements, but are the result of laws, customs, surroundings, social characteristics, seasonal difficulties, isolation from open markets and the like."

How then can the ryot be induced to go in for improvements? Two attempts, so far as I know, have been made in these parts to think out a remedy. In the village of Mukundagiri, a society has been organised (I do not know if it has been registered) to specially provide the farmer with the funds that he would require for cultivation and for that purpose alone. Lands are to be taken on lease for a period of not less than 5 years, and farmed either directly or by sub-lease. The society finds the fund for cultivation if applied for. The second attempt is the one made by me and my friends. After a great deal of inducement, we were able to get about 15 of the farmers in Valavanur to agree to start

a society. The object of this society was to carry on farming conjointly. Twenty cawnies (a cawnie $1\frac{1}{2}$ acres) were to be planted with sugarcane. The best varieties were to be obtained and excellent manure was to be applied. The crop was not new to some of the members. They had been planting small areas for some years and knew the business well. They had also realised that well-cultivated sugarcane paid them very well indeed. People round about Nellikuppam where Messrs. Parry & Co have their factory make a profit of Rs. 1000 an acre and more on sugarcane. Valavanur is only 8 miles off and there is the prospect of the company re-opening their branch factory in the town itself. Sufficient funds were to be secured as a loan and every effort was to be made for cultivating the crop on the approved lines.

A line about the difference between the Mukundagiri Society and the Valavanur organisation. I have no idea of the possibilities of cultivation in the former village; but the organisers seem to have been satisfied with small beginnings. A member was asked to take at least one share of the value of Rs. 10 for every acre of wet land leased by him to the society or for every five acres of dry land. The borrowing powers of the society were to be four times the share capital. This meant that the society thought that a sum of Rs. 50 an acre for wet land and Rs. 10 an acre for dry lands should be ordinarily sufficient for all purposes. If the dry land was fit for any valuable crop, limited expenditure to the extent of the amount mentioned above should be absolutely insufficient to get even a small quantity of good manure. If money has to be expended in the purchase of implements, cattle etc. any such cultivation can only be of a poor kind unless individual farmers take on such sub-lease the society's leased land and are prepared to invest their own capital. Scientific agriculture requires plenty of initial outlay and more money than the society can afford under the present constitution will be needed. The Valavanur Society was to be different. A share in it was worth Rs. 50 and the whole amount should be paid in one lump. Five times the amount was borrowable and when the crop matured, an additional Rs 100 was to be obtained as an advance from Messrs. Parry & Co. The proposed farm is dry land but very good facilities were to be provided for irrigation. There is an inexhaustible quantity of sub-soil water in the area. There is also a pump installation. The available strains were to be planted and nothing in the shape of manure or other facility was to be stinted. The cost of cultivation was estimated to go up to Rs. 400 an acre.

The enterprise has attracted plenty of attention already. There was a rush for shares, which though fixed at a maximum of 60 were to be

accepted and the total share value was collected almost immediately. Earnest proposals were made to me to arrange for the inclusion of other land (our 20 cawnies was one block) and their cultivation under the auspices of the society. Valavanur is situated in the wet shorelands of South Arcot District and neighbouring villages with equal facilities are only waiting to see how far this first enterprise is successful.

But we are yet to get our registration. The season for planting sugarcane is fast drawing to a close; and unless the department is kind enough to hasten consideration of the file and help us to start the society, they will be postponing a useful experiment for a year.

It is interesting to read what labourers in the Po valley in Italy are doing in the matter of joint cultivation. Three kinds of farming societies are mentioned as having come into existence in the country. Tenants' Defence Leagues take over on a co-operative basis, estates of absentee landlords and holdings of charitable institutions and other corporations. Such estates have, until recently, been in the hands of middlemen who generally let individual farms to tenants on condition they shared the produce with them. A defence league simply takes the lease and just like the middleman sublets individual farms, the number of members of the league being limited to the number of farms in the estate. With the credit he obtains in his society, the farmer cultivates the land and keeps the profits of the middleman, the society collecting the rents. The second class of societies is called the parcelling out societies. In this class only agricultural land is taken up. There are no separate farms; and the society has the additional responsibility of valuation of holdings before division among members. There is greater cohesion among individual members and the society exercises intimate supervision over the farming operations.

The third is the Unitary society. It is so called because is not parcelled out either as farms or tillage divisions but worked as one whole concern. There is a manager. The society finds the capital but the members are themselves the workers. In all agricultural work, seasons of unemployment and large demand for casual labour occur. The object of such a society, to find well paid work for the member, is not always possible. Sometimes casual labour has to be employed; and such members as cannot find employment in the society's estate are allowed to work elsewhere. The society sometimes takes up contract work in the off season. The workers are paid periodically, and any profit that remains is divided at the end of the year.

It is gratifying to note that the unitary type of society has been singled out for praise. The Valavanur organisation is of this type while

that of Mukundagiri is on the model of a 'parcelling out society.' The sort of self-contained farms mentioned in the first type is absent in our country.

I cannot better conclude this note than by quoting from the exceedingly thoughtful address of the Development Minister at Cheyyar. Speaking on the necessity of co-operation for present day agriculture in our country, he says, "With a marked predilection for agriculture in us, we should recognise that the material advancement of the country could be effected only by devising methods to obtain increased returns from the arable land and by bringing under cultivation land that now lies fallow. We are often told that the Indian peasant lacks the zeal for intensive cultivation. More often than not he depends on the caprices of nature and chances of fortune.....what might appear beyond the prospect of achievement of a man, working single-handed can be brought within the range of his legitimate ambition if only he induces his neighbours to feel with him, enlists their sympathy and co-operates with them. Tried agricultural implements must be utilised if not by individual ownership at least by co-operative common possession" (very slight alterations have been made in the above quotation for the sake of brevity)

BAN ON SALES TO NON-MEMBERS

BY V. SARAMATHACHARI, B.A., B.L.

Sales to non-members may be objected to on the following among other grounds.

1. Stores are associations of persons whose aim is to supply to their members cheap, pure and wholesome articles, and suitable homes free from the frauds of the profit-seeking shop-keepers and capitalists. Non-members as such are not members of such associations.
2. There may not be sufficient quantity at the disposal of the stores to meet the demands of its members and non-members.
3. The practice of sales to non-members will induce the societies to depart from the golden motto of all stores "Avoid Competition" and turn mere profit seekers like ordinary shopkeepers. No doubt when loyal members imbued with true ideals of Co-operative Stores start their consumers' societies of their own accord they can afford to refuse sales to non-members on principles, but in cases where by confining the operations of the society to its members only, the societies could not be managed with any prospect of economy, to insist on the ban, will only result in the premature death of the store societies after a lingering existence for a year or two.

If sales to non-members were to be insisted on principle, it leads non-members and the directors of stores to practise deception. Non-members achieve their object by getting sales to them issued in the name of some member or other. The directors in order to command large sales issue receipts for such sales in the names of members. In the continuance of this practice there is the risk of the secretary and the salesman vying with each other and the harmonious and smooth working of the societies endangered on account of the jealousy of the members towards the secretary at the time of distribution of bonus.

Moreover using sales to non-members paves the way for securing more, loyal members. It is only by constant purchases in stores non-members will be convinced of the advantages of store associations and could learn the art of economy, thrift and self-help.

Further by issuing receipts in the names of members some individual members only are benefited at the sacrifice of the society as a whole. If such sales are issued in the name of the stores itself the profits earned by such sales will be so much additional capital at the command of the society. Even the Rochdale pioneers have been allowing trade to non-members and the profits, earned by such a trade have been added to what is called a Redemption fund or the reserve to meet the depreciation of the fixed stock.

At present most store societies are lacking in a purchaser or good buyer who knows the best markets, and his business, who knows what, how and where to buy. There are wholesale departments which guarantee purity, quality, fair prices and standard weight and measurement. Hence in order to run societies so as to provide pure and genuine articles at cheap prices after meeting establishment and contingent charges we require transactions with non-members also. When societies are able to command good buyers and wholesale departments, sales to non-members can be refused with profit and economy.

SPECIAL TYPES OF SOCIETIES.

I

Audit certificate by M. R. Ry., M. G. I. Anpa Avergal, B. A., Deputy Registrar of Co-operative Societies, VIII Circle, Coimbatore, on the accounts of the Coimbatore Co-operative Stores and Bank, Ltd. No. 26, for the year 1924-25.

2. The number of members fell from 669 at the beginning of the year to 666 at its end but the paid up share capital rose from Rs. 3,910 to 3,915.

3. The total borrowings of the society under loans and deposits at the end of the year amounted to Rs. 21,278-3-11 as against Rs. 22,452-5-8 at its beginning. Of the former a sum of Rs. 16,078-3-11 represented deposits of members and non-members and the balance of Rs. 5,200 represented the borrowing from the Central Bank. During the year a sum of Rs. 2,740 was obtained as produce loan from the Imperial Bank of India on the pledge of goods and it was repaid in full. A sum of Rs. 3,067-13-9 was outstanding against the members in 119 loans on the last day of the year as against Rs. 902-6-5 at the end of the previous year. The increase in the transactions under loans during the year was due to the increased amount of advances made to members for purchase from the Store. A sum of Rs. 1,117-13-9 was in arrears in 59 loans at the end of the year. The Board of Directors are requested to take speedy steps to recover them.

4. The Stores purchased stock worth Rs. 67,009-11-7 during the year and effected sales to the extent of Rs. 71,914-9-9, the gross profit earned in the year being Rs. 3,426-1-8. But it is regrettable to note that the Stores worked at a net loss of Rs. 770-1-8 in the year. The loss is mainly attributed to the working of other Stores in its vicinity. Loss of last year amounting to Rs. 1,170-12-9 was written off during the year from the Reserve Fund with the previous sanction of the Registrar. It is hoped that the Board of Management will spare no pains to work the Stores successfully during the current year.

5. The sum of Rs. 225 being the supervision fund due by the society for previous years may be remitted to the District Urban Bank, Ltd along with a sum of Rs. 25 being the contribution towards the supervision fund for the year 1924-25.

Coimbatore, }
9-11-1925. }

(Sd.) M. GIRIAPPA,
Deputy Registrar.

II

Audit order of M.R.Ry. O. N. Ramaswami Ayyar Avl., M. A., Deputy Registrar of Co-operative Societies, VI Circle, Trichinopoly, on the accounts of the Tanjore District Co-operative Manure Society, Ltd., No. 1885, Nidamangalam, for the co-operative year ending 30-6-1925.

The accounts of the Tanjore District Co-operative Manure Society Ltd. No. 1885, Nidamangalam, for the co-operative year ending 30-6-25 as audited by M.R.Ry. S. M. A. Muthu Pillai, Inspector of Co-operative Societies, are passed.

This is the 9th year of the working of the society and it opened with 86 individuals and 31 society members. During the year 2 individual and 7 society members joined and one individual member withdrew and another died. Thus, at the end of the year there were 86 individual and 38 society members. Consequently on the above increase the share capital also rose from 1062-3-6 to Rs. 1112-7-9.

The society continued its activities in the matter of purchasing bones and disintegrating them into bone-meal and also purchasing other kinds of improved manures such as fish guano, Daincha seeds, Kohlinji seeds, indigo seeds, mixture manure, flour phosphate, groundnut cake, castor cake and neem cake for sale to members. Purchase of cattle foods, such as cotton seeds was also done as usual during the year.

There was a stock of goods to the value of Rs. 847-6-3 at the beginning of the year. Goods to the value of Rs. 8,085-10-11 were purchased and goods to the value of Rs. 9,312-13-3 were sold. There was stock of goods to the value of Rs. 430-3-11 on the last day of the year.

The net profit earned by the society during the year was Rs. 490-9-8. 25% of this sum, i.e., Rs. 122-10-5, should be carried to the reserve fund as per bye-laws and the society is requested to remit this sum into the Tanjore Co-operative Central Banking Union. With this addition, the total reserve fund to the credit of the society will be Rs. 1097-2-7. 1/8th of the net profits i.e., Rs. 61-5-3, may be paid to the secretary as honorarium and the balance Rs. 143-8-1 is available for distribution as dividend, bonus etc., subject to the limitations laid down in the bye-laws. The balance, if any, shall also be carried to the reserve fund. A sum of Rs. 58-13-8 being the excess payment of rebate made should be recovered during the current year.

A nominal sum of Rs. 3 may be paid to the Mannargudy Taluk Local Co-operative Supervising Union Ltd., Nidamangalam, towards supervision fund.

During the year, the society convened one general body and 4 Committee meetings and all transactions of the society were either sanctioned or ratified in these meetings.

The Board of Management are again congratulated on the continued successful working of the society and especially the secretary, M. R. Ry. Rao Sahib A. Sethurama Aiyar Avl., for his sustained interest in the development of the activities of the society.

NIDAMANGALAM, }
11-11-25. }

O. N. RAMASWAMI AIYAR,
Deputy Registrar.

III

Audit Certificate by M. R. Ry. M. Giriappa Avergal, B.A., Deputy Registrar of Co-operative Societies, VIII Circle, Coimbatore, on the accounts of the Puttur Co-operative Labour Union Ltd., No. 4040, for the co-operative year ending 30th June 1925.

The accounts of the Puttur Co-operative Labour Union, Ltd., No. 4040 for the co-operative year ending 30th June 1925 as audited by the Senior Inspector, V. Nainar Chettiar, are passed.

2. *Members and Share capital.* The union was started on work on 17-12-1919 and so this is the 5th year of its working. The number of members and their paid up share capital rose from 52 and Rs. 283 at the beginning of the year to 74 and Rs. 326-0-0 respectively at its end.

3. *Borrowings.* The Union has a cash credit loan of Rs. 15,000 sanctioned from the South Kanara Central Co-operative Bank, Ltd. which was freely used during the year. Besides the outstanding loan of Rs. 5,958 held at the beginning of the year out of the above cash credit account, the Union drew Rs. 26 061-0-0 and repaid Rs. 22,719-0-0 during the year leaving a balance of Rs. 9,300-0-0 at the close of the year. The sum of Rs. 800 held as fixed deposits from members and non-members at the beginning of the year was paid off during the year.

4. *Contract work.* The Union undertook several contract works during the year of which the maintenance of the trunk roads from Puttur to Kavu and from Jalti to Sampaji frontiers and the reconstruction of the Adkar bridge formed the main ones. It is satisfactory to note that all the works completed during the year brought profit to the society except the reconstruction of the chatram at Subramania. The following tabular statement shows the contract works executed completely during the year and the gross profit realized therefrom :—

Serial. No.	Name of contract work.	Amount incurred on the work.			Amount realized on the work.			Gross profit.		
		Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
1.	Maintenance of the trunk road from Puttur to Kavu.	3,189	9	6	3,720	7	0	530	13	6*
2.	Repairs to Puttur Town Roads	229	15	7	300	0	0	70	0	5
3.	Monsoon repairs	247	14	2	254	6	0	6	7	10
4.	Reconstruction of Adkar Bridge	5,519	4	5	7,170	1	0	1,650	12	7
5.	Amchinadka Nettar Road.	100	13	0	196	0	0	95	3	0
6.	Supply of furniture to the Puttur Taluk Board	510	2	0	601	8	0	91	6	0
7.	Fairs and festival arrangements at Kulgunda and Subramania	1,012	3	6	1,603	12	0	591	8	6
8.	Reconstruction of the Chatram at Subramania	1,055	2	4	934	13	2	120	5	4
9.	Urgent repairs to Puttur Chatram	19	11	6	24	1	0	4	5	6
10.	Signpost to Road No. 1	25	7	0	45	4	0	19	13	0
Total		11,910	3	0	14,850	4	0	3,060	6	4
								120	5	4

The amount spent on other works which were not completed before the end of the year was Rs. 14,725-13-11 of which a sum of Rs. 7,896-0-0 was realized leaving a balance of Rs. 6,829-13-11 at the end of the year. The supervision charges incurred and due for the year amounted to Rs. 1,834 6-5 of the year and this amount will be added to the supervision charges of the current year when the above works will be fully completed. The supervision charges

*This gross profit excluded the supervision charges incurred by the Union.

for the year will therefore be Rs. 1,124-14-5 and deducting the same from the above gross profit the amount to be carried to profit and loss account of the year is Rs. 1,815-2-7.

5. *Net profit.* The Union earned a net profit of Rs. 1,222-14-3 for the year which, under by-law No. 33, should be distributed as shown hereunder :—

	Rs.	A.	P.
(1) 25 per cent to the credit of Reserve Fund	305	11	7
(2) Dividend to members on their paid up share capital at 9 per cent	25	14	5
(3) 7½ per cent to common good fund	91	11	6
(4) A sum not exceeding three months working expenses to be carried to next year	709	8	0
(5) Balance available for the distribution of bonus to staff and members	90	0	9
Total	1,222	14	3

It is requested that the amount shown against item No. 1 above may be remitted to the South Kanara Central Co-operative Bank, Ltd. towards Reserve Fund deducting therefrom Rs. 163-11-11 leaving the interest earned on the Reserve Fund already invested in the Bank.

A sum of Rs. 30 may be paid as contribution towards supervision fund for the year to the South Kanara District Council of Supervision to which the Union is affiliated.

6. *General.* The working of the Union during the year under review was satisfactory. It is gratifying to note that M. R. Ry. M. Shiva Rau Avergal, President of the Uppinangady Taluk Board and Director of the Union, has been giving his personal attention to this society.

Coimbatore, }
1-2-1926 }

(Sd.) M. GIRIAPPA,
Deputy Registrar.

IV

Audit certificate by M. R. Ry. M. Giriappa Avl., B. A., Deputy Registrar of Co-operative Societies VIII Circle, Coimbatore, on the accounts of the South Kanara Garden Planters' Co-operative Wholesale Society Ltd. No. 2835.

The accounts of the South Kanara Garden Planters' Co-operative Wholesale Society, Ltd., No. 2835, as audited by M.R.Ry., P. Ramaya Alva, Auditor of Co-operative Societies, Puttur, for the year 1924-25 are approved.

2. *Members and Share capital.* The society was started on work on 14-10-1918. There were 270 individual members and 6 society members. The paid up share capital amounted to Rs. 31,370 out of which Rs. 20,775 represent the value of 426 I class shares and Rs. 10,595, of 427 II class shares. Arrears of share value at the end of the year were Rs. 80. They should be collected soon.

3. *Deposits and Central Bank loans.* The society was depending as usual mostly on the Central Bank for its finances. Fixed deposits from members increased during the year from Rs. 2,612 to Rs. 2,785-8-6 while those from non-members decreased from Rs. 2,375 to Rs. 1,015. The amount due to the Central Bank amounted to Rs. 74,451 as against Rs. 60,635 at the end of the previous year. The total demand under principal and interest amounted to Rs. 184,630-14-6 and Rs. 8,114-10-10 respectively of which an amount of Rs. 1,490-8-0 under interest fell overdue at the end of the year.

4. *Members' loans.* Demands on account of advances to members and interest due thereon were Rs. 89,868 and Rs. 10,935-7-7 respectively. Out of these amounts Rs. 5,958 towards principal and Rs. 509-7-2 towards interest fell overdue. These arrears should be collected as early as possible. Amount decreed should be collected at once.

5. *Society's investments.* The society has invested Rs. 8,800 on 880 shares of the Central Bank and Rs. 50 on one share of the Sadananda Co-operative Printing Works, Ltd.

6. The net loss at the end of the year, was Rs. 12,991-4-10. Interest of Rs. 134-7-8 on the Reserve Fund of Rs. 2,070-11-7 invested in the Central Bank, may be adjusted towards the Reserve Fund.

COIMBATORE, }
20-1-1926. }

(Sd.) M. GIRIAPPA,
Deputy Registrar. 2-10-25

V

Audit Certificate by M. R. Ry., M. Giriappa Avergal, B. A., Deputy Registrar of Co-operative Societies, VIII Circle, Coimbatore, on the accounts of the Tiruppur Co-operative Trading Union for the year 1924-25.

The accounts of the Tiruppur Co-operative Trading Union Ltd. No. 5769 for the year ending 30th June 1925 as audited by the acting Senior Inspector M. R. Ry., S. Sambanda Mudaliar are passed. Statements showing (1) Receipts and Charges, (2) Profit and Loss, and (3) Assets and Liabilities as furnished by him are appended to this order.

2. There were 32 society and 4 individual members at the beginning of the year. One individual member and 6 society members have been admitted and one individual member removed during the year under review. Thus there were 38 society and 4 individual members at the end of the year with a paid up share capital of Rs. 4,574 as against Rs. 4,425 at the end of the previous year.

3. The trading union borrowed during the year from the District Bank Rs. 10,000 besides the sum of Rs. 25,082-12-0 under overdraft account. The amount outstanding against the District Bank on the last day of the year was Rs. 9,409-9-7 as against Rs. 14,717-10-6 at the end of the previous year.

4. It is gratifying to note that substantial business to an extent of Rs. 33,959-8-0 was done during the year by way of distributing cattle food, manure, foodstuffs etc. to the affiliated societies and that a gross profit of

Rs. 303-2-9 was realized. A sum of Rs. 13,357-15-6 remained as arrears on the last day of the year against the societies on account of supplies made to them by the Union. The Directors are requested to take necessary steps to collect the amount at an early date. The Directors are also requested to see that the transactions made by the societies with the trading union are also brought to their accounts and a certificate as to the correctness of balances are obtained from the panchayatdars at least once in a quarter.

5. The net profit earned during the year amounted to Rs. 837-3-0. This should be distributed as follows.

1. one-fourth to reserve fund Rs. 209-4-9
2. Dividend at 9 per cent on the paid up share capital.
3. $7\frac{1}{2}$ per cent of the net profit may be carried to Common Good Fund.
4. Out of the balance a bonus as fixed by the general body on the recommendation of the Directors may be paid to members proportionately to the purchase made by them.

5. Balance, if any, shall be carried to the Reserve fund.

Items 1 and 5 above will be the amount that should be carried to the Reserve fund. The Board of Directors are requested to remit the amount together with a sum of Rs. 191-1-11 being the arrears of previous years, deducting therefrom Rs. 40-2-8 being the interest earned on the reserve fund already invested.

6. The Union continues to do good work. It is noted with pleasure that M. R. Ry., K. S. Ramaswami Gounder, the Secretary, is taking keen interest in the affairs of the Union.

OFFICE OF THE
DEPUTY REGISTRAR OF
CO-OPERATIVE SOCIETIES,
COIMBATORE, 14-1-1926.

(Sd.) M. GIRIAPPA,
Deputy Registrar.

PROCEEDINGS OF THE GOVERNING BODY MEETING OF THE MADRAS PROVINCIAL CO-OPERATIVE UNION, Ltd.

held on Sunday, the 28th March 1926, at 11. a. m.

Present :—

M. R. Ry T. Adinarayana Chettiyar Avl (In the chair)
" A. Sivarama Menon Avl.
" S. K. Yegnanarayana Aiyar Avl.
" K. G. Sivaswamy Aiyar Avl.
" G. Sriram Babu Naidu Garu
" Rao Bahadur A. Vedachala Iyer Avl,
" Rao Sahib M. S. Seshachala Iyer Avl.
" Rao Sahib T. Sreenivasa Rau Avl.

1. Read the file of papers regarding the starting of Language Federation :—

Resolved that the subject lie over until we get sufficient number of replies from unions and Dt. Federations. The matter may be brought up before the forthcoming Provincial Co-operative Conference.

II. Read the memorandum on the By-laws of the Dt. Federation prepared by Messrs Rao Bahadur A. Vedachala Iyer, Rao Saheb T. Sreenivasa Rau and K. G. Sivaswamy Iyer :—

(1) Resolved to thank the gentlemen who prepared the memorandum. Resolved that the following resolution be forwarded to the Registrar of Co-operative Societies and that it be placed before the forthcoming Provincial Co-operative Conference.

“ That the functions of the Dt. Federation should be the consolidation and promotion of the Co-operative Movement in all its aspects as the Central Non-official Organisation in the Dt. It should not be merely the organisation for the co-ordination of the activities of the supervising unions of the Dt. which deal with credit institutions mostly. It should also include all other co-operative activities of the district besides credit and should exclude none.

(2) “ That the constitution of the Board of Management of the Dt. Federation should provide for the following :—

i. It should provide for the representation of different types of societies in the district ;

ii. For the obvious reason that the financing bank cannot be divested of its inherent duty of exercising supervision so as to ensure financial stability, all the representatives of individual shareholders in the Board of Management of the Central Bank should be in the Board of Management of the Dt. Federation and not limited, as provided in the Model By-laws, to two representatives only of the Central Bank who may not be individual shareholders at all.

iii. Annual Election, not exceeding five in number, of individuals of knowledge and distinction in the field of Co-operation, by the General Body of the Federation, in place of one only for a period of two years as provided in the Model By-laws.

iv. No restriction should be made as to the choice of Office bearers or of membership in the committees from out of the members of the Board as opposed to the restrictive provision in regard to the secretariatship which in the Model By-laws provides only for a representative of a local union and avoids competent men from other institutions.

v. The General Body should consist of the representatives of all the societies in the district, instead of representatives of unions and of non-union societies and central bank besides the individuals provided for in the Model By-laws, to emphasise the connection of the primaries with the non-official organisation in the district similar to the constitution of the General Body of the Central Banks.

III. (1) Read Government Notification No. 18 dated 7-1-1926, regarding the levy of audit fees for certain classes of co-operative societies :—

Resolved that the definition of Dt. Federation given under (d) of the Rules is in the opinion of the Governing Body, unduly restricted inasmuch as the

functions of the Dt. Federation are sought to be confined to co-ordination of the work of supervising unions which are its members and which deal only with credit activities leaving out of account other co-operative organisations and resolved also that an expanded scope of the working of the Dt. Federation should be in the rules in accordance with the views of the Governing Body of the Madras Provincial Co-operative Union regarding the constitution and functions of a Dt. Federation as expressed in Resolution No. II.

Resolved also that Government be addressed to give additional time to enable the Co-operators in the Province to express their opinion on this point at the forthcoming Provincial Co-operative Conference in April 1926, and that the draft rules be not confirmed until after the Conference has expressed its views on the matter.

IV. Read Letter dated 10-8-25 from Mr. G. Sreenivasaraghavachariar regarding Government Subsidy to local unions for propaganda, and the memorandum on the By-laws of the Dt. Federation prepared by Messrs Rao Bahadur A. Vedachala Iyer, Rao Saheb T. Sreenivasa Rau and K. G. Sivaswamy Iyer, relating to funds :

Resolved that, in view of the fact that a majority of unions and the Dt. Federation cannot function adequately or efficiently by reason of want of sufficient financial resources, the Government do grant subsidy to the Dt. Federations for helping the supervision work of unions and the educative and propaganda work of district federations, on a scale which may be approved by Co-operators at the ensuing Provincial Co-operative Conference. The help for supervision need be only temporary to be withdrawn with the improvement of unions.

Resolved also that Mr. A. Vedachala Iyer be requested to work out the details of the grants required for supervision and propaganda by the Dt. Federations, and place the same before the Governing Body Meeting which should be held in advance of the Provincial Co-operative Conference.

VI. Read the file of papers regarding the Madras Central Agricultural Committee Fund :—

Resolved that the subject be adjourned.

VII. Read letter No. 823 of 26 dated 31-1-26 from the Salem Dt. Urban Bank regarding the refund of Companies Tax and the demanding of Profession tax by Municipalities and letter dated 4-2-26 from the South Arcot Dt. Banking Union to the Registrar of Co-operative Societies on the subject :—

Resolved that the papers be sent to both Mr. Rao Bahadur A. Vedachala Iyer and to Mr. A. Sivarama Menon for favour of expression of their views on the matter.

XV. Read letter No. B. 2326 of 25 dated 24-9-25 from the Registrar of Co-operative Societies, Madras, regarding the supply to the P. C. U. of copies of circulars of the Assistant Registrar :—

Resolved that the Secretary will please formally write to the Registrar asking that the circulars may be sent to the P. C. U.

XVII. Read Office note regarding the Salem Dt Conference resolution opposing the creation of the Joint Registrar; and also the Andhra Provincial Co-operative Conference resolution opposing the same but requiring a separate Registrar for that linguistic area:—

Resolved that in the opinion of the Governing Body of the Madras Provincial Co-operative Union, Ltd. there is no need for the creation of the post of the Joint Registrar. (Passed by a majority)

XVIII. Read Notification No. 18 dated 7-1-26, (published in the Fort St. George Gazette dated 19-1-26) regarding the levy of Audit Fees:

Resolved to request the Government to extend the time till the 20th of April for the filing of objections so as to give the forthcoming Provincial Co-operative Conference time to express an opinion on the question of levy of Audit Fees.

XIX. Considered the accounts of the P.C.U. from July to December 1925:—

Resolved that the Accounts be passed.

XX. Read the suggestions of Mr. A. Vedachala Iyer regarding the holding of a Bankers' Conference, a day before the Provincial Co-operative Conference:—

Resolved to arrange for a Conference of Central Banks, a day before the date of the Provincial Co-operative Conference for considering the subjects of the Conference which relate to Central Banks.

(SD.) T. ADINARAYANA CHETTIYAR,
Chairman. 28-2-26.

DISTRICT NEWS.

I

THE SOUTH ARCOT DISTRICT CO-OPERATIVE FEDERATION.

Cuddalore, February 15. The first meeting of the Governing Body of the South Arcot District Co-operative Federation came off at 2 p.m. yesterday at the premises of the South Arcot District Co-operative Banking Union with the President, M. R. Ry. R. A. Sivananda Mudaliar Avl., in the chair. Besides the Secretary, M. R. Ry. R. Balakrishna Aiyar Avl., representatives of 15 out of 21 co-operative supervising unions in the District were present. At the special invitation of the Federation, the Executive Engineer, Cuddalore, M. R. Ry. B. S. Ramaswami Aiyar Avl., and the Secretary of the District Banking Union, M. R. Ry. R. Krishnaswami Aiyangar Avl., were also present.

Before taking up the business on the agenda, the members present requested the Executive Engineer to extend his help to the movement by entrusting contracts of engineering works to co-operative societies wherever possible and suggest ways and means for the formation of societies for securing irrigation facilities. The Engineer promised to do his best in the matter and explained

that he would personally prefer letting contracts to the village co-operative institutions rather than to individual contractors.

A number of subjects of special interest and importance to co-operative institutions in the District were then disposed of including the introduction of leave rules and provident fund scheme to the Supervisors' cadre, printing of bye-laws of the Federation in Tamil and English for distribution among the co-operators. A very interesting resolution was the substitution of the vernacular for English in all the discussions and proceedings of the meetings of the Federation. Another item of business of importance was the formation of 5 standing committees for advice in carrying on the business of the Federation and election of members thereto. Besides a number of representatives of the Unions, a few non-official gentlemen of knowledge and experience in the movement in the District were also co-opted to the committees. A grant of Rs. 2,000 from Government for defraying a portion of the charges of the Federation for carrying on intense propaganda throughout the District was also sought for. There was yet another interesting item on the agenda for initiating enquiry by a separate committee into the progress of the co-operative movement in the District made so far. After some preliminary discussions the subject was referred to the standing committee on general matters for report suggesting practical methods of bringing about such enquiry.

With a vote of thanks to the chair the meeting terminated at 7 p.m.

R. BALAKRISHNA,
Secretary.

II

TRICHY FEDERATION REPORT.

The Board of Management of the District Federation, Trichinopoly, have much pleasure in presenting their first annual report on the working of the Trichy District Federation of Supervising unions, Ltd No. 10856.

2. In September 1917 an informal District Council of supervision was formed in this district with representatives of unions and of the Financing Bank. This institution was working for some time. Owing to want of a registered constitution the work was unsystematic and on the advice of the then Registrar the institution suspended its work in June 1921. Since then about half-a-dozen Local Supervising Unions have been newly formed and each union has been doing its work in its limited sphere. In order to co-ordinate the functions of the various unions in the district, the representatives of the various unions, since September 1923, met together and discussed problems affecting the district as a whole, in half-yearly conference, on three or four occasions. The discussions at the various conferences were very useful and it was felt that the meetings of the representatives at shorter intervals would be more effective and systematic, and with this object in view, a regular constitutional central organisation,—the present District Federation—was formed. This is only a nucleus of the former informal district council. A sub-committee was formed to draft the by-laws, and an application was sent to the Assistant Registrar in November 1924,

3. **Constitution:**—The Federation was registered on 21—1—1925 and started on 1-2-25. All the then eleven unions joined and Andimadam union has since joined. No other non-union primary society has yet joined.

4. **Management:**—A board of management consisting of one representative for each supervising union was formed on 1—2—25 and subject to their delegation of powers the management vests in an executive committee of five members elected by the board.

5. **Finance:**—The unions contribute 1/16 of their income under supervision charges to the Federation. In the year under report nine unions contributed Rs. 855—3—4 and a sum of Rs. 213 was in arrears at the end of the year, due from Jayankondam North and South unions.

6. **Establishment:**—With the small resources at its disposal, the Federation maintains a supervisor on Rs. 45 per mensem, and also a clerk on Rs. 20 per mensem. The first and foremost problem that the Federation had to solve was to concert measures to reduce the overdues to the financing bank which was so very alarming towards the end of March. The Federation, in consultation with the Assistant Registrar, undertook to supplement the supervising staff in such unions as required help. The Federation supervisor was deputed for about six weeks in Perambalur union, where the union supervisor was ill. From the middle of May to the end of June, his services were placed at the disposal of the Peruvalanullur union to supplement its staff as the overdues in that union were the heaviest. The services of the Federation supervisor were found useful in those areas in collection work. Since the close of the co-operative year he has been placed in the Karur union to train the new supervisor there in the preparation of annual statements.

7. In the year under report there were two general meetings, one meeting of the board of management and four executive committee meetings. The Registrar of Co-operative Societies, Madras, was also present at the general body meeting held on 29—4—1925, and gave useful suggestions.

8. **General:**—Our institution was started towards the close of the co-operative year and our first attempt was in reducing the heavy overdues to the financing bank. We have to a certain extent succeeded in our first attempt. It is our object to strengthen the local supervising agencies in the district and to make them more efficient. This institution will not only co-ordinate the functions of the various unions but undertake a systematic propaganda of the movement and educate the office bearers of primary societies in the matter of account-keeping and of their responsibilities. To do full justice to fulfil our objects we must have sufficient funds, and the contributions from the unions are very slender. We expect the financing bank and the unions will come to our help as our work will be of immense advantage to them. In fact this institution is the central supervising agency for the district, while the District Bank is the financing agency, and on these two wheels it is hoped the movement will run smoothly and unimpaired.

(True Copy)

R. V. SIVARAO,
Secretary.

III

RESOLUTIONS PASSED AT THE SECOND CUDDAPAH CO-OPERATIVE CONFERENCE, 1925.

1. This Conference places on record its deep sense of loss at the death of the late lamented Dewan Bahadur Swamikannu Pillai C. I. E., I. S. O., late President of the Madras Legislative Council.

(From the Chair)

2. This Conference resolves that Khadder Manufacturing Societies should be started and worked in suitable places.

3. This Conference recommends that in the matter of repayment of Loans granted to the members of a Building Society, the time for repayment should be fixed according to the convenience and capacity of the members, and the insistence on monthly payments should be abandoned.

4. This Conference recommends that the interest charged on loans granted to Building Societies, should be so adjusted that Government makes no profit out of the same beyond a maximum of 6 per cent.

5. This Conference resolves that the rate of lending by the Madras Central Urban Bank to Central Banks be reduced from 7 per cent to 6½ per cent and that a corresponding reduction be made by Central Banks with regard to Primary Societies.

6. This Conference is of opinion that the system of appointing Honorary Assistant Registrars should be abolished and that the amount spent on them as Travelling allowance etc. might be usefully given as subsidy to the Supervising Unions and the District Federation.

7. This Conference resolves that Co-operative Societies do take up active propaganda work in exploring possibilities of lifting water by means of pumps, engines etc. from wells, canals, rivers and other sources of water supply to irrigate dry and garden lands, and send up proposals for being worked out by the Department of Industries.

8. This Conference resolves that the Provident Fund deposit of Municipal and Local Fund Employees be permitted to be invested in Societies organised for the benefit of those employees.

9. This Conference requests the Government of Madras to immediately open in the District of Cuddapah a Government Agricultural Station.

10. This Conference requests M.R.Ry., C. Doraiswami Iyengar, B.A., B.L. M.L.A., to see, if need be by suitable legislation in the Legislative Assembly, that a fair portion of the amount deposited in the Postal Savings Banks is lent to the Primary Societies on a slightly higher rate of interest than is paid to the depositors.

11. This Conference requests M.R.Ry. C. Doraiswami Iyengar, B.A., B.L. M.L.A., to secure an amendment of the Indian Trusts Act so as to include deposits in Co-operative Central Banks among 'approved securities' within the meaning of the Act.

(Sd.) T. AUDINARAYANA CHETTIAR,

15—1—26.

President, 2nd Cuddapah District Co-operative Conference.

OUR CORRESPONDENCE COLUMN.

I

The article on "Co-operation, Agriculture and Industries. Amalgamation of the Three Departments" By Mr. G. Srinivasa Ragavachariar, Retired Deputy Collector, Madras, and Assistant Registrar of Co-operative Societies, is published in the Madras Bulletin of Co-operation for January 1926. This article is a very important one as it suggests the discussion of the method by which rural reconstruction by the activities of the three kindred departments of co-operation, agriculture and industry can be co-ordinated so as to be beneficial to the rural population. Before dealing with the subject proper, the author of the article makes some observations on the defects in the working of the co-operative Department and the non-official side of the movement. He has diagnosed some of the causes which appear to him to have contributed to the setback in the movement. It will be advantageous to note the defects enumerated by him and to propose wherever possible suitable remedies in view of co-operators making adequate arrangement to rectify such defects and avoid repetition in the future.

(a) Illiteracy and credulity on the part of the member, incompetency of the rural panchayetdars in general and fraudulent conduct on the part of their chief-officers, who assume the role of Directors: one would not belittle the disadvantage of illiteracy which ought to be removed as early as practicable by a well thought out scheme of rural education by which the agriculturists, land owners and labourers will get general education and be at the same time in touch with the particular manual profession each is expected to follow: The present state of illiteracy is however not a very great obstacle to the working of co-operative organisations as the agriculturists by their probationary training in the profession secure an amount of working knowledge of business activity sufficient to run the movement: There are in rural parts sufficient number of people who can be expected to run the movement in a business-like way but they are not brought into the movement for various reasons. It is always assumed that the richer people will always be deleterious to the interest of the poor but the fact that village communal arrangement existed in former times in which such individual selfishness was not prevailing to a marked degree is a clear proof that the co-operative movement in rural parts can safely be regulated so as not to allow the two interests to clash by the force of public opinion and by the proper working of the supervisory agency, both officials and the non-officials, in the movement. The ideal to be aimed at should be that each village should have a co-operative organisation for all interested in the agricultural and cognate industries in the village and that each member in such society should be allowed the privilege of getting *all his needs for all purposes* satisfied by the societies at *all times* subject of course to the restriction that each will get what he deserves in the opinion of the villagers counsel of such agency when available. If co-operators will consider over this matter and expand the activities of co-operative organisations so as to secure

the ideal enunciated above, many of the defects and difficulties experienced hitherto in the working of co-operative organisations for want of proper human material are bound to disappear.

Incompetency of the Panchayatdars in general and fraudulent conduct on the part of their chief office-bearers. This defect is traceable in many cases to the absence of a really effective educative agency of a sustained character. No doubt the departmental agency has been doing the work as well as it could. But this is not efficient. Non-official agency which had to be created by the official agency out of the profits of co-operative organisations has not been properly equipped owing to low financial position to discharge its task. The State believes that no financial aid can be given even temporarily to such non-official agency till such agency is able to maintain itself in an efficient state except for co-operative education as distinguished from education in business. As usual it believes in the working of its own staff and will not trust the non-official agency with funds because the departmental people do not care to have trust in non-officials, even in well trained men on the ground of political complexion and on the ground of not recognising any view or policy different from what is held by the department. If toleration, good will and mutual trust will prevail, the non-official agency can be adequately strengthened so as to be ultimately useful for relieving the Government staff from all its duties connected with the movement not excluding even statutory audit. The present restricted growth of co-operative societies in rural parts does not give scope for utilising all the human material available in such parts for strengthening such non-official agency.

(b) Want of effective supervision on the part of the supervising union on account of inadequacy of funds and its consequent inability to employ efficient supervisors and to depute any of its knowing office-bearers to frequently visit societies and educate the Panchayet. This defect is due to the absence in a systematised manner of the course of co-operative education to be given to all connected with rural co-operative primary organisations and supervising agencies. The Government agency has not been able to carry out this satisfactorily and is more or less drifting into a machinery for audit and office routine and is becoming *mechanical and soulless*. The remedy lies in District Federations being brought into existence on a liberal basis with considerable amount of State aid and fitted to undertake this work gradually to replace the official machinery.

(c) The inherent weakness in the constitution of unions by non-association of individuals who can bring to bear on this work their general knowledge and business capacity as is the case with poor men's societies and central banks. As things are, the governing bodies of unions, are in many cases mutual accommodation bodies. This is a strong criticism. In the case of local unions, the difficulty of exclusion complained of will disappear when the co-operative activities in rural parts are expanded so as to give scope to all human beings taking part provided they are of *good character*. As regards District Federations

and District Central Banks, the co-operators must be educated to use the services of such individuals in any capacity they decide on. The co-operators are the lawmakers of by-laws and if they feel that they want these individuals, they should express their wish by the formulation of suitable by-laws, the registration of which cannot be put off by the department.

(d) Inadequacy of arrangements for efficient and timely audit of co-operative societies, both interim and final, as required by law and instructions of the Department by means of sufficient stay in the village. State agency is working under very many limitations of pay, efficiency, frequent transfers, and absence of local knowledge. Non-official agency if maintained in an efficient state with or without State aid will only be a proper substitute for the State agency to remove such defects.

(e) Unnecessary diversion of the attention and energies of the departmental officers to fruitless non-credit work for which the country is not yet ripe to the utter neglect of credit work which itself would take years to be set in order: Non-credit work cannot be said to be fruitless if it is a regular evolution by the rural credit organisations which will record the wants of their members in other directions than credit. It becomes however fruitless when imposed from above by the departmental agency and it is not likely to be successful when such non-credit work is handled by any separate agency divorced from the agency in charge of credit work. Specialisation in the various branches is a divided advantage only when there is a regular co-ordination of such activities in the village itself. Mere co-ordination of the activities of officers in charge of credit and non-credit work will satisfy the letter but will not be advantageous in spirit. Co-operators must evolve non-credit work suited to each locality and the departmental agency should be utilised for advice as ordinarily business men use the experts. It is then that such undertakings will bring home to the workers their responsibility, their appreciation of their own and common interest. If co-operators connected with credit organisations evolve their own non-credit scheme, there will be neglect of credit work.

(f) The assignment of circles to Inspectors quite regardless of their capacity and facilities available for them. Co-operators are not very much interested in the manner in which the Department distributes its Inspectors as the Registrar knows best how to get adequate work out of his own staff and how he can with the staff discharge his obligations under the Act. What apparently the writer wants to make out is that the present distribution of Government Inspectors does not give any advantage to the non-official agency in a way to make them efficient. What the non-official agency wants is to strengthen themselves by using their own funds and by securing temporarily State aid so as to run the agencies with well paid, well equipped supervisory staff.

(g) Failure on the part of the authorities to frequently take stock of the situation with reference to audit and inspection reports and arrange for the personal inspection of at least bad and indifferent societies. This does not concern very much the co-operators for even when

such defects, if they really are present, are remedied, the non-official agency would derive no better strength or efficiency by such help. The remedy lies in formulating proposals to strengthen the non-official agency to realise *self-reliance*.

(h) *Inadequacy of provisions of the existing law to punish erring and unscrupulous office bearers of societies.* It is a problem for solution as to whether the law is defective or whether the application of the law to such cases is not avoided by the Departmental and other agency for avoiding unpopularity. If the steps required to be taken by law are really taken by non-official agencies such defects will really disappear.

The article further on deals with the question of how to improve the economic condition of the agriculturists in rural areas. In examining the question, the author lays down the following concepts.

(1) The agricultural holdings are small and the rainfall is limited to 4 or 5 months in the year and the farmer has no subsidiary occupations to fall back upon during the periods of agricultural unemployment.

(2) The average annual income of the majority of the members of co-operative societies which have brought in only very poor men in them is either nil or so small as to hardly suffice to meet the annual interest due by them.

(3) Co-operative Societies cannot be said to have effected any improvement worth the name in the economic condition of the ryot. But they were instrumental in bringing down the general rate of interest on loans in rural areas.

(4) Suitable measures should be taken to increase the income or reduce the expenditure of the agriculturist or do both simultaneously.

(5) There is plenty of scope for work for the departments not only of co-operation and agriculture but also of industries towards the uplift of the ryot population.

(6) The achievements of the agricultural department are confined to discoveries of the advantages of seed selection, the use of lower seed rate, single seed transplantation, deep ploughing with improved ploughs, green, fish and chemical manures, use of better varieties of sugarcane set and cotton seeds.

(7) The achievements of the Industrial Department from the point of view of the agriculturist are practically nil, it having done no work in the direction of finding out only small and home industries suited for introduction into rural areas to be practised by the ryots as subsidiary occupation. Whatever may be the view held with regard to the usefulness hitherto or otherwise of the agricultural and industrial department, one may safely assert that the agricultural and industrial departments have got special work to do as expert departments to aid agricultural and other industries, big and small. Small cottage industries hitherto carried on in villages can be easily revised by co-operative methods. The industrial department is expected to offer suggestions and to stimulate the growth of industries to be carried on a fairly sound commercial basis. The agricultural department has also to devise methods for getting intense cultivation

of valuable commercial crops by cheapening the cost of production, and of labour. It may not be directly useful to individual agriculturists at present but its aim ought to be much higher than 'a mere aid to small agriculturists : whether these two departments have been conducted in the right lines and in the right spirit with the help of really efficient experts is a matter outside the scope of our enquiry. The author of the article makes a suggestion that the activities of the three departments, Co-operation, Agriculture and Industry should be centred in one set of individuals and that all educative and propaganda work in the direction of improving the lot of the agriculturist economically, agriculturally and industrially should be done by them. With this as the basic idea of his scheme, the author suggests (1) that Deputy and Assistant Registrars and Inspectors of the co-operative department should be selected from the Grade of Deputy and Assistant Directors of Agriculture and from the passed students of the agricultural college, the necessary co-operative training being given them.

(2) that co-operation, book-keeping, Banking and Minor Industries should be taught as additional subjects in the agricultural college.

(3) that the three Departments should be placed under "a Development Commissioner," a senior Indian I. C. S. officer of first rate ability and experience with 3 secretaries from the P. C. S. well versed in co-operation, agriculture and industries respectively.

The entire scheme promulgated by the author is a combination of the three Departments into one from the top to the bottom and such a scheme in his view is expected to cost very much less than what they cost now and to work more efficiently for the benefit of the rural population.

Everybody is aware that the three Departments want men whose profound knowledge and experience in the subjects appertaining to each department should be disseminated to the people as cheaply as possible making the people work their own salvation themselves. What is wanted is not administrative officers versed in the art of running departments of the bureaucratic type for which men of the I. C. S. and P. C. S. have been admittedly trained in a satisfactory way but men with expert knowledge which must be transmitted to the masses in a form assimilable by them and so as to be really economically beneficial to them. The solution suggested by the author of the article even if accepted in entirety would not give scope for the industrial activities of the country being placed in a progressive state.

Apparently, the author wishes to secure a solution of the question of economic uplift of the rural population. This can be done only by the co-operative movement which should be re-arranged on a sound basis with the aid of State financial help, wherever necessary, besides expert advice and guidance Minister. Co-operators, while tackling the problem of rural reconstruction, have to solve the problem of how to strengthen the movement in rural areas and they would gain very little by making suggestions how the three departments

should carry on their work. Hence I would draw the attention of the co-operators to the first portion of the article which tabulates the causes for the setback in the working of the co-operative movement and to arrive at a solution of the problem of the rural reconstruction by adapting suitably the working of the co-operative organisations in the direction of credit, agricultural improvement, purchase of agricultural and domestic requirements, profitable marketing of crops and other non-credit activities both agricultural and industrial.

A. VEDACHALAM.

II

THE SOUTH ARCOT DISTRICT CO-OPERATIVE BANKING UNION LTD.,

To

THE REGISTRAR OF

Sir,

Co-operative Societies, Madras.

With reference to your communication dated 5-1-26, regarding the levy of profession tax by the Municipality, I have the honour to inform you that I received this morning a copy of Municipal Council's resolution No. 16 dated 25-1-26 on the subject in these terms :—

Resolution No. 16 : Read letters from the following co-operative societies, requesting to refund the companies tax paid by them, in accordance with G. O. No. 2949 L. & M. dated 17-8-25.

(1) South Arcot District Co-operative Banking Union Ltd.

(2) and 6 other co-operative societies.

"The amounts that we paid within six months may be refunded after deducting the profession tax due. The rest of the claim will be taken for consideration after the decision in the suits pending, regarding the question of limitation."

(2). It will be seen from the above that the Municipality is not inclined to refund all the amounts collected by way of companies tax as demanded by us in our communication to it dated 29-8-25. It is prepared to adjust it towards profession tax and pay the balance in respect of the amount paid within six months, but that so far as the amounts paid prior to the period of six months are concerned it prefers to await the decision of suits pending in the local Munsif's Court on the question of limitation.

3. I must state that on both the points the Council assumes a wrong attitude. In the first place, the resolution in question runs counter to the G. O., Mis. 4302, L. & M. dated 24-11-25 according to which the claim for the refund of companies tax collected before a period of 3 years is barred by limitation under Art. 62 of the Indian Limitation Act and that limitation will run from the date of collection of the tax. The Municipality seems to think that the period of limitation is 6 months, despite my contention to the contrary in my letter to the Municipality dated 26-11-25, copy of which had already been sent to you on 30-11-25. The shorter period can apply only in cases coming within the purview of the Act, but when the collection is *ultra vires* the

powers under the Act, the ordinary period of limitation applies. Moreover, that portion of the G. O. relating to the refund of Companies tax after deducting the profession tax payable by them for 3 years runs counter to the recent decision of the Madras High Court reported in Vol XX. The Law weekly, page 619, where Mr. Justice Jackson has clearly held that a Municipal Council cannot impose charges not under the authority of the Act and then when a suit is filed for their recovery, allot the money thus unlawfully obtained to some demand alleged to be under the authority of the Act.

4. Para 4 and 5 of G. O. No. 2967, L. & M., dated 18-8-25 in regard to the assessment and collection of profession tax with retrospective effect are not all clearly worded. They relate to suits by Municipalities against the assessee under certain conditions. But so far as the time of classification and assessment is concerned it can't be done at any time. The question now arises, having found that the levy of Companies tax is illegal, if it is any longer open to the Council to classify and assess now for the past 3 years especially in view of para 5 of the said G. O. which cancels the orders issued in para 5 (b) of G.O. No. 1972, M., dated 18-12-18 issued when the old Act of 1884 was in force, to the effect that the assessment of profession tax in Municipalities cannot be made in the 2nd half year with retrospective effect for the first half year. This undoubtedly shows that until the date of cancellation the original order was in force, so that for periods prior to 25-8-25 there can be no such retrospective classification and assessment, though when once an assessment was made, a suit might have been instituted against the assessee within 3 years thereafter. In fine my point is that, even assuming we are liable to pay profession tax, which I dispute, we cannot now be assessed for 1924-25 and prior thereto. The amounts collected for those periods have to be refunded absolutely. The Municipality can only recover from us what is legally recoverable.

5. With a view to get in touch with what is happening in the case of other Central Banks, I issued a circular on 28-11-25, calling for particulars therefrom. As many as 26 out of 31 Banks to which reference was made have replied. Of these one is not situate in any Municipal limits, 4 have been assessed to profession tax, 5 have been addressed by the respective Municipalities for profession tax while 5 others have been paying only profession tax. The Madras Christian Central Bank has also protested to the Corporation against the levy of profession tax. The Krishna Bank addressed the Collector and got exemption from payment of Companies tax and thinks that the exemption holds good even to as to profession tax now. The result of this will be that Central Banks will have to pay a much larger amount by way of profession tax than by way of Companies tax. It could not have been the intention of the legislature to tax co-operative societies on the basis of annual net profits. Even then the arriving at figures for the purpose presents a lot of difficulties as enumerated by me in a previous reference to you.

6. In this connection it may not be out of place to invite your kind attention to the Bill relating to the amendments to the Madras District Municipalities Act

published in the 19-1-26 issue of the Fort St. George Gazette. It clearly lays down under Sec. 4 that co-operative societies are not companies, but that so far as profession tax is concerned, it proposes to classify co-operative societies among persons liable to pay that tax, on the basis of the net profits of a society in such manner as may be prescribed (vide page 39, Rule 17 (5).) I am asking the local representative in the Legislative Council to strenuously oppose this and to fight for the deletion of this clause altogether. Why should co-operative societies not be freed from liabilities to pay profession tax either. They do not exercise any profession, much less carry on a business yielding monthly or half yearly income. They get only annual income. Moreover, Central Banks in their constitution do not fall in the category of persons defined in the Madras General Clauses Act

7. One other point also emerges for consideration. The Apex Bank is as it were a common ancestor; Central Banks are affiliated to it. Societies are affiliated to Central Banks and individuals form societies, so that the whole thing is a single organisation. Why should such component parts be called to pay profession tax as well as societies to which each is affiliated?

To sum up, my points are these:—

1. The Municipality must refund the amount illegally collected as companies tax subject to the law of limitation.
2. The Municipality cannot levy profession tax on Central Banks, whatever may be the view regarding the levy on rural societies by Taluk Boards and Municipalities.
3. Adjustment of what was paid as Companies tax to profession tax is not permissible.

4. The period of limitation and 3 years from the date of collection and not 6 months.

5. The adjustment, if at all, can relate to sums assessed in the first half year of 1925 and later.

6. The Municipality has no power now to assess for periods during which the order in G. O. referred to in para 5 of the G. O. of 18-8-25 was in force.

9. In the interest of several co-operative institutions in the Presidency I would earnestly request you to consider all the points raised in this as well as in my previous communications on the subject and issue instructions to us. If necessary the matter has to be tested in a Court of Law. Legal opinion may be sought for and the matter finally settled. The whole controversy may also be avoided, if, whatever may be the view regarding the legality of levy of profession tax on societies, the Government may be persuaded to extend this exemption also to them in addition to other exemptions already granted and enjoyed by societies.

I have the honour to be,

Sir,

Your most obedient servant,

(Sd.) R. KRISHNASWAMI AYANGAR,

(True Copy)

Secretary.

R. BALAKRISHNAN,

Manager.

GOVERNMENT OF MADRAS.

Local Self-Government Department.

G. O. No. Mis. 4611 L & M., dated 15th December 1925.

SUBJECT: Tax-Companies-Co-operative Societies in the Madras City-not liable.

Order.

The Government are advised that the expression "incorporated Company" in section 110 of the Madras City Municipal Act 1919 should be deemed to refer to the same class of persons as are liable to companies tax under the Madras District Municipalities Act 1920 and the Madras Local Boards Act 1920. In this view, Co-operative Societies are not liable to the companies tax under the City Municipal Act.

(By order of the Government, Ministry of Local Self Govt).

G. B. COTTERELL.

Secretary to Government.

THE MADRAS PROVINCIAL CO-OPERATIVE UNION LTD, ROYAPETTA, MADRAS.

Co-operative Examination (Advanced Course.)

The following students have been declared to have passed the Co-operative Examination (Advanced Course) held in January, 1926.

I. CLASS.				
Bank.	Registered No.	Name.	Place.	Deputed or not.
1	17	N. Sarangapani	Madras	No
II. CLASS.				
1	57	K. Sankara Nair	Madras	No
2	64	J. Ramanathan	Tanjore	Yes
3	5	R. Sundaravardan	Madras	No
4	67	V. K. Viswanathan	Chittoor	Yes
5	45	P. Muniratnam	do	Yes
PASS.				
1	51	K. A. Somayya	Coorg	Yes
2	59	A. Ramayya	Tanjore	Yes
3	33	Sivasubrahmania Pillai	Travancore	No
4	71	S. Sthanukrishnan	Madras	No
5	75	P. S. Sundaresan	Madras	No
6	74	Appadurai Iyer	do	No
7	36	D. B. Prahlada Rao	do	No
8	54	L. R. Jagadesan	do	No
9	43	V. Krishnan	Trichinopoly	Yes
10	55	M. Palanichami	Madras	No
			Madura	Yes

Bank.	Registered No.	Name.	Place.	Deputed or not.
11	58	M. O. Ipe	Travancore	No
12	65	P. Paktavatsalam	Madras	No
13	41	R. Sundaresan	Tanjore	No
14	23	G. Gouripathi Sastri	East Godavari	Yes
15	4	R. Jagadeswara Rao	Vizagapatam	No
16	12	P. Gopala Nair	South Arcot	No
17	40	U. L. Rama Rao	Madras	No
18	13	S. Venkatasubba Rao	Trichinopoly	Yes
19	62	S. Krishmachari	Madras	Yes
20	3	D. V. S. R. Krishnayya	Guntur	No
	7	K. Rajan	Madras	No
	19	M. C. Ram Mohan Rao	Chittoor	Yes
	44	C. P. Radhakrishnan		No
	50	B. M. Chengappa	Coorg	Yes
	68	S. Doraiswami	Madura	No
	82	S. V. Nataraja Iyer	Madras	No

It has been decided by the Education Committee of the Madras Provincial Co-operative Union to give all students a register containing the percentages of their marks.

G. SRIRAM BABU,

Hony. Joint Secretary.

LIST OF SOCIETIES REGISTERED DURING THE MONTH OF FEBRUARY 1926.

Name of the Circle or Dt.	Number of Societies Registered.
1. Agency Section.	Nil
2. Coimbatore Section.	5
3. Bellary circle	7
4. Bezwada circle	13
5. Vizagapatam circle	7
6. Tinnevely section	13
7. Madura section	15
8. Vellore circle	9
9. Trichinopoly circle	19

LIST OF SOCIETIES REGISTRATION OF WHICH WAS CANCELLED IN FEBRUARY 1926.

No.	Name.	District.	Date of Cancellation.
3389.	Adur Sri Mallavara Co-operative Society.	S. Kanara	16-2-1926

*ACTION TAKEN ON THE RESOLUTIONS PASSED AT THE XIII PROVINCIAL CO-OPERATIVE CONFERENCE

BY THE REGISTRAR OF CO-OPERATIVE SOCIETIES, MADRAS.

1. *Resolution No. IX.* "This Conference reiterates the opinions expressed at the last conference in regard to the rules framed by the Government pertaining to Housing Societies."

Registrar's reply. "With reference to the resolution of the conference quoted above, I have the honour to state that Government have since passed orders raising the limit of borrowings by a building society from 3 to 4 times its paid up share capital and that of an individual borrower from 4 to 5 times his paid-up share capital. Government are not prepared to reduce the rate of interest."

2. *Resolution No. XII. (Clause 2)* "That the rate of interest on fixed deposits be half per cent less than that obtaining for the central bank loans."

Registrar's reply. "With reference to clause 2 of Resolution No. XII of the above Conference, I have the honour to point out, that it is not sound business for rural credit societies to offer the same rate of interest on fixed deposits, at which they can borrow from the central banks. Loans from the Central Banks have certain advantages as compared with deposits viz: (1) they can be repaid in instalments (2) advance repayments can be made at the convenience of the borrowing society, abatement of interest being allowed on all such repayments (3) they can be obtained just when required, and subject to certain limitations, for the period most convenient to the borrowing society."

3. *Resolution No. XVIII.* "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."

Registrar's Reply "With reference to resolution No. XVIII passed at the above conference, I have the honour to inform you that the model by-laws of local unions will be suitably modified."

4. *Resolution No. XXXIV.* "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."

Registrar's reply, "With reference to the resolution quoted above, I have the honour to inform you that the matter is still under correspondence with Government."

5. *Resolution No. XXII.* "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."

We are informed by the Registrar that copies of this resolution have been forwarded to all Irrigation Societies.

* See page 211 of October 25 Bulletin p. and 292 of November 25 Bulletin for the two previous instalments of the same.

NOTES AND NEWS.

We are thankful to the authorities of the Postal and Railway Mail Service Co-operative Benefit Fund Ltd., Madras, for having sent us a copy of the bylaws of their newly started society which has been registered as a Co-operative Society. The idea of starting an Insurance Society under the co-operative Act has been engaging the attention of Co-operators not only in this Presidency but in other Provinces like Bombay for some time, and we are told that Bombay is seriously thinking of starting an Insurance Society and is getting the By-laws ready. The last Provincial Conference of Madras appointed a Committee to go into the subject but as far as we are aware the Committee has not done much. Let us hope that the existence of this new organization will create more enthusiasm on the part of those who want to introduce the Insurance Branch of Co-operation. It is well known that in England Co-operative Life Insurance is one of the most important activities.

We are glad to note from the copy of report of the Y. M. C. A. Rural Reconstruction Centre at Ramanadapuram in Coimbatore District that it has been doing silent but very effective work. The activities of the centre are manifold and prominent amongst them are running of Co-operative Societies and the training of members on Co-operative principles reviving of Cottage Industries, and the art of Indigenous Dyeing, introducing important methods of agriculture and poultry farming and adult education by means of exhibitions and theatres. The authorities in charge of the activities deserve our hearty congratulation for doing this kind of work which alone is bound to regenerate India and not the tall talk upon public platforms in crowded cities.

The P. C. U. and others responsible for organising of training classes for co-operators will do well to learn a lesson from the Y. M. C. A., and Y. W. C. A., who very often combine business with pleasure. They hold

training classes on various interesting subjects during summer holidays when many persons will be free. But they make such classes attractive by holding them in health resorts like Ooty. It would be a grand idea if the next training class to be organised by the P. C. U., be held at Ooty in the summer of 1927. We are sure the co-operators of the Nilgiris will give us all facilities by getting comparatively cheap accommodation and by arranging for the boarding of students and lecturers. It is true the scheme would be a bit more costly than if it was conducted in Madras; but the additional cost would be more than compensated by the increased efficiency of workers under the salubrious climate of the Blue Mountains. This suggestion is well worth the serious consideration of the authorities concerned.

**Popularising
Co-operative Literature.**

We have been requested by the editor of Behar and Orissa Co-operative Gazette to see that the copy of the valuable journal sent to us in exchange for our own Bulletin is circulated amongst more readers. We have on more than one occasion expressed our willingness to circulate amongst earnest co-operators who wish to avail themselves of such an opportunity to give every facility to read any magazine we are getting in exchange for our journal and we extend that offer to this magazine in particular, as the authorities themselves are anxious to see their magazine more widely circulated.

**Another Well-
come Addition.**

We have great pleasure in acknowledging the receipt of a copy of the Co-operative Journal of the United Provinces published at Lucknow. It is a beginning and we hope that in course of time it will grow into an effective propaganda organ for that vast and fertile Province taking the Gospel of Co-operation to every nook and corner of that Province.

**Science Saddled
by Man for his use.**

Early last month the public of the City of Madras had the satisfaction of seeing, more as a thing of curiosity, some aeroplanes that took part in the Army, Navy and Air Force Tournament. But in other countries aeroplanes are not mere curiosities but are used in furthering useful purposes. One of the recent numbers of the Farmers' Gazette from South Africa contains a photo of an aeroplane which comes to the aid of the agriculturist in locating the areas of his pest and in spraying dis-

infectants. It would perhaps be some years before we can aspire to do anything like that but it will do us good to know how the world is getting on.

**A Literary Ven-
ture.**

We have received a copy of the poem entitled 'Apostrophe to Co-operation' composed and read by Mr. Kesava Ayyar, one of the Ex-Directors of the Madura District Registration Department, Public Servants' Co-operative Society at the General Body Meeting of the above Society. We are sorry that lack of space prevents us from publishing the poem but any amongst our readers who may be literarily inclined may write to us and get for perusal and return, the Poem mentioned above.

**A Possible
Misinterpretation
Corrected.**

Our attention has been drawn to the fact that our note upon 'A warning and Severe Lesson' published in pages 493 & 494 of February Bulletin is likely to be misinterpreted in the sense that we do not approve of the Registrar's choice of Mr. Siva Rao as a non-official Representative deputed to attend the Conference at Bombay.

We hasten to repudiate any such intention on our part. We know that Mr. Siva Rao is one of the great pioneers of the Movement in the Presidency and if the Registrar had consulted the P. C. U., the P. C. U. could not have chosen a better man to represent the Non-official Co-operators of Madras. Our enumerating the qualifications of the present members of the Governing Body was intended merely to show how influential the P. C. U. is, and not at all to produce the impression that any one of them is better than Mr. Siva Rao. Far, far from it. We took objection to the procedure and not to the person. The Registrar is to be congratulated upon his happy choice and no one can possibly take any objection to such a veteran Co operator as Mr. Siva Rao being given the honour of representing our Presidency at Bombay.

**Another Co-oper-
ative Journal.**

We are glad to welcome another addition to Co-operative monthlies, that is, a magazine published by the Travancore Co-operative Institute. We have been favoured with the first number published last month. It is very promising, it contains besides the Editor's 'Ourselves' an article on the progress of the movement in the State by Mr. R. Vaithialingam Pillai, the Registrar of Co-operative Societies in Travancore. We congratulate the editor of the

journal because he was able to secure the article on the 'History of Rochdale Pioneers', from the pen of that great champion of Consumers, Co-operation in our Presidency, Rao Sahib T. K. Hanumantha Rao. It contains an article upon Land Mortgage Bank by Mr. Bose of Bengal. It has also reviews of administration of Co-operative Departments in Travancore and Mysore, a brief account of the Co-operative Week that was recently held in Bombay and many other interesting items.

While wishing all success to our contemporary we cannot but repeat the advice we gave to the editor of the Journal when he wrote to us while contemplating its publication that it would be a good thing if Travancore, Cochin and Malabar were to combine their Co-operative resources, that is, human material and literary talent and co-operative experience available and publish one Journal for the Malayalam speaking population of the West Coast. For after all (excepting a few minor differences which are purely local) the problem of co-operators all over the world are the same. And more so in a small linguistic area like the Southern portion of the West Coast which for administrative purposes is under three sovereign bodies. The Act of Co-operation of India has practically been reproduced in the States of Cochin and Travancore and the method of working of the societies is almost the same in all the three areas and therefore it would be more economical and ultimately more beneficial to all people concerned if there be pooling of the resources available.

Reorganisation of Andhra Sahakara Sammelana.

It is with great pleasure that we give publicity to the reorganisation of the Andhra Sahakara Sammelana as account of, which given below has been kindly sent to us by the Secretary. We hope our sister organisation will turn over a new leaf and do vigorous and useful work in the years to come.

Immediately after the fourth session of the Andhra Provincial Co-operative Conference at Peddapuram, Godavari District, a meeting of the general body of the Sammelanam was held there. G. Ramachandra of Gudivada was put in as Secretary and Mr. G. Venkataratnam of Gudlavalluru as President and Treasurer. But the office and staff being still continued at Misulipatam, it was felt inconvenient to run the institution from a distance. To correct the inconvenience the general body of the Sammelanam again met on 16-5-26 at Bezavada. They unanimously resolved among others that the office of the Sammelanam should be at Gudivada with the Secretary, that the offices of the President and Treasurer must be separate and Dr. N. Siva Rao of Gudivada (at the headquarters) be elected to the office of the Treasurer so as to ensure better co-ordination between the executive and the purse and also responsible and effective control

of the office when the Secretary is out, and that to better facilitate the work of the executive and economise the working expenses, the monthly journal *Sahakari* be published under the responsibility and editorship of the Secretary. In pursuance of the first resolution the office of the Sammelanam was transferred to Gudivada on 18-3-1926. As the old staff could not accompany the office an efficient clerk, who underwent an advanced course of co-operative training at the Madras Provincial Co-operative Union during the last quarter of 1925 was appointed. A self-sacrificing worker is also to join us to work on a part-time. The policy of the Journal will be to give effect to the mandate given by the Provincial Conference at Peddapur and those that went before. The new Management hope, in all humility and faithfulness, to carry out the behests of the highest co-operative ideals and deserve the confidence reposed in them.

G. RAMACHANDRA,

Secretary.

Education Propaganda of the T. U. O.S.

We are glad to be informed by the authorities of the Triplicane Urban Co-operative Society, that they have appointed an Educational Committee and that Committee has met and has resolved upon a course of action regarding propaganda work. They have decided to have at least three meetings every quarter in important places of the City, and we hope, that if this resolution of theirs be strictly adhered to and acted upon, much useful work would be done and the Premier Consumers' Society of the Province would be setting a noble example to other Co-operators in the City and in the Province.

Registrar and the last Provincial Conference.

We extract the following paragraph from the report of the Registrar of Co-operative Societies, for the year 1924-25. As we have already dealt with the subject on more than one occasion we don't make any comment upon it. We leave it to the readers and to the delegates that would come for the coming Conference, to read and understand the significance of it. We hope the coming Conference would not give any occasion for such a remark in future reports.

In my last report I had mentioned that there had been a considerable amount of discussion amongst non-official co-operators regarding the policy underlying the appointment of honorary assistant registrars and the method of their selection. The matter came up at the Provincial Co-operative Conference held in December 1924, and a resolution was passed to the effect that the appointment of honorary assistant registrars should be discontinued and that the Government

should make a grant of the amount spent in connection with these appointments as a subsidy to the local supervising unions to enable them to fulfil their duties in a proper manner when such fulfilment was not possible for want of funds. Very soon after the conference vigorous protests against the resolution began to come in from Dt. Conferences, from local unions and Dt Federations. The policy adopted by Government in regard to this matter was that, while they did not want to force Honorary Assistant Registrars on unwilling unions, they had equally no wish to deprive any union of the benefit of the assistance of an Honorary Assistant Registrar when the continuance of the appointment was in accordance with its wishes. Government accordingly directed me to ascertain the wishes of individual unions in the matter. On a reference made to the 297 unions which were then actually working, 216 unions definitely expressed themselves in favour of the continuance of the policy of appointing Honorary Assistant Registrars and 53 expressed themselves against the policy. The remaining union had not sent in their replies when I reported the results to the Government, but several of them have since submitted resolutions asking for the appointment of Honorary Assistant Registrars for their areas. The Government recently passed orders appointing Honorary Assistant Registrars at the rate of one for each of the unions which have asked for the appointment.

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Vol. XVII.]

APRIL AND MAY 1926.

[Nos. 10 & 11

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(For Detailed Contents, Please see inside.)

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OF THE

FOURTEENTH MADRAS PROVINCIAL CO-OPERATIVE CONFERENCE.

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ERRATA.

Page No.	
	Introduction: I page Line 4 for 'inspiring' read 'unsparing.'
	III page Line 3 for 'advice' read 'device.'
	IV page Line 7 from the bottom. insert 'namely the overdues' after the word 'canker.'
561.	6th line from below : for '3rd March, 1926' read '3rd April, 1926.'
567.	9 (1) for 'is initial self-subordination' read 'this initial self-subordination.'
602.	IV-d. 1st line. Add this Conference 'requests Central Banks to grant extensions in deserving cases but at the same time' notes with regret etc.
613.	1st heading 2nd line : for 'Audit fefs' read 'Audit fees.'
620.	For 'good' in line 2 from the bottom read 'State.'
623.	For 'and' in line 10 from the bottom read 'but.'
624.	3rd line I para 'for audits' read 'pundits.'
..	Last line for 'shares' read 'shoves.'
656.	4th line from the bottom read 'whose' for 'where.'
657.	4th line for 'farmer' read 'former.'
684.	4th line for 'reference' read 'experience.'
..	16th line for 'included' read 'excluded.'
685.	8th line for 'satisfied' read 'fortified.'
..	2nd para 4th line for 'shareholders' read 'shareholder.'
688.	Line 3 for 'adopted' read 'adapted.'
..	Line 4 for 'workable' read 'unworkable.'
..	3rd para line 4 for 'is that' read 'versus.'
692.	5th para line 2 for '60' read '60.'
..	5th para line 3 Add after Bank 'in the districts of Vellore and Chingleput.'
693.	para 7 line 7 for 'these' read 'there.'
..	para 7 line 10 read 'detected' for 'directed.'

dency showing Breeding Stations etc. and specimens of paddy and rice.

Millet. Show case consisting of various prominent varieties of sorgums.

Cotton. Important cotton varieties.

Section III. Crop Botany. Coloured drawings to illustrate water culture experiments, troublesome weeds, specimens dry or preserved in spirit, economic products, oil-yielding grasses, recently introduced weeds becoming naturalised, insectivorous plants, common fodder grasses, physiological experiments to demonstrate respiration in plants and to show passage of air through stomata, and germination test of seeds.

Section IV. Agricultural Chemistry. Charts illustrating the work of the Chemical section, as also specimens of food products, malt, improved cocoanut jaggery, manures etc.

Section V. Agricultural Pests.—Entomology. Show cases of insects of economic importance and general interest and coloured posters and pictures. Spraying and dusting machines, white ant exterminator, insecticides, breeding cages.

Mycology. Exhibits to illustrate the important crop diseases—Cholam smut, chilli fruit rot, palmyra bud rot, arecanut Mahali, cocoanut stem bleeding, grape mildew, sugarcane red rot, sugarcane mosaic. Coloured drawings and actual specimens and charts containing short descriptions of each disease and remedial measures.

Section VI. Livestock. Clean sanitary production of milk; manufacture of cream and butter. Breeding bulls.

Section VII. Agricultural Implements. Ploughs, seed drill, harrow, hoe, buck-scraper, mhote wheel, sugarcane mill, jaggery pan, iron gratings etc. Messrs. Parry & Co. co-operated for the success of this section. One lantern lecture was given on the 1st day night on agricultural matters.

The present report of the Exhibition would be incomplete without a reference to the products of the Co-operative Societies received from other provinces. The Amritsar Weavers' Union sent specimen cloths. The Sree Saradha Gudiar Co-operative Society, Sagar, Shimoga, sent the finest artistic products in sandalwood which found also a sale at the Conference. The Bombay Central Co-operative Institute, Maharashtra Branch, sent a chart showing the progress of Co-operation in the Bombay Presidency. The Madras Provincial Co-operative Union exhibited different kinds of charts showing the progress of the movement in India and in the Presidency under various sections. A co-operator friend

Mr. T. M. Rajagopala Iyer, was kind enough to exhibit a pattern King Granary which would store food grain in field or house containing also a simple advice to take out the contents in measured quantities. His granary was a model for kitchen or home stores. The Central Telegraphic Co-operative Society exhibited a ready reckoner disc for calculating interest.

We regret that owing to the delay in the delivery of articles by the Co-operative Societies from Burmah and Bengal, we lost the opportunity of exhibiting them to the delegates of the Conference. The superintendent of the Cottage industries, Burma, arranged for a certain number of Burmese umbrellas manufactured by the Co-operative Hita Society Ltd., Rangoon, to be exhibited at the Conference. We had to return them as they were delivered late by Messrs Binny & Co. The Tannery articles of the Reipura Co-operative Society, Bengal, sent by Mr. Moulvi Fazlal Kasim, Chairman of the Reipura Co-operative Industrial Union, were also received late as not to be useful for the Exhibition Section. We hope that better arrangements would come into vogue by next year for the speedy delivery of co-operative products for the Exhibition Section of the Conference.

BOARDING AND LODGING SECTION.

The spacious accommodation made available for the lodging of delegates by the kind permission granted by the Wesley College authorities for the use of the upstairs halls during the last two years no doubt enabled the Conference Committee to provide boarding and lodging in the same building where the Conference proceedings were conducted. Our thanks to the College authorities cannot be too much for this kind permission granted by them. The system of supply of meals on contract did not work well during the last two years and the change effected at this Conference of direct administration of boarding arrangements by the Conference executive was no doubt a wholesome improvement. The quality of meals was a decided improvement over the old. As regards the lodging section, the provision of a larger number of latrines, and two additional taps during the days of Conference, and the accommodation made available by way of single rooms in the College hostel for 22 delegates were no doubt changes for the better. But we hope that the authorities of the next Conference at Madura where it has been invited by the Board of Management of the Madura-Ramnad Central Co-operative Bank will take a lesson out of our experience and arrange for an ample supply of water which we could not do owing to the impossibility of putting up more taps in the College compound. In this connection, mention should

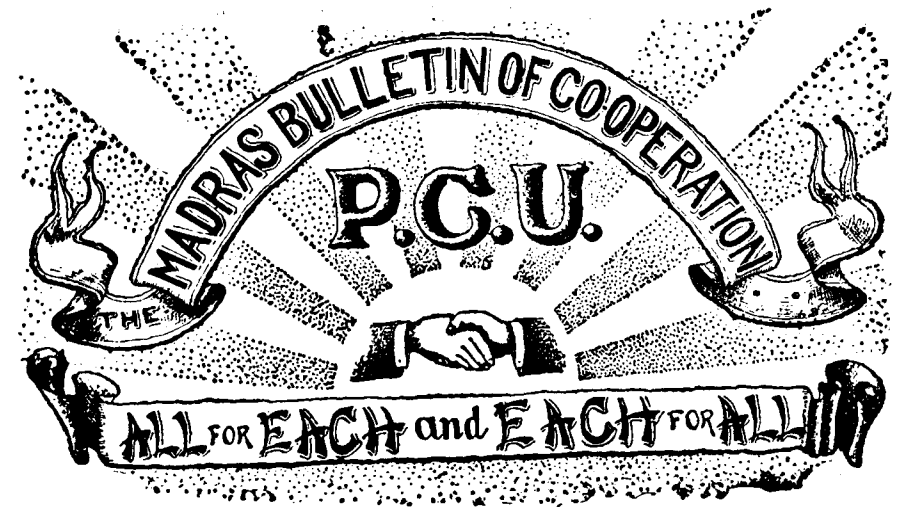
be made of the kindness of the authorities of the Servants of India Society in permitting the use of their buildings by the delegates during the Conference days.

CONCLUSION.

Full proceedings of Sub-Committee meetings and the open Conference appear elsewhere in the bulletin.

One fact on which the Conference should congratulate itself rightly is that it was served in most of its work by the two co-operative societies in Madras, namely, the Central Co-operative Printing Works and the Triplicane Stores. The former did all printing work for the Conference and the latter supplied all articles of consumption for the boarding section.

Judged by the nature of the subjects discussed, the high level of debate and the keen interest taken by a very large number of delegates from different districts, the present conference should be held to be an epoch-making one. In its representative character it easily tops the previous Conferences. It has outlined the broad principles and the large policy that should be followed by the Madras Provincial Co-operative Union. It has settled the definite relationship that should exist between the financing and the supervising sections of the movement. It has decided on a programme of action for eradicating the movement of the one serious canker which is eating into the vitals of the movement. Pressure of space, the exigencies of time and the heaviness of cost forbid us from publishing in the current member, the list of delegates who were present at the Conference. We only pray for more light and strength to the movement so that the Provincial Conference may grow into a business body of expert co-operators, taking stock of its progress year by year, consolidating its achievements, and pressing steadily towards the goal.



VOL. XVII.]

APRIL 1926.

[No. 10

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XIV MADRAS PROVINCIAL CO-OPERATIVE CONFERENCE.

WELCOME ADDRESS

BY

RAU SAHIB T. K. HANUMANTHA RAU,

Chairman, Reception Committee.

(3rd March, 1926).

BROTHER CO-OPERATORS, DELEGATES AND GENTLEMEN,

1. **Welcome.**—The privilege, and a rare one indeed it must be to an insignificant individual like myself, of welcoming you all to this Conference, has been this time conferred on me. And I therefore with a feeling of thankfulness, pride and pleasure, heartily welcome you to this conference, in the name of the

it was not in itself a sufficient motive force to mobilise suffering humanity into an army to route out by peaceful means, iniquity and social wrong brought on by the capitalistic or profit-making instinct. What was wanted was a *spirit of association* which might develop from within or from external causes in a variety of ways. To make my ideas clear to you on this point, I cannot do better than to quote the words of a co-operator of this city who while presiding over a similar co-operative conference elsewhere has expounded "co-operation" from a religious or spiritual point of view. Says he, "A lawyer once asked the Lord Jesus the Christ—'Master, what is the great commandment in the Law.' The Lord said unto him—'Thou shalt love the Lord thy God with all thy heart, with all thy soul and with all thy mind'. This is the first great commandment. And the second is like unto it. 'Thou shalt love thy neighbour as thyself'. On these two commandments hang all the Law. This is religion in a nutshell. This is co-operation also in a nutshell. It is the feeling of Love that makes us co-operate or associate with others. It is the feeling of Hate that makes us dissociate ourselves from others. "There are only two motive powers in this world—one of them is Love, and the other is Hate. The co-operative societies can flourish only on Love not on fear or hate." Co-operation is symbolised by the claspen hand, and its antithesis 'competition,' the method of capitalism, is symbolised by the tigerish claw.

Thus the principle of universal brotherhood translated into the domain of daily business transactions like buying and selling, lending and borrowing, and so forth, constitutes what we call Business Co-operation.

6. Co-operative Credit in General.—"Although Co-operative Credit without real estate security has been *implanted* in all European countries with a few exceptions, has been *introduced* into Africa, Asia, America and some island colonies, and is now being *agitated* for agriculture throughout the civilised world, it is nevertheless of recent growth and *has attained great success only in a few*. Nowhere has its first organisation been due to the farmers or those directly benefited by it. Its original organiser in each country has been some one man or set of men above the necessity of borrowing through it and not engaged in agriculture. As a rule the farmers did not use co-operative credit until the city folk had shewn the way." Rural Credits-Herrick.

7. Co-operative Credit in the Madras Presidency and its shortcomings.—At the end of the official year ending 30th June 1925 there were 10816 societies with a membership of 690,740 representing 1'63 per cent of the population. The total working capital employed in the movement at the end of the year was 508'93 made up as follows :—

Paid up share capital	...	Rs. 106'12 Lakhs
Deposits of Individuals	...	" 350'77
Reserve Fund of Societies...	...	" 39'50
Loans from Government	...	" 12'54

Co-operative development in Madras has been one sided, viz, on the side of credit. The non-credit side of the movement is indicated by the following remark from Government:—"The department has been making attempts in this direction, but the success achieved has not been appreciable." Are the credit activities of the movement towards which the Government who initiated it are spending between six and seven lakhs of Rupees every year, carried on successfully so as to confer on the agriculturists for whom it is mainly intended, the expected prosperity and relief from their sufferings? What have the twenty years of co-operative efforts in agricultural credit come to? This is the first and the foremost of the problems to be solved by every co-operator. In the earlier years of our progress, it was given to us to congratulate ourselves on the progress made in all directions as indicated by the figures representing capital, membership, Reserve Fund, Borrowings and Loans and such other measurable signs of growth as might be obtained from official and non-official documents. But now, the figures that show a most noteworthy advance are in the direction of overdues, a circumstance which makes us hesitate before accepting congratulations on the progress made. We have to stand a good deal of public criticism. That part of public opinion which is favourably disposed is prone to admire the progress of the societies to a much greater extent than is good for the movement. The attacks of opponents without expert knowledge and the desire to know the truth are worthless. The movement however stands in need of criticism for the sake of its sound development. And in our Province eminent co-operators both official and non-official, whose position in life, knowledge and co-operative experience are a guarantee for the *bona fide* character of their criticism, have through the Press and from the platform given expression to opinions on the present position of the movement which go to shew that all is not as it ought to be with our co-operative system. Progressive figures in the matter of deposits, membership, and loans have been cited no doubt as evidence directly of public confidence and indirectly of the efficiency of the co-operative system. This public confidence measured by the free flow of deposits into the Central Banks is based primarily on the following circumstances :—

- (i) Unbounded faith on the part of the people with money, in Government supervision, audit and control,
- (ii) The high rate of interest allowed by co-operative central banks as compared with joint-stock banks ;
- (iii) The security furnished by the unlimited liability of the members of the rural societies.

While on the subject of public confidence it must be observed as a noteworthy fact that the primary societies rural and urban are looked up to by its members and general public more as institutions borrowing than as places for the safe custody of savings. It is worth while examining the causes of this apathy on the part of the people who save, towards Co-operative Societies.

The central banks which are financing the movement are getting farther and farther away from having the necessary touch with primary societies. The

humanity which Co-operative Education has to penetrate. Next to this comes a clear knowledge of the history and theory of Co-operation.

May I be permitted to ask in this connection who has a greater interest in the welfare of a Co-operative Bank, primary, secondary or tertiary? The man who has earned, saved and deposited his savings in the bank or the one who merely borrows? Whose confidence is it worth the while of the Bank to secure that of the borrower, or that of the man who looks to a place for depositing his savings? These questions are suggestive of the answer.

10. The motive of Co-operative effort is service not Profit.—

The next thing to remember is that co-operators do not accept the capitalistic idea that creation of wealth can only be stimulated by the profit-making instinct. It is maintained by co-operators that avarice and desire for self-gratification are not the sole wealth-producing motives. Marshall in his great work on Economics tells us that—"the accumulation of wealth is governed by a great variety of causes; by custom, by habits of self-control and forecasting and realising the future; and above all by the power of family affection." Robert Owen extended the sphere of this affection from the narrow circle of the family to the wider world of the community. He had the faith that custom, self-control, intelligence and emotion would be moulded and leavened by an all-pervading love of humanity and in that way would become a great wealth-producing force. For in contradistinction to the competitive formula, "Each man for himself and devil take the hindmost", he declared "that the happiness of self clearly understood can only be obtained by a direct conscious service of the community." Thus the profit maker of the capitalist world is replaced by an ideal civil servant." (*Miss B. Potter—The Co-operative Movement.*)

11. Non-Credit activities.—Consumers' Co-operation.—

To those who have a close acquaintance with the co-operative activities in western countries, it must be very clear that the credit side of the movement which has been developed in India at the initiative of the State, even if it should be successful in accomplishing all that is claimed for it, will not carry us very far in solving the economic problem of India *i.e.*, the poverty of its people. No country in the world has hoped to save its people from poverty merely by creating facilities for borrowing. There are strong reasons for believing that in many cases credit facilities have tended to increase the ryot's indebtedness, than to lighten it, with no counterbalancing advantages. Credit is only one of his requirements. What about his ignorance of any but primitive methods of agriculture? Would credit give him the necessary agricultural education? What about his other agricultural needs, implements, fertilisers and the like? Does credit give him that? Does he succeed in marketing goods to advantage without a middleman? Is he able to help himself? The State which has given him co-operative credit is solicitous about its revenue being collected co-operatively. Note what the Collector of Tanjore said the other day in his Presidential address about Co-operation and kist collection.

Heaven take care of his concerns private and professional! I know of a benevolent landlord who found in the Co-operative Credit Society for his tenants a short cut to his rent collection. Neither state nor landlord nor the co-operative movement seems as yet to have done much for him. Some time ago I remember a friend of mine who was vice-president of an agricultural association in a Mofussil Taluq, telling me his experience in a meeting of the ryots of a village held by him under the orders of the Collector for enlisting them as members of an agricultural association to be formed for their benefit. When the address was over, the leading ryot of the village rushed to him and enquired what he had to pay, evidently meaning that the meeting was a device to collect a toll from them. My friend said that it was only two annas for the whole year. Then the ryot at once begged that he and his fellow cultivators should be let off with the two annas. My friend did not succeed in persuading them to believe that they would be amply rewarded by the membership with its many advantages. The ryots were very sceptical and said that the Collector who could not carry on the agricultural association without two annas from them could not do much for them. Could he give them the rain which the lands need very much or even some money wherewith to buy cattle? My friend was very much surprised at the shrewdness and scepticism of the ryots about help from Government or its officials.

In these circumstances is there any help from any other quarter for the salvation of the ryot from some, at least of his multifarious needs among which may be mentioned—knowledge, purchase of household and professional needs sale of Produce and such like matters? I say there is some help which could be secured from consumers' co-operative societies, should they be developed in large numbers in towns and even villages. The potentialities of consumers' co-operation are hardly understood in this country where neither Government nor the people value them at their proper worth. The story of consumers' co-operation after the Rochdale Model which originating in England has now spread widely and is still spreading gradually all over the world, is too well known. Its influence in bettering the condition of the Industrial Workers in towns by enabling them to become owners first of capital, then of ability to utilise it for productive enterprises of all kinds, made people think that consumers' co-operative societies were suitable for towns and not for villages. The relation between the consumers' societies of towns and the agricultural co-operative organisations in rural areas have been closely studied in Europe by Co-operators, especially by those leaders of co-operative thought who periodically assemble in the International Co-operative Congress where they confer on all matters of universal interest to co-operators. They have come to the conclusion that all forms of co-operation should be consolidated to form one movement with a common aim, with the separate parts working complementarily to each other. Producers and consumers have identical interests. The agriculturists by their co-operation produced food in excess of their requirements and wanted a market for their produce. The organised consumers wanted a

market from which to obtain food under honest conditions of quality and price, without recourse to *profit making capitalistic intermediaries whose maxim is to pay as little as possible to the producers and get as much as possible from consumers*. These two parties may discover each other and transact business to the benefit of both. Both had the same motive in their dealings, service but not profit. The consumers' associations required not only agricultural products but also other things needed for the well-being of man. If workers in other fields of production could co-operate in co-operative workshops, the consumers, societies would form a ready and willing market for them. The co-operative organisations all over the civilised world are undergoing a new orientation particularly under the influence of that greatest of all co-operative organisations viz. the International Co-operative Alliance which in the economic field is working for the attainment of the same object as the League of Nations in the political field viz. universal peace among the nations of the world. Dr. Hans. Muller and a few other co-operators of international fame have been working in this direction viz. that of co-ordinating the activities of the various forms of societies not only of one nation, but of different nationalities; a small extract from his paper at one of the International Congress and I would have done. He says—

"Co-operative retail societies are frequently thought to be dependent for their success upon the thick smoky atmosphere of towns and industrial districts, and as incapable of developing pure air of the country in the midst of meadows and cornfields".

"This notion which, if correct, could not but gravely compromise our movement, is evidently the outcome of the fact that hitherto it has only been possible to encompass industrial districts and trade centres with a thick net-work of co-operative organisations, whereas the population engaged in farming and other agricultural pursuits have hitherto managed to evade our grasp."

"It is an indisputable fact that up to the present the industrial working classes have been the supporters of consumers' organisations".

"Does this however give us the right to take for granted that consumers' Co-operative Societies must necessarily be situated in towns and industrial quarters in order to attain a vigorous development, and that the boundaries of a village and of farm settlements form for them an impassable barrier?"

"Fortunately we need not make use of long theoretical deductions in order to refute such a notion, but can point out a series of facts which show indubitably that the rural population is accessible to co-operative organisations and that the conditions necessary for their development are often found among country folks in a much higher degree than amongst the inhabitants of our great towns. Denmark, Switzerland, and more recently Finland prove that great success can be attained by co-operative retail associations in rural and semi-rural

districts and that the peasant is in every way as well qualified for a co-operator as a mechanic".

In England, big societies in towns took upon themselves the task of spreading this form of co-operation among the agricultural class and the experience of the Lincoln, Peterborough and Grimsby Societies are one record. Stated briefly the agricultural class in one county simply through the action of one big town society have obtained the following advantages :—

- (i) Shops in which they are co-partners, where all goods are sold at town prices instead of the higher prices which formerly prevailed.
- (ii) Possession of £ 21,770 of capital which has come to them as dividends on the goods they have purchased at their stores.
- (iii) A market at their own doors for a portion of their own produce, thus saving market tolls and railway rates ;
- (iv) A Bank which, in addition to receiving their deposits of small savings, grants them advances from withdrawable capital for their recurring needs.
- (v) A source whence money can be borrowed on mortgage at a fair rate of interest and on easy terms of repayment ; and
- (vi) Constant contact and interchange of ideas with town workers.

12. **Conclusion.**—It would all look to some of you like a dream. Do not be afraid of being dreamers. It is dreamers that have built up this vast edifice of co-operation. 180 millions of people in the world are fulfilling the dreams of the eminently unpractical beggarly dreamers of Rochdale. If you have known the beginnings of some of our biggest institutions, you would surely not think of me as a dreamer. Co-operative education and propaganda with missionary zeal directed first to towns and then to villages around, pointing out clearly the economic and moral advantages of such a scheme are the things wanted.

I eagerly wish that the rising generation of educated youth must be trained for this work. Their salvation and the salvation of our country are bound up together. Co-operation points to a Land of Promise.

Gentlemen, my time and your patience must have reached their limit by this and so let me conclude in the words of one of world's greatest co-operative thinkers :—

"I think I see as it was above the hilltops of time the glimmerings of the dawn of a better and nobler day for the country and the people I love so well".

intercourse impossible and if any good should accrue therefrom, they would imply the existence behind them of smaller conferences comprising huge language areas. The Andhras belonging to a tract of country as big as Italy and five times the size of Serbia or Belgium and twice the size of Scotland or Ireland, have just held a conference of their own. That again implies the existence of a permanent organization behind it,—an Andhra Sahakarasammelan. If likewise you organize a Tamil Sannelan, a Kannada Sannelan, and a Kerala Sannelan, and if all these be federated together into the Madras Provincial Co-operative Union having one Registrar to quarrel with and one Government to agitate against, and if fraternal delegates from each sub-Provincial area attend and carry greetings to conferences in another area and if the activities and ambitions of all are co-ordinated by the Madras Provincial Co-operative Union, which will then become a pucca business body, then we shall be proceeding on correct lines of internal non-official organization and then your invitation to me to preside may have some meaning.

3. Gentlemen, it is the convention of the day to inaugurate the Conference with an address. How it is to be wished that like the preface in Waverley, the convention were shifted from first to last. But it requires supermen to change these conventions which are after all the embodiments of the wisdom of our elders and which their juniors cannot lightly set aside. The Co-operative Movement seems such a small drop in the ocean of Indian politics. Yet it is an ocean in itself. It has neither a beginning nor an end. We are in its midst. We must hold our sails aloft to the shifting winds and complete our voyage. People are apt to look at the Co-operative Movement askance. It does not expose them to the lime-light. It entails upon its votaries on the contrary laborious striving in the penumbras of village life. The dust of the streets and the slush of the villages is your jurisdiction. Village factions constitute your environment. Misappropriations greet you all round. Occasionally a meddlesome officer may add to your difficulties and is very apt to make you equally officious and boring. Your own directorate is not unlikely to look upon your work with a certain measure of suspicion or even jealousy. You have to maintain in poise your affections between the individual shareholders who have a single eye to their nine per cent dividend and the village societies who look upon Co-operative money as manna falling from Heaven. The former even apart from dividends are loathe to part with money for loans readily, the latter are grabbing and inescapable. Work is becoming in the meantime too heavy for the slender staff and every additional hand required involves a huge effort which when put forth by a discerning secretary is apt to

reflect upon him some little discredit for being supposed to be overzealous or obstinate and domineering. The little honorarium is at times grudged by the Board, while there is none else to take up the labour. People would sooner import a raw hand and pay him a handsome salary than reward an old worker. Jealousy is as detrimental to progress as selfishness. To survive all these trials and tribulations requires tact, energy, a disinterested spirit, business capacity, a financial sense, and quick judgment and above all, a sense of responsibility.

4. Why then should you regard the Co-operative Movement as a depressed class mission, one for the minor characters on the political stage. It is our first rate men that must interest themselves in this movement. It is not merely an economic movement, it has its own social bearings, its philanthropic virtues, and its moral issues. All these make up your politics and to that extent and in that sense the Co-operative movement does constitute a plank in the political platform. What is politics after all but the science that promotes the well-being of the people? And which can conduce to the promotion of citizenship than that organisation by which men band themselves together and bind themselves to help one another financially, watch one another's conduct, control one another's affairs, borrow jointly, pool their obligations, distribute money equitably, repay in time, and promote the respectability of the village banks? What else is a better training in corporate efforts, a better essay in self-government, a better instance of constructive reform? If people are earnest about Swaraj, let them not lisp the soothing words, "*Village Reconstruction*" and stand aloof from this thrice blessed movement of Co-operation which deserves the devotion of our best men—each working village society if possible.

5. So beneficent a movement as this, so vast in its proportion, so far-reaching in its results, at once so humanitarian and economic in character, requires a comprehensive examination. Let us imagine for one moment that the various ramifications of the movement which are haphazard in their growth did not exist, that we are turning the sod afresh, sowing and manuring for the first time. How would we order things and develop this wonderful arborization? You have in it the trunk, the roots below and the branches above. The towns with their 31 Central Banks are there, the villages with their 11,000 societies are there, the apex bank is there. Parallel to and more or less unconnected with these financing agencies are the District Federations in towns with supervising unions in Tahsils and a Provincial Union in the city. There is precious little earthly connection between the Madras Central Urban Bank Ltd., which is the Apex Bank for the Presidency and the Madras

Provincial Union. Likewise is there little vital connection between a Central Bank and a District Federation except that the former sends two representatives to the latter, and one to the governing Body. Imagine two men out of, perhaps twenty,—what a proportion,—a humming bird's egg, to be sure, in a basket! Fancy all the while it is the Central Bank which is the financial fountain. It contributes to the supervision fund of the Unions but has virtually no voice in the ordering of supervision. It maintains no supervisors of its own and is lost for decision between the Inspectors of the department, the supervisors of the Union, its Secretary and President, the Assistant Registrar and the anonymous letter writer. There is better connection between the village societies and the Taluka Union. If the Taluka Union collects the supervision fund of the Taluka, maintains its supervisors, is composed of representatives of every village society, then that group forms a vitally bound, well organized unit of the movement. It is units of such well-knit composition that we must develop. It is they that must be federated into the Central Bank which would then be a Union Bank, not a Banking Union. In it, supervision and finance would be combined. At present the Central Bank is more like a Treasurer who pays unquestioningly to the order of a Secretary. The Union passes the loan,—that means the President of the Union, the Assistant Registrar where the union is not 'independent', recommends it and the Board of the Central Bank simply registers it in ninety-nine cases out of a hundred and pays. A feeling of helplessness on the one hand and irresponsibility on the other develops in the existing Central Banks. There is also the sense of security engendered by the fact that a high paid Government officer has recommended and that is taken as equivalent to the officer having taken the responsibility for the loan. Would we not much rather throw the Central Bank on its own resources and cultivate in it a sense of real responsibility?

6. The fact is that the movement has grown haphazard. Like the Indian National Congress, it grew from top to bottom. The Congress there and the Apex Bank here were the first growths. Slowly came the village societies. The town organizations which are the District institutions came last. Thus the Central Banks which should be the fulcrum on which the lever must move, have become weak institutions, imperfect altogether, having no comprehensive purpose,—institutions that depend upon the Inspector for Audit, the Unions for supervision, the Depositors for money and the Department for discipline. While this is so, a new growth has appeared on the body corporate—namely, the District Federation. Its only justification is that it may in God's good time, 'take the place of the Co-operative Assistant Registrar. A logical development of this view would be that for every two or three or four Districts there

should be a Divisional Federation to function as the Deputy Registrar, again in God's good time. The fact is that every new organization requires money, requires an office, requires furniture, and establishment. Who is to pay? Like the District Boards in Local Self-government, the District Federations are a logical perfection, supernumerary, a veritable fifth wheel in the coach. Are not our Tahsils as big as districts or counties in the West? The agency of Jeypore alone is as big as Belgium. Why not then make the Taluka or a couple of Talukas the unit of finance, supervision and ultimately the administrative authority? I invite the attention of the Conference humbly to this aspect of the matter.

7. It is easy to criticize Government, difficult to replace it or improve upon it. A wise bureaucrat always puts the cantankerous critic in office and harnesses his windy, vapoury rhetoric to the hard and heavy coach of administration. This critic soon becomes a worse bureaucrat than the victim of his erstwhile criticism. But the critic has his place in life. He sketches ideals and judges conduct by them. Judgment on these conditions is bound to become stern and unrelenting criticism so long as the ideal and the real are apart. The part played by Government so far is nothing mean. Yet much could have been done during the past five years since the Montford era had been inaugurated if only the men in charge had had the necessary outfit and the required imagination for the stupendous task before them. What the authorities have omitted to do public opinion must supply undoubtedly. But whether the country can ever ignore the part played by Governments in the matter of Co-operation is a difficult issue to answer. After all, the days when Governments can be wooden and mechanical, maintaining Law and Order, collecting revenues and policing the country are over. They have their ministrant as well as constituent functions to fulfil. Education, sanitation and co-operation are ministrant services which form a legitimate charge on Government's resources. Of these co-operation has not become a bone of political contention. How far Government can help and therefore control the Co-operative movement is a vexed question. For the present all that we can say is that you cannot bargain for privileges without incurring liabilities. Government audits and must audit the Co-operative organisations. That is the statute. It won't do this duty without controlling the movement. You ask Government to audit, you solicit quasi-Governmental deposits and you enjoy certain exemptions and concessions relating to Stamp duty, Registration fees, income-tax and Remittance Transfers. You are asking for more. Only the other day the Registrars assembled in Bombay plied Government with prayers. They have recommended that the Exemption from income-tax be extended to income from securities and investments and that all

co-operative societies be exempted from super-tax. The more of concessions you demand of Government the more of interference you court. The Central Bank may dispense with the quasi-Governmental deposits which aggregate to 94 lacs in this presidency. But the village societies would not forego stamp and registration facilities, nor the public the security of Government audit, which together with the ultimate liability at the base of the movement constitutes its bulwark and its chief attraction. But the time has come when we should not importunately pray for concessions. To exempt the co-operator from stamp duty and registration charges is an undue favour shown to one set of taxpayers. To exempt shareholders from income-tax is equally inequitable. We co-operators must cease to look upon ourselves as a depressed class or ask rewards for public work. We must stand on our manhood and above all on our superior morals. Let us not seek adventitious aids by which to attract the public. Let us commend ourselves to the public rather by our business habits, integrity and serviceableness. Let this Conference make itself memorable by not seeking a single favour of Government at least for one year. To ask Government to audit and at the same time agitate for independence is like asking the British to guard our frontier and grant Swaraj unto us.

The fact is that people do not know their mind and politicians occasionally poke their noses into co-operation. Who is to blame if 200 unions nominate Honorary Assistant Registrars when the welken is being rent by cries against the system?

8. Co-operation is the halfway house between communism on the one hand and capitalism on the other. Even in Russia in the midst of the outbreak of Bolshevik activities in the cities of Petrograd and Moscow, the co-operative movement, though it received a setback for a time, has survived the onslaughts of the new cult, while in Italy it is the turn of the Fascists to throttle this truly democratic and beneficent movement. Ours therefore is the satisfaction that we are engaged in cultivating the golden mean between the two extremes. However wide the scope and however protean the manifestations of so comprehensive a movement, the fact remains that in each country or continent, its development receives a particular impress and peculiar emphasis. In England and in the West it is the stores that have received attention, for there there is plenty of money and precious little of food materials. In India you have plenty of food stuffs everywhere and precious little of money with which to buy them. Here you need not obtain your eggs from Denmark, your rice from Burma, your coffee from Ceylon, your wheat from Russia and your meat from Australia. You have all these everywhere and people feel that a

little fraud in weights and measures, a little adulteration in quality, need not matter. The need of the country, the need of the village, the need of the hour is credit, cheap and ready money. That is why in India you have the whole fifty crores of working capital in the movement absorbed by 54,645 agricultural societies as against which you have only 4,529 non-agricultural organizations. The 30 lacs of Co-operators that belong to the 70,000 co-operative organizations are mostly village people, ryots who are out for cheap money. Do you know the conditions on the contrary in England. In 1924 there were only 40 credit societies on the Register. The liability is limited, the borrowing power is 5 times the paid up share capital. The spirit, says Strickland, of the societies contemplated is less co-operative than that of a German or an Indian Society. Hardly any deposits are received, share capital is required to be high. Government lent £ 2,000 to the society at East Hill in Kent, which was 4 times the paid up share capital. On the withdrawal of State aid in 1924 the Agricultural Organization society had to close down. The development on the contrary of sale and purchase societies and producing organizations is exquisite. They are the country's real need there. Here we find the nation is suffering from a variety of slaveries. We are concerned with two of them—credit slavery and craft slavery. What people desire when they demand swaraj is food and raiment,—an aid to agriculture and to craft life—notably weaving. In respect of both, the producer—be he the cultivator or the weaver—is under bondage to the sowcar or the merchant, and before we consider how we can amplify the movement now set on foot, we may as well devote a little time and attention to the wide ramifications of this slavery, its causes and conditions.

9. We have a landless population of 40 millions in our country. That shows how we have but touched the fringe of the national need. The I. L. P. urgently demands the expansion of the Co-operative Credit Movement so as to enable it to embrace these 40 million landless people. At present our co-operators are mostly landed men, though the land they possess is on the whole little. It is the habit of the ryot to borrow and borrow recklessly. He is not afraid of debt. There is a Kanarese proverb that Rs. 10 is debt, Rs. 100 is a pleasure and Rs. 1000 makes one a *sampanna*. When I casually remarked to a ryot that it is his habit to borrow if only cheap credit is available, he corrected and said that he would borrow if money was available—no matter whether it was cheap or dear. It requires no economist to prove that debts aggregating to a sixth of property are a concern, a fifth are an anxiety, a fourth are a danger, a third are a ruin. This extravagant borrowing is done as much for ceremonies as for purchasing land adjoining. How few hesitate to buy adjoining land at

Rs. 1,500 to Rs. 2,000 an acre, knowing that its yield will work out to 3 per cent per annum, as against the 15 to 18 per cent he is paying on the price paid—which of course he borrowed. You want to investigate the causes of rural indebtedness. This is unnecessary. Everybody knows that extravagant ceremonies, improvident acquisition of land, and construction of cattleshed and houses and ruinous English Education above all with the town life it means, are the chief causes. Nor do I believe that the co-operative movement has helped to reduce this rural indebtedness. How can it, why should it? The ryot does not work for the extinction of his own indebtedness. He works really for its augmentation. And too, when the rural indebtedness in the Province is between eighty and a hundred crores, how can the paltry five at our disposal wipe it out or at all mitigate it. We are just able to meet the short term agricultural needs of our village folks—and they form but 1·63 of the population, the societies being one in five villages. But we can't wait until we have covered the remaining four villages with societies for the development of long term credit. It is hardly necessary to dwell at length upon the need for the organization of such long term credit, in other words, the Land Mortgage Banks. We already embarked upon this process. Money has flown from the public into the institutions started much quicker than either we or the Government have expected. And but for the superstition that the surplus moneys of the Central Banks or the Apex Bank should not be diverted into the new Banks for purchase of debentures, we should have had much more money. It will not do to add four more only in the new year. Nor is it necessary to burden Government with the obligation to pay an equal amount with the public for the purchase of debentures. The upper middle class friends are ready with their contributions. The existing niggardliness of loans should be improved. We cannot limit loans only to one thousand of previous mortgage indebtedness. The terms must be more liberal. But if we should bring real relief to the people, the work must be undertaken on a large scale. A record of rights must be at once undertaken. We must learn to think in broad sweeps and wide curves. The finer details of land mortgage banking need not be thought of or discussed. There is no finality in respect of any one scheme. It may be unnecessary and even embarrassing to ask for shares in Land Mortgage Banks. A share must, if at all, be a mere token of membership. It is not found in the Danish or German Mortgage Bank. Nor need there be dividend. Land Mortgage Banks are Banks of borrowers only. We may not however seriously complain that we are admitting non-borrowers into our new Banks in Madras. The presence of such men is neither an unmixed evil nor an unmixed good. For one thing they are apt to play the role of individual shareholders in a Central Bank towards the borrowing societies.

For another, they may be a healthy check on the borrowing members who are likely to think more of the loans they take than the repayments they must make. There then remains the question whether we must raise money by debentures, long term deposits or bonds. To float bonds on the strength of mortgage of land and to place them in the hands of the borrowing members in order to raise money in the market is undoubtedly more correct though more difficult than the prevailing system of raising debentures without being able at the time of their issue to say that they are secured by mortgage. The latter is the system of Danish and Swedish Land Mortgage Bank. The former is the system pursued by German *Landschaften* and Danish associations. Finally we come to the question whether, and if so, how far should Government finance these Banks. "The Swedish, Norwegian and Danish Banks receive a large sum by way of paid or guaranteed capital from the State. "In Egypt the agricultural Bank enjoys a state guarantee of its first debentures and it has since, we are told, been able to issue further debentures without a specific guarantee. There is no State help to the Dutch and the Belgian Banks. These are points you can pick up here and there. But in our own country there is little doubt that an interest of 7 per cent on loans secured by a Mortgage of Land constitute too safe and too tempting an investment to need the artificial recommendation of a Government's association, contribution or guarantee of interest. Which is more stable, Government or Land? And if I am asked which I would choose between the two, I should vote for the latter. The need of the hour is a wide outlook. Let us remember that we are dealing with a presidency which is two Italies put together or four or five Scotlands. How pusillanimous then to start with four Banks! Either ignorance or apathy must be at the root of such a narrow vision, and such a circumscribed outlook. I do not wish to charge the Government—a somewhat comprehensive term—for all the accused—with either in particular, but all that one can say is—if the cap fits, wear it.

10. Much may be done for long term credit even apart from separate Land Mortgage Banks. These institutions must come into existence in the midst of a blare of trumpets and a beating of drums. But a Bank like the Provincial Bank has too much of working capital to swallow and too big dividends to digest. The very success of our Apex Bank has been its embarrassment. It is suffering from a glut of funds on the one hand and a want of publicity on the other. It can surely divert a portion of its 30 lacs surplus into the Co-operative movement in this presidency. At present a portion of it is being invested in outside provinces like Bengal and Behar and Burma and a good bit outside the movement altogether. Is it a matter for congratulation that you have no use for a fourth or even more of its working capital in this presidency,

that a sum amounting to 30 lacs should be there in the Apex Bank but cannot be utilized by the Central bank. I have a simple remedy. Why not the Apex Bank plan a scheme of distributing this money amongst, say 10 or 15 Central Banks,—notably those which do not invoke its aid for their current needs and ask them to give concentrated long term loans on select villages satisfying the most fastidious of critics? Surely Krishna can find a village or two which can absorb its share of two lacs over a debt of 20 years at 9½ per cent: I know certain objections, co-operative, financial and agrarian will be put forward. They may seem to be logical but logic is the bane of finance. The hackneyed objection is that short term deposits cannot be utilized for long term loans. But what is eternity but the unending aggregate of innumerable links, each a short one, but all helping to forge the ever-lengthening chain. So it is with co-operative Deposits. If you have a crore of working capital, I am fortified in this suggestion by an allied resolution passed by the Registrars' Conference in Bombay last January, on the motion of Mr. J. M. Mittra (Bengal,) seconded by Mr. C. M. Trivedi (C. P.) and carried in this form:—

“The Conference is of opinion that it is desirable that well-conducted village societies should undertake liquidation of old debts as far as possible consistently with the current needs of the members, but no such society should take up the work until it is in a position to lend money for a sufficiently long period to enable members to repay their loans to it for their income. (2) It is recognized that the Provincial Banks and Central Banks may lend a portion of such funds as they are in a position to invest for a long term in assisting village societies to take up the work of liquidation of old debts. (3) The Conference is of opinion that a society undertaking the liquidation of debts on a large scale should prepare a definite scheme, after ascertaining carefully the debts, both secured and unsecured, of the members and the lands they hold and that in this work it should be assisted by the Union Staff, the Staff of the Central Bank or officers of the Co-operative Department. Such schemes might follow general lines given in the Bombay circular on the subject.” It is the doctrine of averages that a fifth will find itself renewed in your hand. Or argue the other way. Have your deposits been growing in your Banks since their formation or declining? If so where is the alarm? Or again let us ask the question: ‘You are so careful and cautious. Does your standard fluid resource of fifty per cent of the deposits that mature in the next thirty days, stand you in good stead if there be a run on the Bank. And when there should be such a run, the inability to pay will be equally disastrous whether the shortage of funds is one-half or one nine-tenths. Logic is good, but reason is better and common sense is the

best. Wisdom is not made of logic. It is the resultant of law, logic and facts of experience. Let us concentrate our attention this year on the fate of the Apex Bank and the possibilities of utilizing its surpluses. People there are taking the fatal step of restricting its inflow of deposits. That is not wisdom. Money does not come to you on call, when you have driven it out once. “Do not be proud in prosperity” is the old, old advice of Kṛṣṇa to his daughter. It is my humble suggestion to you. When you court Lakshmi, she may or may not come to you, but when Lakshmi courts you, should you become inaccessible or unattainable? Pray, take this warning, that the part of wisdom and statesmanship lies not in limiting your flow but in using up your resources. Is there a hundred crores of rural indebtedness in the presidency and are you unable to use up a third of a crore on its removal? Verily there is something rotten in the State of Madras or you will not find such an *impasse*.

11. The Apex Bank is the federated body arising from the Central Banks. Really these form the plinth and foundation of the co-operative movement, or if you vary the metaphor, they are the superstructure resting on the foundation and plinth. For the edifice to be rest-giving, its walls and doorways must be sound. That is to say, the Central Banks must be self-sufficient, self-reliant and self-contained Institutions. I have already hinted at the fact that the ideal must be to have Central Banks, which are Union Banks, not Banking Unions. The one problem that faces the Central Banks is that they are required to pay the piper, but cannot call the tune. To be asked to finance societies virtually at the bidding of a body, namely, the independent union, in which you have no voice or vote, is pathetic. The Unions are composed of representatives of societies. Such a union naturally recommends loans freely. If such a union were also the financing body, then it would know where and when the shoe pinched. But as things stand, the Central Bank and the supervising union being two separate, water-tight compartments each being impenetrable to the influences of the other, and the only body on which both are represented having nothing to do either with supervision or finance, you have an arrangement which is not orderly, premeditated or conducive to efficiency. It is no wonder that under such an arrangement, overdues are growing to an appalling degree. The Apex Bank is interesting itself in this matter greatly. Do you know how overdues have bounded up since 1919. In respect of agricultural Primary credit societies, the overdue Principal has mounted up from 24 per cent in 1919 to 42 per cent in 1925 and the overdue Interest has likewise risen from 30 per cent to 42 per cent roughly. After all are we drinking up the limpid waters on the surface of the Co-operative pond now, leaving to our posterity the sediment at the bottom?

What is the remedy? Make an approach towards the ideal. Make a beginning in the province of a Central Bank manned entirely by societies. Do you say that people are not fit for it? The only test of fitness for responsibility is to give more responsibility. That was Lord Ripon's dictum and that should be ours. How long are you moving in these ruts of co-operation which are growing deeper and deeper. For us who have plodded in the movement for a decade and over, there must be some light visible, some hope, some approach to idealism. The paths of petrified routine however conducive to administrative efficiency are not helpful to growth that is real and many-sided. I dread the desperate adhesion to the prevailing ideal of decentralized supervision and centralized finance. Finance must be tapped from all possible sources. Nothing appeals to the monetary sense of a depositor than his intimate touch with his deposits or at least, the proximity of it to himself and his intimate knowledge of the men who manage it. To me the ideal that appeals most is 'combine supervision and finance'. The rolling of money through one's hands, the fingering of money breeds a sense of responsibility. Without an adequate sense of responsibility, no one should handle money or recommend its utilization and disbursement.

12. While the Central Banks complain against a glut of money with themselves and with the Apex Bank, the rural societies complain at places of the high rate of interest charged by the Central Banks. I take it that the rate generally is 9½ per cent to the village ryot, 8 per cent or 8½ to the village society. Out of this ½ per cent goes to the supervision fund, as the contribution of the village bank and ¼ as that of the Central Bank. The net rate of interest charged by Krishna and Ellore is thus 7½ per cent. It is hard to say whether we can go down further, but it is not impossible. If the individual shareholder can be eliminated, the hobgoblin of 9 per cent can also be done away with. Have you not done it virtually in the Apex Bank? I counted there were only 3 individual shareholders at a general meeting of the Apex Bank, besides those four or five who were members of the Executive Committee. By all means we welcome eminent co-operators into the Apex Bank and the Central Banks. But he is neither a co-operator, much less an eminent one who cannot find his way to these coveted institutions through some uncoveted institution. Should it not be a city's ideal, a town's ideal, that it should have a hundred co-operative societies for its arts and crafts, for its coolies and cultivators, for upper and lower middle class folks, for its labourers and artisans, for the mat-maker, the cobbler, the potter, the weaver, the basket-maker, the petty merchant, the schoolmaster, the students, the pleaders' clerks, the Government Servants, yea, for the hundred and one grades of society with all its professions and vocations. From these

numerous societies surely a few genuine co-operators—not keen upon dividend hunting, but devoted to its purest ideals—can come and participate in the management of the Central Banks, even as they are participating in the management of the Apex Bank, and bring to bear upon the working of the movement their experience, knowledge and capacity. Why then should there be nervousness on the part of the authorities or doubt on the part of the public? When this consummation is achieved, the borrowers and lenders will be identical and the low rate of interest, at which money will be liberated for the use of the village Banks, will minimise their losses of which so much is justly made at the present moment. Surely it is pathetic to notice that nearly half the societies are making a loss in the presidency and this loss cannot be accounted for, as is often done, merely by saying that overdue interest was not considered in the reckoning. But this is a lame explanation, for what was overdue at the end of the last year is collected in the course of the current year and a nearly equal amount is left over this year for the next as overdue interest. Thus this item of interest vitiates profits only once in the life-time of a society and cannot come handy to ingenious administrators as an explanation for a difficult position. The loss is a fact, not an error of calculation. It must be faced, it must be wiped out. It will increase in the coming years as the co-operative societies can no longer be worked on an honorary basis. Members are increasing, work is becoming complicated and no one can get through this complicated work in the village Banks or the Central Banks for nothing. To allow these losses to accumulate is to court disaster. There must therefore be a way out of the difficulty. Two ways are suggested—one is to increase the rate of interest to the members of the village bank and the other is to reduce the rate of loaning to the Village Bank. The former is out of the question; the latter will be made possible only if the dividends are eliminated from the Central Bank as from the Village Society. All this points to the elimination of the Individual shareholders from the Central Bank. You have nearly done it in the Apex Bank. That is the ideal. Certain Central Banks have been pressing for it, and it is our duty to make a beginning in the way of bringing this reform within range of sight.

13. The menace to the co-operative movement to-day is not the appalling losses of primary societies, their slow building of Reserve Fund, their slack collections. All these are financial. There is a moral and an intellectual canker eating into the vitals of the organism. The former has led to misappropriations. The more the societies, the greater the corruption. Corruption has crept into administration, politics, non-co-operation and co-operation. It is a real tragedy. I shall not dwell longer on the subject but would warn that there is one thing untouchable

cause by a bad advocacy, and the association of even the tallest amongst us—be he a belted knight with such over-zealous endeavours—will not make for peace or prosperity. For young men and old, there is no better movement than this our co-operative movement, designed to promote popular weal, advance social well-being, develop in us qualities of sympathy and service. I regard it as the basis of a constructive programme which must in the course of its fulfilment lead to the development of a network of self-governing institutions all over the country, the initiation of the mass of people in the art of self-rule and the hastening of that near enough Divine Event—the establishment of Swaraj for India.

THE FOURTEENTH Madras Provincial Co-operative Conference.

MESSAGES AND GREETINGS.

Dr. May, General Secretary, International Co-operative Alliance .
(Cable from London 25th March, 12-40 p.m.)

Sir Fairless Barbar appointed greet your Congress for International Co-operative Alliance, all good wishes for success.

The Manchester Co-operative Union, 11—1—26.

I have your letter of the 7th December and learn with pleasure that your 14th Provincial Conference is to be held at Eastertide this year. I trust you will have a successful conference, and that as a result of its being held the various societies in the Presidency of Madras will be drawn more closely together and that the progress of the Co-operative Movement in the Province will be accelerated.

British Co-operators, as might be expected, are keenly interested in the growth of co-operative institutions in all parts of the British Commonwealth, and they are particularly pleased to observe how rapidly Co-operation is now spreading in many parts of India. The conditions under which your people live of course differ very greatly from those which obtain in this country, but in India, as in Great Britain, Co-operation can do more than any other Movement to improve the position of the people, and we believe that in your country, as in ours, not the workers only, but the whole community will gain enormously as the Movement spreads and new forms of co-operative industry are developed to serve the need of the people.

Accept my best wishes for the success of your Conference and for the progress of your movement.

Yours faithfully,
A. WHITEHEAD,
General Secretary.

International Co-operative Banking Committee 29, Boulevard Bourdon, Paris 14-1-26.

CHERS CO-OPERATEURS,

Nous avons reçu le programme des travaux qui sont soumis à votre Conférence d'Avril.

Il nous serait très agréable de recevoir en temps voulu les résultats de ces travaux, principalement en ce qui concerne la Finance Co-operative, et nous vous prions de nous les adresser après la Conférence.

En attendant, nous vous adressons de tout cœur les meilleurs vœux pour la réussite du Congrès et pour le développement du mouvement coopératif dans les Indes.

Nous vous prions d'agréer, Chers Co-opérateurs, nos très cordiales salutations.

LE SECRETAIRE.

Office Co-operative Belgium (Brussels.)

CHERS CO-OPERATEURS,

Nous avons bien reçu votre invitation à assister à votre Conférence Provinciale qui aura lieu en avril et nous vous en remercions très sincèrement. Malheureusement la distance qui nous sépare est le grand empêchement à y assister.

C'est avec le plus grand plaisir que les Co-opérateurs de Belgique suivent les progrès continus de la Co-operation en vos contrées et ils m'ont prié d'être leur interprète pour vous féliciter de la marche en avant de votre mouvement et pour vous envoyer leurs sincères encouragements. Tous se rappellent avec joie que votre pays a participé à l'Exposition Co-operative Internationale de Gand et vous remercient de cette marque de solidarité internationale. Pour le Conseil National.

VICTOR SERWY,
Director.

All Russian Union of Agricultural Co-operative Societies, 27-2-26.

In the name of the 38 thousand Co-operative Societies uniting five million peasant households, the All Russian Union of Agricultural Co-operative Societies sends its fraternal greetings to the XIV Madras Provincial Co-operative Conference.

The colossal growth of the agricultural co-operation of the USSR is to be explained by the new roads opened before the co-operative movement thanks to the socialist revolution which has established the necessary union between the working class and the peasants.

Developing the ordinary co-operative operations on marketing agricultural products, supplying the agricultural industry and furthering the industrialization of agriculture the agricultural co-operation of the Union of Socialist Soviet Republics is carrying out a tremendous task on co-operating the very processes of agricultural production by mechanization and electrification of agricultural economy and the rebuilding it on new socialist bases. Together with the proletarian industry, through common efforts with the revolutionary proletariat, we hope to attain complete success in our work and to share our experience with the co-operative movement of other nations.

Long live International Co-operative Solidarity!

Long live the International Union of Peasants and Workers!

Long live the Revolutionary Co-operation of Madras!

President of the All Russian-Union.

„ Agricultural Co-operatives.

P. SADYRIM.

Central Union of German Distributive Co-operative Societies, Hamburg, February 17th 1926.

DEAR FELLOW-CO-OPERATORS,

The Board of Directors of the Central Union of German Distributive Co-operative Societies, Hamburg, begs to send you fraternal greetings on the occasion of Your Provincial Co-operative Conference. My friends and I hope sincerely, that the conference will become a significant landmark in the co-operative movement of your far-off country.

Every co-operative meeting means a step forward to liberty, peace and welfare, and the smallest co-operative society better promotes civilisation than the most glorious battle ever being won.

The poor and dependent ones, being a weak and defenceless prey to exploiters and usurious money-lenders of all kind, only by co-operation and mutual help may be saved—if they are willing.

was observed by Sir Barber, co-operation knew no frontiers, knew no bars of nationality or caste or creed and knew no politics, and as such, he had no reason to entertain any doubt whatever with regard to the bright future of the movement in this country. They would certainly remember the wise words of advice conveyed in the greetings. He once again, on behalf of the Madras Provincial Co-operative Union, offered their sincere thanks to Sir Barber for the very encouraging message he had read.

RESOLUTION ON GREETINGS.

The Chairman then put the following resolution to vote from the chair which was carried unanimously.

"This Conference records its high appreciation and gratitude, for sending fraternal greetings to the XIV Madras Provincial Co-operative Conference, to the International Co-operative Alliance, Manchester Co-operative Union, International Co-operative Banking Committee, Office Co-operatif, Belgium, All Russian Union of Agricultural Co-operative Societies, Central Union of German Distributive Co-operative Societies, Hamburg, Co-operative League, N. Y., Llano Co-operative Colony, Esthonian Co-operative Wholesale Society, Bengal Co-operative Organisation Society and Central Co-operative Institute, Bombay."

ANNOUNCEMENT OF SUB-COMMITTEES.

The Chairman called on the Secretary to announce the names of presidents of the various sub-committees as fixed by the executive committee of the Conference.

The following names were then announced as presidents, each president to choose his own Secretary.

- | | | | |
|--|--|-----------------------------|---|
| 1 Joint Committee of sub-committees | | | |
| 1 and 2 (1) Levy of audit fees (2) Relation of Central Banks to supervisory organisations. | President—Rao Bahadur N. Krishnasamyayengar. | Secretary—C. K. V. Acharyar | ... Conference Hall 3rd April 3-30 P.M. |
| 2 Sub-committee No. 1, Land Mortgage banks—Overdues—crop loan unions. | | | |
| ing Hall (North | President—Mr. V. Krishnamenon | ... end) | ... 4th April 7-30 A.M. |
| 3 Sub-committee No. 2. Audit and Servantsof non-statutory matters. President—Mr. T. India Society Audinarayanachettiar | | | |
| ... Backside shed... | Do. | | |
| 4 Sub-committee No. 3. Agricultural | | | |
| Co-operation | ... Do. | ... Do. | 3rd April 3-30 P.M. |
| Mr. P. Ramanathan—President | ... S. I. S. Gardens | | 4th April 7-30 A.M. |

- | | | | |
|--|---------------------|---------------------|--|
| 5 Sub-committee No. 4. Consumers' co-operation. President—Mr. T. K. Hanumantharau | | | |
| ... S.I.S. Gardens | 3rd April 3-30 P.M. | | |
| 6 Sub-committee No. 5. Miscellaneous resolutions. President—Mr. A. the Conference Sivaramamenon. Secretary—Mr. G. Sri- (South end) | | | |
| rambaburaidu | 3rd April 3-30 P.M. | 4th April 7-30 A.M. | |

OPENING OF THE EXHIBITION.

Mr. P. Ramanathan delivered his opening address of the exhibition as Chairman of the Exhibition Committee (vide pages 594 to 600)

THE CONFERENCE ADJOURNED FOR THE DAY.

The President announced that the open Conference would meet the next day 4th April at 11 A. M. The Conference then adjourned for the day at 2-45 P. M.

The XIV Madras Provincial Co-operative Conference.

(Agenda circulated on 15th January 1926.)

(A joint committee of 1 and 2 sub-committees was appointed to consider 1. 3, along with II 1 (a) and (b) and the subject of concurrent audit added later. Notes on the agenda have been separately printed and issued to the delegates.

5 Sub-committees were appointed for the following 5 subjects.

I. Co-operative Finance.

1. State aid to co-operative finance—in what manner, to what extent and for what purpose.
2. Long term loans and Land Mortgage Banks.
3. The relation to and position of Central Banks in supervisory and educational bodies as the Local Unions, District Federations, Language Federations and the Provincial Union.
4. A programme of action for improving the present situation as regards overdues in Primary Societies and surplus money in some Financing Banks.
5. Improvements suggested in the constitution and management of Crop Loan Unions.

II. The Supervisory Organisation.

1. Local Unions, District Federations, Language Federations and the Provincial Union.
 - (a) Their inter-relation among one another.
 - (b) Reforms desirable in their constitution and financial position for their efficient working.
2. Audit—How it can stimulate efficient supervision.
3. Non-Statutory functions of the Department—their scope and limitations in the present stage of the movement.

III. Agricultural Co-operation.

1. Methods of Co-ordination of the work of non-official agencies, the Co-operative Department, and the Agricultural Department for the furtherance of agricultural co-operation other than credit.

against the bank at that time. The borrowing limit for the short term loan department shall not exceed eight times the paid up share capital and the reserve fund of the bank. All moneys raised on debentures shall belong to the long term loan department and shall be utilised in giving loans to primary societies for periods ranging from 5 to 20 years. The borrowing limit for this department shall be another eight times the paid up share capital and reserve fund of the bank. Thus the total borrowing power will be in all 16 times the paid up share capital and reserve fund. The paid up share capital and the reserve fund shall in common be available as the margin of security for the creditors in both the departments.

Similarly in the case of a primary society, all moneys raised by way of deposits and all moneys borrowed from the central bank as short term loans shall belong to the short term loan department and shall be utilized in giving loans to members for periods not exceeding five years. The security taken for these loans may be either the mortgage of immovable property or the surety system. All loans borrowed from the central bank out of the money realized on debentures shall belong to the long term loan department and shall be utilized in giving loans to members for more than five years but not for more than 20 years. The borrowing limit for the purpose of the short term loan department shall not ordinarily exceed one-eighth of the value of the total net assets of members excluding the value of the property pledged to the society on account of the loans given out of the money belonging to the long term loan department. The borrowing limit for the purpose of the long term loan department shall not exceed one-half of the value of the property pledged to the society for loans issued from that department or the total amount of loans given on the pledge of those properties, whichever is less. All loans given for more than five years shall be on the security of immovable property. The interest of the society on the immovable property secured on all loans given for more than five years shall be assigned to the central bank as collateral security for the loan taken from it. The transactions of the short term loan and long term loan departments both in the central bank and in the primary societies shall be kept distinct and separate. No money received in one department shall be used for the other department.

After differentiating the two functions of the central bank and the primary society in the manner indicated above and after amending the by-laws suitably, the central bank will proceed to issue debentures in the manner indicated below :—

A primary society which wishes to participate in the scheme will separate the mortgaged bonds taken for loans given for periods of more than five years, scrutinise once again the immovable properties covered by such mortgages so separated, and select the properties which satisfy the following conditions :

(a) The properties mortgaged should be agricultural lands actually under cultivation and should not include houses or other properties.

(b) The value of the properties mortgaged should not be less than twice the value of the loan given.

(c) The properties mortgaged should be free of all encumbrances. For this purpose the society shall obtain encumbrance certificates for all properties included in the mortgage.

(d) The borrowers concerned in the mortgages should have an unquestionable title to the properties mortgaged. For this purpose the society shall obtain all documents which would prove the title.

(e) The loan proposed to be taken from the central bank shall not exceed the total value of the interest of the society in the mortgages proposed to be transferred to the central bank.

The society shall thereupon prepare a schedule of the mortgage deeds proposed to be transferred to the central bank showing the amount still outstanding of the principal money as secured by each mortgage deed together with a certificate signed by the panchayatdars of the society that the amounts so entered are correct. The schedule along with the mortgage deeds and other documents relating to the title of the properties concerned shall be sent to the central bank. On receipt of these documents, the central bank shall proceed to examine them and see whether they are in order. It shall take particular care to see that the title deeds accompanying the documents are sufficient to establish completely the title in mortgaged lands to the person or persons executing the deed, and that the procedure of the society in relation to the mortgage and the loans secured by it and the valuation of the properties mortgaged is regular in every respect and that the valuation is apparently reasonable. If the central bank is satisfied that the mortgages are in order and can be accepted as security for the loan which the society wishes to take from the central bank under the scheme, the bank shall inform the society accordingly. Thereupon the primary society shall execute a pro-note for the amount of the loan which it wishes to take from the central bank under the scheme. This is to indicate that the primary security for the loan is the unlimited liability of the members of the society, the mortgage assigned being only collateral. The central bank shall be at liberty to assess the value of a property mortgaged at a lower figure than the one fixed by a society and reduce the amount of the loan to be given to the society on that account or for any other reason.

When the central bank gets sufficient mortgages from the primary societies, it will proceed to issue debentures on the strength of the mortgages held collectively by it. The debentures so issued shall have the following characteristics :—

(1) Debentures issued may be of varying periods. The periods will generally be from ten to twenty years.

(2) The debentures shall bear interest at a rate not exceeding $6\frac{1}{2}$ per cent per annum.

(3) The bank shall have the right to call in any debenture at any time by giving not less than three months' notice to the debenture holder. Ordinarily a certain number of debentures will be redeemed year after year to cover advance repayment of loans given to societies.

(4) No debenture holder shall be entitled to demand payment of the value of his debenture before the expiry of the period for which it was issued.

(5) The debentures shall be free from any equities or claims as between the bank and the holder except such as are expressed in the debenture.

(6) Debentures may be issued payable to bearer or to the registered holder. Debentures payable to bearer shall be negotiable by delivery. Debentures payable to order shall be negotiable by endorsement and delivery. Debentures payable to the registered holder shall be transferable by a deed of transfer registered in the books of the bank.

(7) Every debenture shall be a floating charge upon the whole of the interest of the bank in the lands assigned to it at the time of the issue of the debenture or mortgaged to it any subsequent time.

(8) All debentures shall rank equally in the charge upon the interest of the bank in the lands mortgaged without reference to the date upon which they may have been issued.

(9) In addition to these specific securities the debentures shall also be secured on the general assets of the bank along with other secured or unsecured creditors.

(10) The bank shall not create any charge upon the mortgages which shall rank prior to debentures.

(11) The total amount of debentures in circulation at any time shall not exceed the sum of

(a) the cash deposited by the bank with any bank approved by the Registrar in this behalf and ear-marked for the benefit of the debenture holders.

(b) the value of any securities held by the bank approved by the Registrar and ear-marked for the benefit of the debenture holders.

(c) the total amount outstanding of the principal moneys of loans granted by societies on the pledge of lands and transferred to the bank.

(12) The bank shall have power to issue debentures up to any amount provided that the condition imposed in the preceding clause is satisfied.

(13) The bank shall also have power to keep alive and re-issue any bond redeemed by it.

(14) The bank shall appoint a trustee whose duty will be to see that the bank fulfils its obligations to the debenture holders and carries out the conditions under which debentures are issued. To enable the trustee to carry out his duties all properties mortgaged to societies and transferred to the bank shall vest in the trustee. Similarly all moneys invested in other securities and ear-marked for the benefit of the debenture holders shall vest in him. He shall step into the shoes of the bank and take such action as he may deem necessary in the interest of the debenture holders, in the event of the bank failing to fulfil any of the obligations to the debenture holders or to carry out the terms under which debentures were issued.

(15) A trustee once appointed can be replaced by another with the approval of the Registrar of Co-operative Societies.

(16) The Trustee shall issue a quarterly certificate that the bank has in its possession mortgage bonds and other approved securities in accordance with clause (11) not less than the value of the debentures actually in circulation.

(17) A society shall at all times have the right to substitute for an mortgage deed deposited by it with the bank any other mortgage deed of equal or greater value, qualified as collateral security and approved for the purpose by the bank.

(18) All payments for the amortization of loans which are secured by mortgage deeds deposited with the bank by societies shall be made to the bank in the manner prescribed by the bank and all such payments from the time when they are received by the societies to the time when they are received by the bank shall be the property of the bank held by the societies in trust for the bank.

If the scheme as above is accepted, legislation will be necessary in regard to two matters—

(1) To dispose with the execution of deeds of assignment by societies to effect the transfer of mortgages to the bank and to the trustee and to vest the mortgages with the bank and the trustee without any such deeds, but by the mere deposit of the documents concerned with them, and

(2) to state that the moneys collected by primary societies towards the amortization of loans secured by mortgages assigned to the central bank by such societies shall be held in trust by the societies for the bank during the period in transit.

NOTE.—It is with a view to meet the objection that short-term deposit banking should not be mixed up with the long term loan system that I suggest the division of the transaction of the Central Bank in two distinct departments. No harm will, however, result even if such division is not made, provided that the amount lent by the Central Bank and outstanding against societies in the shape of long-term loans does not at any time exceed the amount of debentures actually in circulation. The transactions in primary societies should however be kept distinct and separate as indicated in the above note.

K. DEIVASIKHAMANI,

Personal Assistant

SUB-COMMITTEE No. II.

4th April, 7-30 a. m.

Audit and Non-Statutory Matters.

President. Mr. T. Audinarayana Chettiar.

LIST OF MEMBERS.

Name.	Society represented.
1 Mr. G. Vijendra Rao	... Rasipuram Town Co-operative Society
2 " S. Narayanaswamy Iyer	... Kulathur Agr. Bank, Tanjore Dt.
3 " V. Manikka Mudaliyar	... Govt. Tel. Emp. C. S. Madras
4 " A. Ramachandra Iyer	... Dt. Council of Supervision, S. Kanara

	Name.	Society represented.
5	" N. V. Krishna Chettiar	... Salem Urban Co-operative Society
6	" T. C. Sethumadhava Iyer	... Salem Dt. Urban Bank
7	" R. Venkatesa Iyer	... Dharmapuri Union
8	" K. S. Chengalroya Iyer	... Krishnagiri Urban Bank
9	" C. K. Vedantadesikachari	... Madras Dt. Co-operative Union
10	" V. C. Rangaswamy	... Provincial Co-operative Union
11	" V. Govindan	... Malabar Dt. Bank
12	" G. Lakshminarayana	... Local Co-operative Union, Peddapur
13	" V. Markandeya Chetty	... Co-operative Union, Wandiwash
14	" S. Ramaswamy Achar	... Namakkal Urban Bank

DRAFT RESOLUTIONS.

SUB-COMMITTEE II.

Pages 61 to 100 excluding the portion on the necessity for a Committee of enquiry 71 to 73, para on audit in page 29 part II, 32 to 34 of part II.

Audit.

1. Appointment of a trained audit staff.—

Messrs. N. Krishnamacharya (page 62, line 4) and
V. C. Rangaswamy page 69 Last Para.

2. Mr. T. S. Venkataramana Iyer.

(a) Audit orders to be issued not later than 31st October and interim audit reports not later than 31st March (vide Resn. 2 of Rao Sahib M. S. Seshachala Iyer),

(b) Local unions to rectify the defects found in audit.

3. Rao Sahib M. S. Seshachala Iyer.

Vide resolutions given in pages 70 and 71 of the notes.

4. **Non-Statutory matters.**

Vide resolutions page 87.

B. Draft Resolutions received from societies, representatives and Conferences.

Audit.

II. 2. To request the department to have the system of audit and administration being done together as the present separate working is not found satisfactory in the course of these two years, and to begin the annual audit soon after the year ends, so as to facilitate the Government and the societies getting accurate and audited figures in time.—(*Dharmapuri Union Secretary*).

Resolved that the Registrar of Co-operative Societies be requested to make suitable and effective arrangements for proper interim and final audit of co-operative societies so as to enable the issue of audit orders before the 30th of September following each co-operative year.

Resolved that the audited figures be also published by the Department independently of administrative figures supplied by societies.

Resolved that with a view to make Central Banks and Supervising Unions have the full benefit of the Departmental audit, they be furnished with a copy of auditor's detailed report in addition to the audit order.—(*Madura—Ramnad Business Conference.*)

Non-statutory functions of the Department.

II. 3. By-laws suitable for each area should be registered by the Registrar and they should not be forced on societies according to the will and pleasure of the department.—(*Dharmapuri Union Secretary*).

Discussions.

Discussions in sub-committee No. II which considered audit and non-statutory matters mainly centered round the following subjects.

1. Qualifications of auditors ;
2. the compilation of figures and administration reports.
3. Agency for test audit.
4. Audit of Central Banks.
5. Supply of copies of audit reports.
6. The period for issue of audit certificates.

The question discussed first was whether the Committee might ask for a training of the existing auditors or specify their qualifications. It was generally felt that the general qualification of the existing inspector was not up to the mark and it was necessary that the qualification should be prescribed. The Committee came to the conclusion that special training should be given to the inspectors in co-operative accountancy, banking and audit, and they should be selected from well-qualified men.

The next question raised was whether it was good for the movement to publish unaudited figures in the administration reports. Mr. Chengalroyayar said that the older system was the best. It was replied that the report might be delayed if audited figures were published. The Chairman explained to the members that the separation of administrative and audit figures greatly facilitated the efficiency of audit. Mr. K. G. Sivaswamy said that there were of course difficulties in the issue of administrative reports relating to the whole province by the Co-operative Department. It was stated that the importance of administrative figures rested on a fuller knowledge of various localities which alone facilitated a proper interpretation of figures and taking stock of the movement. Administrative figures were intended to make a qualitative analysis of the movement which required local knowledge and could not be made out from mere figures. But until non-official organisations are strong enough to issue their reports, the department would have to do this part of the work. At the same time they should get the audited figures.

Regarding the other subject the Committee reduced the percentage of societies to be test audited from 35 to 10 on the motion of Mr. Sethumadhava Iyer.

Discussion afterwards centred round the question whether Central Banks should be audited by Deputy or Assistant Registrars. The Committee resolved that their audit should be done by officers of at least the grade of Assistant Registrars.

The draft resolution stated that copies of audit reports should be supplied to societies also. It has said that societies might get a copy on the spot. So it was resolved that it would be enough if copies were supplied to Unions and Central Banks.

Regarding the audit certificate, discussion centred round the period of issue whether it should be 3 or 6 months. It was resolved it should be 5 months.

The Chairman then explained the resolutions regarding non-statutory matters and referred the delegates to the points mentioned in the notes and papers.

RESOLUTIONS.

The following is the list of resolutions as passed by the Sub-Committee.

Audit Inspectors must be selected from well-qualified men and must be given training in accounting, banking and auditing and they must also be conversant with the broad principles of civil law as the Transfer of Property Act, Negotiable Instruments' Act, and the Limitation Act so that the securities offered may properly be assessed.

2. The audited figures must be compiled as an annexure to the Government administration report for public information in addition to the unaudited figures now published.

3. Central Banks must be audited by officers of the grade of at least the Assistant Registrars.

4. The audit of at least 10 per cent of societies by the superior staff should be provided for.

5. A complete copy of the audit report should be supplied both to the union and to the financing bank.

6. The audit report of primary societies should be issued by the department within five months after the close of the co-operative year.

Non-statutory Matters.

1. The Madras Provincial Co-operative Union and the M. C. U. B. should call for the meetings of their Boards of Management at least twice a year and the former should settle policy and procedure in all matters which affect the working of the societies excepting those relating to the financing of the movement which should be settled by the M. C. U. B. Provision should be made in the constitution of the P. C. U. to admit sufficient number of representatives of the Andhra Provincial Union.

2. Special standing committees should be appointed by the P. C. U. to consider model bylaws and any changes in them, to issue circulars on

matters relating to the whole province, to advise societies on matters of dispute arising in the ordinary course of business of societies, other than money claims and further act as the recognised exponent of non-official co-operative opinion in the province.

3. District federations or district banks where the former do not exist, should take up the control and regulation of the movement in the district similar to the lines of work of the P. C. U. as outlined in resolution 2, always reserving matters relating to principles, policy and procedure affecting more than one District to the Provincial Union and with due regard to the freedom of Local Unions in their internal management.

4. The M. C. U. B. should co-ordinate and regulate the working of the central banks in the Presidency.

5. This Conference emphasises the principle that in the training of non-official organisations no non-statutory function shall be undertaken by Departmental officers. It also emphasises the principle that the building of healthy traditions and discipline among the co-operative bodies is possible only when the departmental officers scrupulously observe the convention that they shall not either correspond with or carry on propaganda as regards non-statutory matters relating to societies which are affiliated to the larger bodies except through the latter.

SUB-COMMITTEE NO. III.

Agricultural Co-operation

3rd April 3-30 p.m. 4th April 7-30 a.m.

President: Mr. P. RAMANATHAN.

Names of Members.

1	Mr. G. Venkatarangachari	...	Tiruturaipundi
2	" K. C. Ramakrishnan	...	Madras Provincial Co-op. Union
3	" Kumaraswamy Pillay	...	Tanjore
4	" Krishna Rao	...	Anantapur
5	" Srinivasaragavachariar	...	Madura
6	" Duraiswami	...	Ranipet
7	" Lakshiminarayana Iyer	...	Tanjore
8	" P. M. Gopalakrishnan	...	Cuddalore
9	" Subramania Iyer	...	Tanjore
10	" Giriappa	...	Deputy Registrar C. S.
11	" Anandaraw	...	Deputy Director of Agriculture
12	" J. Gray	...	Registrar of Co-operative Societies
13	" Rudolph D. Anstead	...	Director of Agriculture

DRAFT RESOLUTIONS.

Agricultural Co-operation.

Part III Pages 1 to 60 (vide resolutions 1, 2 and 3 pages 47 of the notes given under the head 'Draft Resolutions') those in page 60 Part III of the notes, and 1 and 2 in page 10 Part IV.

B. Draft Resolutions received from societies, representatives and Conferences.

Resolved that Government be pleased to amalgamate the Co-operative, Agricultural and Industries departments into one and place it under the direction and control of a single officer.

That pending the amalgamation Government be pleased to direct future vacancies in the several grades in the Co-operative Department to be filled up by men who had taken degrees of the College of Agriculture (such as M. Sc. S. and L. A. G. S.) and they be given a suitable co-operative training

That with a view to make future entrants to co-operative service to be qualified to be better co-operative officers, a course of instruction in co-operative literature, banking and rural economy be included in the curriculum of studies in the Agricultural College by extending the period of course of studies, if necessary.

As an experimental measure an agricultural demonstrator be deputed to work under selected Unions and do propaganda work with a demonstration farm established in a suitable centre, which should also stock improved agricultural appliances, within the ordinary purchasing power of the ryot population in the area. (Madura-Ramnad Business Conference)

Putting before the ryot population modern agricultural improvements through Magic Lanterns etc—(Mr. M. Venkataramayar, Pakala)

DISCUSSIONS.

The Sub-Committee discussed at length the possibilities of co-ordinating agriculture and co-operation. Mr. G. Srinivasaraghavachariar explained how it was really a pest to visit the ryot by a number of officers who are not agreeing with one another. Mr. K. G. Sivaswamy explained the difficulty in combining audit and agricultural propaganda. The Registrar said that the members should know to differentiate between expert knowledge and organisation and the former was supplied by the Agricultural Department, and the latter by the Co-operative department. Mr. Sivaswamy then explained that he would like to place 3 resolutions before the house, the one amalgamating the district agricultural propaganda work with the work of the co-operative department, the second that co-operative officers should be trained for the same and a special staff entertained by them, and the third that propaganda should be undertaken by Local Unions and District Federations where constitution should be broadened to admit those interested in agriculture and a few well-developed institutions among them should be given subventions by the State equal to the amount raised by them for appointing demonstrators and undertaking non-credit propa-

ganda. The first resolution was dropped as two difficulties were raised that there were areas where agricultural propaganda could not be undertaken on the co-operative method, and the segregation of research from popularisation would lead to the starving of the farmer. Difficulty was also felt in the transference of agricultural non-credit work to the agricultural department as two sets of officers would be handling the same institution. The third resolution was dropped for want of time, while the second resolution asking for the appointment of officers trained in the agricultural college in the several grades of the co-operative department and the broadening of the courses in the college to include co-operation, banking and rural economy was unanimously passed.

On the morning of 4th April the Sub-Committee passed a resolution after a great deal of discussion that intensive work should be undertaken by demonstrators.

RESOLUTIONS.

The following were the resolutions passed in the Sub-Committee:—

1. That, Government be pleased to direct future vacancies in the several grades in the Co-operative Department to be filled up by men who have taken degrees of the College of Agriculture (such as M. Sc. S. and L. A. G. S.) and they be given a suitable co-operative training.
2. That, with a view to make future entrants to co-operative service to be qualified to be better co-operative officers, a course of instruction in co-operative literature, Banking and Rural Economy be included in the curriculum of studies in the Agricultural College by extending the period of the course of studies, and by providing for the same for the existing staff.
3. That the Agricultural Department be addressed to arrange for every demonstrator to do intensive work in at least one union area within his jurisdiction.

SUB-COMMITTEE No. IV.

PRESIDENT.—T. K. HANUMANTHA RAO,

Name.	Society represented.
1 Mr. C. D. Nayagam	... Dy. Registrar of C. S.
2 " S. Sivaramaiah	... Store Society, Chingleput
3 " K. G. Ramakrishnan	... Erode Co-operative Union
4 " M. Parthasarathy Iyengar	... T. U. C. S.
5 " V. Appadurai Iyer	... Do.
6 " N. Visvanatha Iyer	... Do.
7 " M. S. Subramania Iyer	... Tirupathur Urban Co-op. Society
8 " P. A. Subramania Iyer	... Tirupathur Co-operative Society.
9 " M. Sankarapandia Reddiar	... Kovilpatti Co-Operative Union
10 " T. S. Ramiah Iyer	... Periyakulam Urban Bank
11 " V. Jayaraman	... Co-op. Stores, Villupuram

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	Name	Society represented.
12	„ Sir Fairless Barber	... E. & S. C. W. S.,
13	„ A. Ramiah	... Tiruturaipundi Co-operative Union
14	„ S. P. Perumal Pillay	... Deputy Registrar of C. S.
15	„ S. Natarajan	...
16	„ K. B. Ramanathan	... Member, T. U. C. S.
17	„ V. Krishna Menon	... Malabar Dt. Co-operative Bank.
18	„ A Sitarama Iyer	...
91	„ R. Srinivasa Iyengar	... Tanjore Union,
20	„ K. N. Venkatachari	... Member, T. U. C. S.
21	„ A. S. Menon	... Malabar District Bank
22	„ Giriappa	... Dy. Reg. of C.S., Coimbatore
23	„ K. C. Ramakrishnan	... Madras University.
24	„ Kumaraswamy Pillay	...
25	„ K. Lakshiminarayana	... Melatur Union
26	„ M. S. Subramania Iyer	... Melatur
27	„ T. R. Srinivasa Iyengar	... Tanjore Union
28	„ P. M. Gopalakrishnan	... Cuddalore Xian C. S.
29	„ K. Krishna Rau	... Hindupuri Loan C. Union
30	„ T. Kumaraswamy Pillay	... Karunthattangudi C. S.
31	„ D. Ananda Rao	... Dy. Director of Agr.

DRAFT RESOLUTIONS.

Steps for the development of Consumers' Co-operation (Part IV 1 to 13).

1. Separation of credit and stores—Mr. A. Sivarama Menon
2. (a) Appointment of a Committee to draft bylaws for a Wholesale Society—Mr. K. S. Muthuswamy Iyer
(b) T. U. C. S. to function as a Provincial wholesale—Mr. V. Krishna Menon.
3. Equal and simultaneous attention to non-credit work in which Consumers' co-operation should occupy a foremost place—Mr. V. Jayarama Iyer.
4. P. C. U. to sell publications and set apart a section for Consumers' co-operation in their Bulletins.
5. An information bureau to supply information or a Co-operators' League (resolution 4 in page 4) or a Consumers' Co-operation Development Society (resolution 4 in P. 10).
6. Appointment of propagandists—Prof. K. B. Ramanathan
7. Opening of stores in promising places—Prof. K. B. Ramanathan,
8. To attach stores to Rural Credit Societies and appoint a Committee to devise steps for finding funds for the purchase of necessary articles.—Mr. V. Krishna Menon.
9. Trading Unions in district centres and issue of loans to them on the pledge of goods by district banks—Mr. V. Krishna Menon,

DISCUSSIONS.

The informal but keen discussion relating to the growth and development of Consumers' Co-operative Societies in our Province elicited the following as the essential requisites for the development of societies.—

(i) Intense Propaganda,

(ii) A wholesale society,

(iii) Eliminating *credit* in their transactions whether of purchase or sale.

For propaganda, it was unanimously agreed that an organisation of persons exhibiting an interest in and enthusiasm for this kind of co-operation should be brought into existence in the form of a league of Co-operators (independent of the Provincial Co-operative Union) the members of which should teach and preach on the potentialities of such societies in our country.

It was next thought that printed matter appealing to the minds of people through the eyes should be made available to all concerned. So it was resolved to acquire a small space for Consumers' Co-operation exclusively in the now popular Bulletin of Co-operation, and that co-operative pamphlets and leaflets of a cheap sort should be made available somewhere for sale preferably in the Provincial Co-operative Union which the Co-operative institutions of our Province can claim as their own.

The last point however was keenly contested. For there was a general belief among those that took part in the discussion, that sales on credit should be allowed or that some device must exist whereby members should be enabled to pay cash down at the time of purchase, and that it might take the form of a credit branch attaching to a store.

It being pointed out that credit was generally capable of leading to improvidence and 'unthrift' if administered by the same directors and in the same institution that should stand for providence and thrift, an agreement was come to that 'stores' and 'credit' should not be combined in the same institution, but that a credit society undertaking to supply its own members with stores on the Joint indent system by isolated acts of purchase and distribution was not inconsistent with the general principle viz. the inadvisability of combining credit and stores in one institution under the same management.

RESOLUTIONS

The following were the resolutions passed by the Sub-Committee:—

1. That in the interest of Distributive Movement, the credit and non-credit functions should never be combined in the same society.

2. That a Committee be formed with the following gentlemen to frame the bye-laws for the formation of a wholesale society.

Rao Saheb T. K. Hanumantha Rao,
Rao Bahadur Prof. K. B. Ramanathan,
Mr. A. Sivarama Menon,
„ K. S. Muthuswamy Iyer,
„ K. Parthasarathy Iyengar.

5. That in the case of central banks it is essential that they should arrange for concurrent audit at their cost by an unofficial agency.

DISTRICT FEDERATIONS.

The next resolution that was taken up for consideration was as follows :—

"It is resolved that the Conference is of opinion that the Central Banks of Districts do not require any representation in the District Federation."

Mr. Ranganadha Aiyengar raised an objection to the resolution being taken up. He said that the question was not considered by the Sub-Committee.

Mr. V. C. Rangaswami said that this question was considered and the Sub-Committee had come to a conclusion to take into consideration this proposition.

Rao Bahadur A. Vedachala Aiyar, President of the Sub-Committee said there was no time to consider the question and so the members were asked to express their views if the resolution should be taken up at the Conference. According to their declared wishes the resolution was before the house.

The Chairman observed that it might be an error of judgment on the part of Mr Ranganadha Aiyengar and allowed discussion on the merits of the question.

Mr. Natesa Mudaliar of Arni then moved the proposition that "Central Banks be not represented on District Federations."

Mr. K. C. Srinivasachari of Manimangalam seconded it.

Rao Sahib T. Srinivasa Rao then placed the following alternative proposition on the question before the House.

"The functions of district federations should be the consolidation and promotion of the co-operative movement in all its aspects as the central organisation in the district. It should not merely be the organisation for the co-ordination of the supervising unions of the district which deal with credit institutions mostly. It should also include all other co-operative activities in the district besides credit and should exclude none.

The Constitution of the Board of Management of the District federation should provide for the following :—

(a) Representation of different types of societies in the district.

(b) Representation of a sufficient number of individuals in the Board of Management of the central banks including those in its Executive Committee.

(c) Annual election, not exceeding five in number, of individuals of knowledge and distinction in the field of co-operation by the General Body of the Federation in place of one only for a period of two years as provided in the model-by-laws.

(d) No restriction as to the choice of office-bearers of membership in the Committees from out of the members of the Board and the restrictive provision in regard to the secretaryship which in the model bylaws provides only for a representative of a local union and avoids competent men from other institutions should be deleted.

(e) The General Body should consist of the representatives of all the societies in the district instead of merely representatives of unions and of non-union societies and central banks besides the individuals provided for in the model bylaws to emphasise the connection of the primaries with the District Federation similar to the constitution of the General Body of the central banks."

He said that the question was considered by the Governing Body of the Provincial Co-operative Union and resolved upon to place the same before the Conference. The Joint Committee had considered only which proposition among the draft resolutions on the constitution of the district federation should be placed before the Conference and as it had chosen to place the subject of excluding Central Banks from district federations, he thought it his duty to submit to the Conference the alternative proposition in the draft.

He divided the resolution under four heads, the scope of activities, the general body, the Board of management and the office-bearers. Dealing with the first, Mr. Srinivasa Rao said that the District Federation should not only be an organisation for the co-ordination of the work of the supervising unions but should include all other kinds of co-operative activities in the district.

The existing institutions required an agency to discipline them in co-operative habits and loyalty. In short, as has been explained by the speaker in the notes for 1923 Conference, an agency was required which would take the place of the existing official agency. Slowly it had to be built up.

In regard to general body, he said that the scheme provided for a wider field than the present model by-laws and as such it would express cumulative co-operative opinion of societies in the district.

We did not want, he said, that the intelligentsia of the country should dominate the institution. The ryot should be educated in larger questions. As regards the Board of Management he said that they should consider one point which was the representation of central banks in the federations. This proposition provided not only for the representation of the Central Bank but also provided for the representation on the Board of Management of persons of knowledge and distinction in the field of co-operation, because in the co-operative activities in the presidency one of their wants was want of human material. In regard to the choice of office-bearers, he said that at present there is a restriction in regard to the selection of secretaries but that restriction had now been removed under this resolution. He hoped that his amendment would be accepted.

One delegate moved that the consideration of the question of District Federation be adjourned, on the ground that nobody knew anything about the Federation.

This was duly seconded.

The Chairman observed that they could not have a better opportunity of considering the question of a federation, its functions and its relations with the

Co-operative Stores of all-India fame. Advice given by people who, like Mr. Hanumantha Rao, have not only made an intensive study of co-operative literature but who have also tried to put their knowledge into practice must necessarily command the respect of everyone actually engaged in co-operative work. I am sure that he will guide you wisely and well in your deliberations at this Conference. I shall therefore confine myself to a few general matters bearing on the working of the Co-operative Movement in this district and elsewhere in the Presidency.

2. It seems hardly necessary to remind the present audience that Tinnevely was one of the first districts in this Presidency to introduce co-operation. The first society in the district was started in January 1905, within six months after the first Registrar was appointed for the Presidency. The idea of co-operation was of course not new to the people of Tinnevely. The chit fund system which is prevalent in this district is based upon genuine co-operative ideas. Although the first society was started in January 1905, the movement did not make much progress in the district until 1912. From the year 1913, however, progress was steady and while there were only 7 societies in the district at the end of 1912-13, there were on 30th June last 514 societies. The most developed taluks are Koilpatti and Sankaranainarkoil. In Trichendur and Nanguneri taluks there were 53 societies each, in Tinnevely taluk 43 societies, and in the other taluks of the district only 33 societies each. I do not of course advocate any forcing of the pace in the matter of organization but the position in most of the taluks of an enlightened district like Tinnevely can hardly be regarded as satisfactory. I would urge the co-operators of the district to devote special attention to the less developed taluks with a view to securing steady solid progress.

3. Of the 514 societies on the list on 30th June last, one is the central bank, 13 are unions and 500 are primary societies. Of the latter 11 are purchase and sale societies, one is a labour society and 2 are building societies. It will be observed that here as elsewhere not only in this Presidency but throughout India the vast majority of the societies are credit societies. This is only as it ought to be. For in this country it is only on a sound system of co-operative credit that other forms of co-operative activity can be built up. But the time has now come when we ought to devote increasing attention to the development of those other forms of co-operative activity. That there is vast scope for such activities in this district is obvious. The ryots of this district are famous for their industry and skill as cultivators. The cotton seed-unions started with the help of the Agricultural Department have done much to improve the cotton of the district. Cotton sale societies will go a great way to improve the

economic condition of the ryot, by securing for him a proper price for his produce. And much can be done on similar lines in regard to paddy and other grains.

4. The chit funds which are so popular in this district are organized not for short periods of a year or two but for long periods of 10 to 20 years. This is a clear indication of the requirements of the ryot in the matter of long term credit and of the great need for land mortgage banks or other institutions which will supply him with long term credit.

5. Coming now to the actual transactions of the existing societies, it will be observed that the total working capital of all the societies on 30th June last was as follows:—

(a) Central bank	...	...	11.90 lakhs
(b) Agricultural societies	...	...	12.15 lakhs
(c) Non-agricultural „	...	...	6.80 lakhs

The Central Bank is making very steady and satisfactory progress. It is gratifying to find that it depends mainly upon funds raised from local sources.

The punctuality with which societies repay their loans to the central bank in this district is very noteworthy and the statistics regarding collections reflect the greatest credit on the co-operators of the district and especially on your indefatigable Deputy Registrar, Mr. S. P. Perumal Pillai. The position during the last 5 years has been as follows:—

Year.	Percentage of balance to demand. (Under principal)			
1920—21	...	...	...	23.0
1921—22	...	...	...	4.4
1922—23	...	...	...	3.9
1923—24	...	...	...	2.39
1924—25	...	...	...	2.19

For the last four years there have been no arrears under interest. The primary rural societies too are to be congratulated on their position as regards arrears, the percentage of arrears to demand in regard to principal on 30th June last being less than 17 per cent, and the lowest in the Presidency. I trust you will strive to maintain your position as the premier district in this very important matter.

6. I now pass on to certain matters of general interest to co-operators throughout the Presidency. It is undoubtedly true as has so often been stated that the co-operative movement is essentially a non-official movement. Constant examination and criticism of the lines on which the movement is developing is not only to be welcomed but is essential

for sound progress. In this connection, however, I would sound a note of warning, and that is, that the persistent misrepresentation of facts in which a few critics have recently been indulging can only result in harm to the movement. Criticism unless it is based on a sound knowledge of the facts will bring discredit not only to the critics themselves but to the movement which they claim to represent. On the other hand, honest criticism, however adverse, can only result in good, but it is essential that it should be well-informed.

7. An important matter in regard to which there has of late in certain quarters been a considerable amount of discussion and criticism is the recent re-organization of the Co-operative Department. At the Provincial Conference held in Madras at the beginning of this month, a resolution was passed that the posts of Deputy Registrars should be abolished. With reference to that matter, I would ask you to carry your minds back to the Provincial Conference held in December 1921, which passed the following resolution.

Resolution VIII. This Conference while thanking Government for the very liberal help rendered to the co-operative movement from the public resources in the Presidency thinks the time has arrived, when in the interests of economy coupled with efficiency, the Co-operative Department should be reorganized at an early date on the following lines:—

(1) Assistant Registrars' charges should be reconstituted so as to place not less than three or four contiguous revenue districts under each Assistant Registrar, who should be made responsible mainly, if not wholly, for the inspection of central banks and for the development of non-credit co-operative societies within his jurisdiction.

(2) Selected chief inspectors should be appointed as Sub-Assistant Registrars with all the ordinary powers which are now being exercised by Assistant Registrars in relation to credit societies and supervising unions.

(3) One or more specially trained inspectors should be appointed in each revenue district to work in direct subordination to the Assistant Registrar and to guide and assist in the development of non-credit co-operative societies as well as of non-credit activities in credit societies.

(4) That the Provincial Co-operative Union is hereby requested in accordance with the principles involved in the above clauses to develop a scheme and take necessary action in consultation with co-operators.

The reorganization of the Department which was introduced last year follows very closely the lines laid down in the resolution which I have just quoted. Practically the only difference of importance is in the

nomenclature adopted for the different grades of officers. The Deputy Registrar and the Assistant Registrar under the scheme recently introduced correspond to the Assistant Registrar and the Sub-Assistant Registrar respectively in the scheme outlined in the resolution of the Provincial Conference passed in December 1921.

8. The criticism has recently been made that some, if not most, of the ills from which the movement is suffering, are due to the top heavy nature of the administrative staff resulting from the recent reorganization. My reply to that argument is that the reorganization scheme was brought into effect only about 9 months ago. Obviously therefore the causes have to be sought elsewhere. Moreover, I would point out that it is not the case that the effect of the reorganization is to make the administration more top heavy, for the Deputy Registrar under the new scheme is simply the old Assistant Registrar but with a larger area to administer and with a certain amount of relief in regard to some items of work the primary responsibility for which has now been taken over by the officer who corresponds to the old chief inspector, the post of chief inspector having now been abolished. The absurdity of the suggestion that the Department has become more top heavy is therefore self-evident. As a matter of fact the recent reorganization of the Department is not only in accord with the wishes of the non-official co-operators as expressed at the Conference of December 1921, but it also meets the criticisms of those who objected to the augmentation of the upper controlling staff in 1919-20, for the purposes of the so-called development scheme, under which a senior officer of the grade of Deputy Collector was put in charge of each district. I may add in passing that that scheme too in its own turn was prepared in accordance with the wishes of the non-official members of the pre-reform Legislative Council. The facts which I have mentioned will indicate to you how responsive Government and the Co-operative Department are and always have been to non-official criticism. At the same time you will of course recognise the fact that Government must in matters of this sort look well ahead and lay down lines of policy for several years to come. If the critics of the movement chop and change as they are now doing, they can hardly expect Government to follow in their wake. Under the new scheme, direct recruitment to the Department is now made not only for the inspector's grade but also for the new Assistant Registrar's grade and I may tell you that when the 8 vacancies in the latter grade were filled up last year we were successful in obtaining recruits of an extraordinarily high standard. I may also say that as a result of the reorganization scheme by which a certain number of posts in the upper controlling staff will be filled by promotion from the lower grades, a very much

better type of recruit is now being secured for the subordinate staff of the Department.

9. There has been a certain amount of criticism in regard to the creation of the post of Joint Registrar provision for which was included in the budget which has recently been passed. Doubts have been expressed as to the necessity for such a post. I am glad therefore to find that at the recent Provincial Conference the necessity for a second officer of the grade of Registrar was recognised although the recognition is coupled with the suggestion that the duties assigned to that officer should be on a territorial basis and not on the basis of division of functions. I may assure you that I agreed to the creation of the post only after the most careful consideration and after satisfying myself that it was essential for the proper progress of the movement.

10. One feature of the movement which has been agitating, and very rightly so, the minds of both official and non-official co-operators, is the unsatisfactory position as regards overdues. Government and the Department are equally alive with the non-official leaders of the movement to the necessity for grappling with this problem but here again I would urge upon you the necessity for helpful criticism based on sound knowledge of facts. I noticed recently that the Hon'ble Mr. Ramadas Pantulu in his Presidential speech at the Andhra Provincial Conference held at Peddapuram in February last made the following statement:

"There is a widespread belief among co-operators who possess an intimate knowledge of the working of the societies and banks that the figures in the official report relating to overdues to the central banks are not genuine. It may or may not be so, but it is quite easy to manipulate them."

It is only necessary for you to consider the frank and candid way in which for many years past the question of overdues has been dealt with in the successive administration reports to realize that the suggestion that the figures are not genuine is entirely baseless. It has always been the practice of successive Registrars to criticise the position as regards overdues and indeed all other defects in the movement not only with the utmost candour but also with the obvious desire to bring home to every one concerned the true position, and I would therefore most emphatically repudiate the idea that the officers of the Department have ever done anything with a view to making the position appear other than it actually is. There are of course many reasons for the overdues but undoubtedly one of the chief reasons is the inability of central banks under the system to finance the societies with loans for sufficiently long periods to satisfy the actual requirements of the ryot. There is no doubt that the

maximum period which can be allowed under the existing system for the repayment of loans is so short that it is in many cases impossible for the borrowing ryot to repay out of his annual income. Our hopes therefore for the reduction of overdues must to some considerable extent depend upon the possibility of organising to a very much larger extent than has yet been done, the system of long term credit. By this I do not of course mean to say that there are not many cases of default which are due to reasons that are avoidable and I would urge upon all co-operators the necessity for making the most strenuous efforts to promote a better realisation of the necessity of punctual repayment by members to their societies.

11. A charge that is sometimes made against the Department is that it is content to judge the progress of the movement merely by the figures representing expansion, and that, in order to obtain results, it is forcing the pace in regard to the matter of new organizations. That is a criticism which is manifestly untrue and which cannot possibly be substantiated. In his latest Administration Report, the Registrar has clearly shown that only a small fraction of the expansion is represented by the creation of new societies and that the bulk of the expansion is represented by a healthy development in the transactions of old societies. The Department is by no means neglecting its very necessary duty in regard to consolidation and rectification. In a growing movement of this nature, it is inevitable that there should be persistent demands for further organization, more particularly in the areas which have hitherto been backward, but the Registrar and his staff have been most careful to see that while as far as possible this demand is met, the work of consolidation and rectification is not neglected. I observe that while some critics maintain that new organization is proceeding too quickly, others equally competent maintain that it is not proceeding fast enough and that fact may, I think, be taken as fairly good proof that the progress is really well-balanced.

12. Recently I have noticed with considerable concern an attempt on the part of a few people to shake the confidence of the public in the efficiency of the departmental audit of societies. I am afraid this attempt is only part of a deliberate campaign on the part of those people to discredit the policy of Government and the work of the Department. It has, I believe, always been admitted by competent critics that the system of audit in this Presidency is very thorough and detailed and that it will challenge comparison with the system in any other Province. A system that has to be worked by human agency can of course never be made absolutely proof against all attacks and it is always possible with such a large number of

societies to audit that occasional mistakes may occur in spite of the excellence of the system, but to argue from one or two isolated cases of fraud or misappropriation by the office-bearers of societies that the whole system of audit is wrong, is the very limit of absurdity. Even in regard to the few cases of defalcation which have recently figured largely in the speeches and writings of these critics, the difficulty of detection was due not to any defect in the system of audit but to other causes. So long as cases occur, as they occasionally do, in which members under the influence of office-bearers of societies admit as genuine and even allow decrees to be passed against them in respect of loans which are either benami or entirely fraudulent, so long will it be impossible for auditors to be certain that they have brought to light all cases of fraud.

13. In conclusion, I would remind you that the co-operative movement is or ought to be based on genuine democratic principles. This means that every co-operator, rural or urban, educated or uneducated, must be given the fullest opportunity to develop the spirit of self-reliance and to exercise his own due share of influence in the management of his own society.

CO-OPERATIVE MOVEMENT IN MADRAS.

Overdues and Official Audit.

MR. RAMDAS' REPLY TO CRITICISMS.

Mr. V. Ramdas Fantulu writes :—

My attention is drawn to certain adverse comments made by Sir T. N. Sivagnanam Pillai, the Development Minister and Mr. C. S. Venkatachariar, Advocate, on portions of the Presidential Address delivered by me at the Andhra Provincial Conference held at Peddapur. The controversy centres round two matters, which are of vital moment to the Co-operative Credit Movement, namely overdues in primary societies and the nature of official audit. In drawing attention to the appalling increase of overdues in societies, I incidentally stated that the official statistics, alarming as they are, may not be wholly depended upon to reveal the true magnitude of overdues, for it is just possible to keep down the figures relating to them by resorting to unjustifiable extensions and allied devices. I did not commit myself to any definite view nor did I attempt to lay the blame at the door of any particular agency or institution. At the same time I could not, with any sense of propriety, conceal from the Conference the fact that certain well-informed co-operators were of opinion that all was not well with some societies and central banks in the matter of overdues. I refrain from alluding to the

materials on which that opinion was based for reasons to be stated hereafter. Suffice it to say that it serves no useful purpose to dismiss apprehensions thus cautiously expressed by friends of the movement as phantoms of the imagination of a biased clique of co-operators.

Statistics of overdue loans.

Moreover much water has flown under the bridge since Peddapur Conference. A large representative gathering which assembled in the Easter week at the Fourteenth Madras Provincial Co-operative Conference passed the following resolution : "This Conference notes with regret that the system of extensions for loans due to central banks in vogue in certain districts, is open to grave objections, and merits immediate enquiry, by a Committee composed of a representative of the Provincial Co-operative Union and a representative of the Madras Central Urban Bank with one member co-opted from the Board of Management of the Central Bank concerned." Thereupon the Madras Central Urban Bank and the Madras Provincial Co-operative Union deputed their representatives to collect the requisite information and make the necessary enquiry. This step was taken after due deliberations and a careful consideration of the resolution of the Conference. The Registrar of Co-operative Societies has also sent round the following circular dated 19th April 1926 to all Central Banks :—

"It is observed from the annual audit reports that almost all Central Banks have given extensions of time for the repayment of loans due by Primary Societies. The Registrar requests Central Banks which have given such extensions in the year 1924-25 to let him know, as early as possible, the principles on which the extensions were granted and whether all the extensions were based on applications received from societies and again whether the applications from societies were in their turn based upon corresponding extensions granted to their members."

This circular must be taken to have been sent apparently with the same object as that which the M.C.U.B. and the P.C.U. had in view when they deputed their representatives. Therefore the self-complacency and non-chalance with which Sir Sivagnanam brushed aside the question in his Tinnevely speech, notwithstanding the facts narrated above redound little to his credit. His thin special pleading is either the result of ignorance of what goes on in his own departments or is a mere election stunt—conceived much in the vein of his illustrious predecessor's outpourings at Dharwar. Unwillingness in a Minister to face inconvenient problems and grapple with them in all seriousness is highly deplorable, inasmuch as it reveals absence of a real sense of responsibility. Mr. C. S. Venkatachariar, I am afraid, played his role of an official apologist rather awkwardly. In his zeal

to defend the Department, he invented a new plea that if the official reports erred, it was on the side of over-estimation. His unsolicited advocacy from South Arcot must surely have embarrassed his official friends who claim accuracy, if not infallibility, to their figures, for an over-estimate detracts from their value as much as an under-estimate does. It is a case of "save us from our friends" and does not merit more serious notice.

The Audit Question.

Then a word about audit. No one denies the fact that the audit, imperfect as it is, fulfils a very useful function and that it has also shown some improvement in quality since the separation of the audit staff from the administrative section less than two years ago. But it will be an unpardonable omission in a survey of the Co-operative Credit movement, to ignore the many shortcomings of State Audit, for the safety not only of the fabric of rural banks but of the entire edifice of the financing agency right up to the top piece rests on it. The apex bank depends upon the approximation we can make to completeness, efficiency and honesty of audit in its comprehensive sense as defined by the Statute and expounded by the MacLagan Committee and other authoritative exponents. It is idle to contend that the status, equipment and training of our audit staff are such as to make them fully qualified to discharge their onerous duties and leave no room for improvement. It is therefore, in my humble opinion, not only permissible but legitimate to advance an earnest plea for the betterment of the personnel and work of the audit staff without the risk of being called impatient idealists and with a full sense of financial and other limitations under which we labour. Am I then wrong if I draw public attention to real dangers lurking in considerations other than those of efficiency and fitness entering into the choice of men engaged in this important public duty, on the proper discharge of which rests the very foundation of the movement? When the Development Minister was cornered in the Council and forced to disclose the policy underlying his appointments he was constrained to admit that they were so made "as to restore equality of opportunities to several communities found to have been previously ignored"—a euphemism for a policy of party and communal interests.

Thanks to the vigilance of Mr. T. Adinarayana Chettiar and other co-operators, the defects in the quality of audit are receiving constant public exposure. A series of questions put in the Local Legislative Council in March 1925 revealed that arrangements for the scrutiny of the work of audit inspectors were very defective, that no one really tested their work, that the Assistant Registrars were under no obligation to super-audit even a small percentage of societies audited by inspectors, and that

even in the case of Central Banks no satisfactory system of test audit by the Assistant Registrar existed. Instances of avoidable cases of frauds, malpractices and mis-handling of cash balances with their inevitable concomitant evils of falsifications of accounts, forgeries and other devices to cover up misappropriations were elicited during question time and their non-detection was traced to its proper source, the deficiency of audit. It may suit Sir T. N. Sivagnanam not to refer to such disquieting facts in his public utterances at co-operative gatherings, but no publicist who is not overwhelmed by a sense of party exigencies can afford to ignore them.

Conclusion.

I am content with this general reply for the time being. I purposely abstain from illustrating my position by references to concrete instances and figures relating to particular institutions as the whole matter is now *sub-judice*. I have no desire to pre-judge any issue or to prejudice any enquiry. No one will feel more delighted and happy than myself and critics with my frame of mind, if the apprehensions expressed by well-meaning observers are proved to be baseless by an impartial enquiry. The M. C. U. B. and the M. P. C. U. in deputing their representatives to request central banks for information and to assist those banks with the aid of their own co-opted representatives to investigate the question are actuated solely by a desire to infuse confidence in public mind in the soundness of co-operative institutions by revealing and consolidating the weak organs in the movement. I have not the slightest doubt that all central banks and societies will appreciate the anxiety and the desire of the M. C. U. B. and M. P. C. U. to direct the movement along proper channels and will therefore repose confidence in the representatives deputed by them by availing themselves of their services for the mutual good of all concerned and for the promotion of our common aims and objects.

CO-OPERATIVE FINANCE.

BY MR. ULLAL MANGESH ROW.

The presidential address of Mr. Lallubhai Samaldas, at the Provincial Co-operative Banks' Conference held at Bombay on the 15th January makes one pause and think a good deal about the future of the movement. From the facts and figures quoted by Mr. Samaldas the impression at the outset would be that a large movement started 22 years ago has got behind it and within its fold a respectably large army of co-operators who have girded up their loins for the economic uplift of the mother country. Nearly sixty thousand primary societies exclusively rural and started to finance the villages

and about 5,000 non-credit societies undertaking various other activities than plain finance, with a little over 500 Central Banks to finance them and 8 Provincial Banks forming the apex in the provinces to form a link between the District Central Banks is no small achievement and all honour is due to the chief workers that have contributed towards the success. The movement has brought within its fold about 50 crores of working capital. The membership within the movement though very small compared to the population of 350 millions of India, yet is not such a small number as to be considered negligible.

It is really a matter for congratulation that so much money should flow into the movement but now the co-operators find that there is a plethora of money which must be usefully employed in order to give reasonable dividends and help the societies also side by side. It may be inferred from the speech that the primary societies have not been able to absorb all the money that has been collected in the Central and Provincial Banks, and avenues for utilising this money have to be found out. This has been the crux of the problem. It practically amounts to this. Large reservoirs for irrigation purposes have been built by the construction of dams across the rivers. The flowing water now tries to overrun the dam and threatens to be wasted away. Irrigation canals have been constructed but on sandy beds and the water that flows in them never reaches the fields at the further end and is absorbed somewhere. The engineer holds the metre and is ready with his figures that he has let out so many thousands of gallons of water and that this water must be able to irrigate so many acres of fields. The water when it passes through the canals is absorbed and reaches the fields in dribbles and easily evaporates leaving the fields as dry as before without the least vestige of moisture. The engineer is perplexed though he is quite sure of his machinery, locks, nuts and metres; and he cudgels his brains without looking to the sides of the canals and has not been able to perceive how it has been absorbed by the soil of the canals and how much of it has stagnated there owing to the levels not being properly taken, the consequence being a number of pits on the sides and bottom which hold up a large quantity of water. The same is the position of the movement now. A large amount has been accumulated in the Central and Urban Banks. In the natural course it would have gone to the big dividend-earning joint stock banks and industrial concerns. As most of these are in the hands of foreign exploiters, people were anxious to manage concerns run by themselves and started these indigenous banks where the patriotism of the people came into play and helped to secure large deposits. The failure of a few foreign managed Banks also helped this flow into the indigenous concerns managed by Indians and intended to help Indians. How they were helped and whether the help was really effective was no concern of the indigenous depositor and shareholder and he left this too prosaic task to the indigecommittee being content with the security offered and the promptness and ease with which the dividends were paid. The prestige of the Government behind it gave additional security and the inflow was more than what could be absorbed by the primary societies. If anybody is under the impression that this inflow is due to the ardent desire of the shareholder and depositor to uplift the village and

eradicate the poverty of the people he is flattering where credit was not really due. It is only an infinitesimal part of this large body of nearly 2 million members that have really pictured in their minds the potentialities of the movement. In fact, if I may say, the generals are too few and the army only a disorganised rabble which does not know what it is expected to do and where it is being led. The people themselves gape with wonder at this simple system of giving loans which never demands from them any hard work in return and are misled by the easy terms with which they secure money; and the money though ostensibly obtained for productive purposes is actually spent to a large extent to clear off their old debts or petty speculations, and the cheap terms never make the debtor realise his moral responsibility to repay and in time. This is the reason of the large and ever-increasing overdues. Any concession in the strictness of collection is always misunderstood and the easy flow has tended to a large extent to laxity in collection. It is only where the rules and regulations are put into action for collecting overdues the debtor tries to evade payment and suffers for it and lays the blame in the end at the door of the movement when he has to part with his all to satisfy the creditor society. He has never cared to study his responsibilities while freely borrowing, and is gradually though surely coming to grief. Hasty organisation in many places placed the societies in the hands of unscrupulous persons who have turned the laxity mentioned above to their advantage; and the movement which ought to have been based on character and moral strength of the people has to seek shelter under penal laws and the penal code and forges new weapons of by-laws and regulations to make the men more moral and law-abiding.

If this is the state of the credit side of the movement, the non-credit side is much worse. The failure of most of the stores and other kindred institutions is due to the inexperience of the guiding spirits and insufficiency of capital. Industrial and such like non-credit concerns cannot be run by men who have to gather experience at the expense of somebody's capital. They require the help of trained hands and such hands cannot be made available for a nominal honorarium. To pay them well, the capital of the concern should be sufficiently large and the hard conditions which preclude speculation do not encourage the flow of capital. The only saving grace in the matter of these concerns is their small number and these have yet to make their presence felt. When there is a large stagnation of funds in the central and provincial banks the temptation would be to start Industrial and Agricultural concerns on a large scale and finance them. This is sure to land the movement into further complications unless the institutions are properly managed and a hasty organisation of non-credit concerns on limited liability basis will surely tend much sooner to wipe off all surpluses to the grief of the shareholders and depositors. I do not mean to throw cold water on any scheme encouraging indigenous industry. But I would humbly point out that the organisation of such concerns requires a much greater scrutiny than organising a number of credit societies on unlimited liability basis. Credit side is the easiest to understand and easiest to manage and if the general bodies of the societies had

been made alive to their responsibilities at the very inception, we would not have had an occasion to complain now of such large overdues.

In the matter of non-credit concerns the Department has a greater responsibility as the task is more difficult and requires more frequent audit and advice. It would be better to allow the financing to the people and the bank; the responsibility of running the institutions should be taken for a few years, i.e., at least till the people are convinced that it is a going concern, by the Government, itself selecting experts to manage it. As the institution begins to pave its way, the pay of the officer in the Department will be charged to the institution and ultimately the locally trained men on a smaller salary will be allowed to run the institution, and along with them the Directors also will get an insight into the working. The prestige of the Department and guarantee for a dividend of at least 6½ per cent at the outset till the institution is on its legs is quite necessary if non-credit work is to be successful. Herein the Agricultural and Industrial Departments have to co-operate with the Co-operative Department and lead the way. When once the people are convinced of the efficacy of an institution, the full management may be handed over to the directors and the general body and the Department divert their attention towards other ventures. The progress is sure to be very slow but it will be sure and steady and will make up in later years for the slow rate in the earlier stages. If this is not done in time, the inflow in the movement will lead to stagnation and the consequent heavy losses or to the temptation to rush forward in different ventures without proper organisation and early training and lead to nervousness due to failure consequent to hasty disorganised work and people will lose their faith in the movement.

Another harm created by this inflow would be the diversion of money from joint stock concerns and their starvation. They would have at least given occupation to some starving people in the towns. The joint stock concerns have their own place in the industrial work and cannot be allowed to suffer by the dog-in-the-manger policy of the co-operative concerns which would be attracting money for which they have no immediate use.

Thus the co-operators have two things to consider. They have to bring the deposits under control by commensurate lowering of interest rates or refusing to receive more money than can at present reasonably be expected to be absorbed in the movement. A thorough overhauling of societies, by awakening their general bodies to their responsibilities, by introducing the joint purchase and sale in them, and lending only for productive purposes, is also necessary. Small industrial concerns more helpful to improved agriculture have to be organised under the direct control of experts paid for and managed by Government Departments, eventually to be handed over to the societies. Land Mortgage Banks have to be started with a more liberal help extended to petty landholders to free them from the hard clutches of money-lenders. The suggestions mentioned above are nothing new but often their familiarity makes us lose sight of them and we ignore them. Hence every endeavour has to be made to organise the financial side of co-operation on a sounder basis to prevent a crash in the future.

CROP-PRODUCTION IN INDIA.

By ALBERT HOWARD, C.I.E., M.A., (OXFORD UNIVERSITY PRESS, 1924.)

By Mr. K. C. Ramakrishnan M.A., Reader, University of Madras,
Economics Department.

This is a work by a most distinguished authority in the realm of scientific agriculture, conceived for the benefit of not merely the professional student but also of the large lay public interested in agriculture. The main aim of the book, according to the author, is to set out the problems of crop-production in a simple language so as to enlist the interest and secure the active co-operation of the public, without which the efforts of the Agricultural Departments are bound to fail miserably—especially in respect of the distribution and maintenance of improved seeds and the eradication of diseases.

The book is divided into three parts, the first of which deals with soil factors in relation to the welfare of the crop. Howard has no doubt that the soils of India are exceedingly fertile and would produce abundant crops if only the cultivator would supply sufficient water, and not merely water but air and organic matter and also maintain a suitable texture. The greatest merit of the book lies in the pointed attention drawn to factors of productivity hitherto ignored or incompletely understood. The need for controlling surface-drainage from the points of view of conserving rainfall and preventing soil-erosion, the necessity of soil aeration for the fullest root-development and the healthy growth of plants, and the importance of regulating the supply of irrigation water and preventing excess which often affects aeration, gives rise to alkalinity and malaria—all these are dealt with in a concise and convincing manner, the author drawing frequently on the contribution he has himself made on these themes. He is particularly distressed at the vast waste of water in canal areas and argues that water-saving would not only lead to increased yields but to improved cultivation, more fodder production and greater revenue. Our author is led on to the advocacy of selling irrigation water by *volume* to large cultivators and to the smaller ones organised in co-operative irrigation societies, and he refers us to the high authority of the Indian Irrigation Commission of 1901-3. We must say—and that is the view of the recent Indian Taxation Committee—that the country is not yet ripe for the experiment, that education by means of demonstration must precede the revolutionary change in assessment advocated. Besides, the problem of taxing water is complicated by the variety of conditions prevailing in the country in respect of the prevailing crops, rainfall, configuration and soil, and systems of land-tenure, and consequently by the varying value of water in the different parts of the country. We are constrained to observe that our author's suggestion is at once too radical and too simple to afford a satisfactory basis of taxation.

The problem of manure supply is discussed in more than one chapter. Howard has no doubt that the uncontrolled export of oil-seeds and cakes means the loss of valuable manure to the country; but he would not check that export

by duties, in the interest of our agriculture and of our nascent oil-crushing industry, for reasons not unfamiliar to us. Some of the reasons are quite valid in the existing circumstances; but it is possible for interested persons to make capital out of them all. It is impossible in the course of this review to argue out the question. But we feel that in the best and *long-run* interests of our agriculture which the State ought to care for most—nothing should be left untried to retain manurial residues of oil-seeds and export only surplus oil, as the Officers of the Madras Agricultural Department urged before the Indian Fiscal Commission and even as the majority of members of the recent Taxation Committee recommended. We must, however, beware that the levy of duties will not work wonders but that, in addition, the supply must be better, i. e., co-operatively-organised.

The second part of the book is mostly devoted to a sketch of the work done so far and the work yet to be done on various crops. A good deal of useful work has been done on the major crops—rice, wheat, sugarcane and cotton, though the results have hardly reached the masses of cultivators. Our author admits that too little attention has been paid to the cultivation of pulses and fruits which should occupy an important place in vegetarian India. Fruit-growing has a fascination of its own for the educated mind and no better link than this could be found between the rural and urban citizens.

That problems in agricultural development cannot be dealt with exclusively and independently by the expert is amply borne out in the case of fruit-culture. Improvement in picking, transport and preservation, raising the standards of consumers and utilisation of the surplus crop (as jams, etc.) are closely linked up with the development of fruit-culture. The great possibilities of co-operation in these spheres must be familiar to those who have heard of the splendid achievements of the Fruit-Growers' Exchange of California. However, the less alluring but more necessary work of distributing improved seeds of the staple crops by co-operative organisations will tax our utmost energies in the near future. To this work our author makes a passing reference, not very complimentary to co-operators. It is a thousand pities that in this great agricultural country too little attention has been paid so far to non-credit agricultural co-operation. Shall we in Madras look forward to the development of this by the efforts of the Co-operative Department which has been avowedly reorganised recently for this purpose? But as sure as anything their efforts would prove futile, if they would not seek or would not get the co-operation of the substantial farmers who are the natural leaders of the countryside or if the cultivators would not evince a keener interest in improvement which could only follow successful demonstration and intensive propaganda by the Agricultural Department.

In the third and final part of the book, the author puts forward his ideas concerning the Organisation of Research. He would demand of the ideal investigator a thorough training in all branches of Botanical science, a sound knowledge of general science and appreciation of the economic aspects of agriculture—the want of which has been responsible for not a few failures in the early

career of the Agricultural Departments. He pleads for raising the standard of scientific teaching in all Indian Universities and for the interposition, between the University period and the actual work of research, of an apprenticeship stage at the experimental stations. He sums up in the last chapter the conditions that must be ensured for workers; freedom in the conduct of research and publication, security of tenure, means to secure a care-free life and some methods of reward or recognition of success. These are necessary to divert the best talent in the Universities from running into Law or the Civil services. According to him ideal conditions are not offered by a State Department of Agriculture in which the worker is subjected to routine and red tape, constant interference and untimely retrenchment, suppression of individual opinions and revolutionary ideas until "it becomes a safe rule to play for safety and to take the middle course." He makes a theoretically convincing plea for the creation of a Development Fund and a Development Board to carry on supervision and to be composed of members representing the Legislatures, the Executive and the workers themselves. The Fund would be gradually built up from surplus revenue but at the beginning would require annual grants. All this is fine; but he should be a bold man who would predict great success for this scheme in the present circumstances of this country with an awkward and not easily workable form of government, with normally deficit provincial budgets and with a legislature composed of parties, all too busy over other things to bestow thought on schemes of agricultural improvement.

The book is written in a remarkably lucid and charming style considering the technical nature of its contents. But with all the efforts at simplicity, the book cannot be followed by uninitiated readers. For those who have studied carefully agricultural primers like Benson's or Clouston's or even Mackenna's *Agriculture in India*, much of the contents should be intelligible. We believe that for the advanced student there is a good deal that should be thought-provoking.

The tone and temper of the book are excellent. Our author is not a carping critic, engaged in the pastime of finding fault with an ignorant and irredeemable peasantry. "In ancient systems of agriculture, such as that of India, it must never be forgotten that the cultivator is generally sound in his procedure; the difficulty often is to perceive the scientific basis of his practice."—A wholesome warning indeed for self-opinionated experts.

NON-CREDIT SOCIETIES 1925-1926

AUDIT ORDERS.

Agricultural and Industrial Societies.

Of this type of societies Nidamangalam stands the foremost making steady progress; and an article about the society will be published next month. The Kallakurichi society has spread its activities broad and wide and intense non-official effort will be required in the years to come to base it on strong foundation

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THE MADRAS BULLETIN OF CO-OPERATION.

of steady loyalty of the ryots in utilising the concern. One of the whole-some changes recently made in the bylaws is the separation of credit advances and facilities for marketing from the production side of the society and the registration of an independent society for the former work. This society called the Loan and Sale society would advance money to the ryots on the pledge of standing crops on the express understanding that the paddy, groundnut and sugarcane would be made into marketable produce in the Industrial society. Credit will also be given to members for cultivation expenses for sugarcane, thus the Loan and Sale society will transmute the existing system of credit issued from Central Banks for short term purposes and regulate its use for productive purposes only. This is a development which in course of time would convert the Central Bank as the central financing medium for giving all facilities for the lending operations of the Loan and Sale societies and eliminate its direct transactions with Rural Primaries for short term purposes. During this year ending 20.4.26, 8 loans were issued for a sum of Rs. 21,614 for cultivation expenses of sugarcane, and 1 loan for Rs. 96—14—7. A sum of Rs. 1,860 was given in 8 loans on the pledge of jaggery and another 6 loans for Rs. 2170-3-4 were issued on the pledge of paddy and groundnut. Usually such advances are made to 75 per cent of the value in the case of paddy and 60 per cent in the case of groundnut and jaggery at 9½ per cent interest. Thus the society has been set on the road towards the control of the market but the wholesome restrictions of sale at the risk of the member throw on him a large responsibility of learning the market and intelligently waiting for better prices which he would like to shirk, finding as he does private merchants willing to take his produce and make out-right payment. The ryot will calculate the gain in transporting his sugarcane to a society which asks him to store the jaggery at his risk without making outright payment. In the initial stages when the society is not in charge of an extensive output of groundnut, the advantage it can best give to the ryot is facility to wait for a better price but not its sale at its very doors. Ground-nut has to be taken to Tirukoilur for sale. Even the facility for waiting for a better market will be taken advantage of more by small traders than by ryots. It is here that non-official propaganda has to be undertaken with an all-absorbing zeal and enthusiasm if the ryot is to be persuaded to take his produce only to the Loan and Sale society.

Crop and Produce loans will induce the ryot to godown his produce in the society and it is fortunate that the Central Bank has given a cash credit for Rs. 5000 at 7½ per cent interest and the Imperial Bank for Rs. 10,000 at 6½ per cent interest for giving advances.

The production side of the society is gradually increasing its turnover and two more branches have been started during the year with a view to extend its operations. The following figures will indicate the income and the charges of the factory during the last year.

Kallakurichi. Sankarapuram branch.

I Factory working expenses :—

Charcoal	...	...	1,590	10	5	1,053	9	4
Lubricating oil	...	...	79	3	6	251	6	3
Wear and tear parts	...	...	683	1	11	208	15	9
Sundries	...	...	193	8	6			
Total	...	...	2,546	8	4	1,513	15	4

II Establishment Charges :—

Salaries	...	...	1,394	13	0	1,251	2	6
Honorarium	...	...	200	0	0			
Travelling allowances	...	...	81	4	0	12	0	0
Labour Charges	...	...	917	8	0	352	1	0
Miscellaneous	...	...	442	8	11	117	13	8
Total	...	...	3,036	1	11	1,733	1	2

III Factory income :—

1. Paddy huller	...	...	4,780	0	8	3,974	4	0
2. Decorticator	...	...	1,557	11	6	2,800	5	5
3. Flour mill	...	...	174	5	1			
4. Sugarcane mill	...	...	1,610	1	4			
5. Sale of husk etc. and garden produce as plantains	...	...	76	8	2	470	7	9
Total	...	...	8,198	10	9	7,245	1	2

Establishment :—

			Rs.	Rs.
1 Supervisor	...	...	50	
1 Driver	...	...	43	40
1 Fitter	...	...	30	
2 Huller attenders	...	...	11 & 10	12
1 Cleaner	...	...	7	7
1 Peon	...	...	10	8
1 Maistry	...	...	12	
1 Agent	...	...		29

Rates for hulling etc :—

Hulling	...	1 pie per m.m. paddy	...	1½ pies per soft paddy and 2 pies for hard paddy.
Decorticating	...	1 pie per m.m. groundnut	...	1 pie per m.m. groundnut
Flour milling	...	Soft 4 pies per m.m. hard 6 pies per m.m.		
Sugarcane mill	...	Rs. 6 per candy of jaggery.		

organisations, there are some jarring compromises in their present by-laws as the letting out of sub-contracts to individual members and the inclusion of smaller contractors as members. The latter, suffering as they do for want of capital, are willing to act as secretaries or governing body members of Labour Unions. But with all these compromises one has to appreciate in the turnover of these unions the way to the building up of an indivisible reserve of Rs. 6,300 which will help the labours of the future in raising credit from District Banks. Road work to the extent of Rs. 20,000 and breach closing work to the extent of Rs. 5,000 was undertaken during the last year ending 31st March by the Tanjore Labour Union. One could not but admire the earnest efforts of the Deputy Registrar which must have caused intense strain to him, in mobilising labour for the work, irrespective of the fact whether all the labour was contributed by members or non-members too, and whether the labour learnt at all that the organisation was theirs. These unions, in the days to come, will be the organisation of the labourers to fight for their rights, to enthuse into them the self-consciousness of productive and serviceable units in the economy of society and raise their status and bring in the social life of the nation.

The Tanjore Labour Union had also to its credit Rs. 1,135-10-8 and Rs. 2,271-5-4 under common good fund and sinking fund. The audit order mentions that the moneys of the Labour Union were kept in suspense account in the Central Bank, and if so, one would like to know whether any interest was paid on such suspenses. The obstacles that Labour Unions had to struggle against are many. Quick success with the help of contractors and not based on the continuous education of the labourer to realise his mastership of his own labour in the place of subjection to contractors, may not last long but the sure success depends on the discovery of labour missionaries who will undertake the work of organising labour as a labour of love.

When on this subject we would like to refer to the activities of the Vanaravuttu Labour Union which under the guidance of Mr. Sankarapandia Reddiyar was able to execute road work to the extent of Rs. 2,200.

Slatemakers' Society, Markapur, Kurnool District.

The society makes advances to members for making slates. It sold its articles to a sum of Rs. 1,981 and made a net profit of Rs. 231. The audit order refers to unhealthy competition which it is hoped will gradually disappear with the loyalty of the workers, and the evil of credit sales which the directors might devise steps to stop early.

The Sadananda Co-operative Printing Works.

The audit certificate of the Sadananda Co-operative Printing Works hardly gives the fullest materials for a full understanding of its working. Co-operators should congratulate themselves that the institution is gradually progressing. A review of the audit order of the previous year when the current year is coming to a close may have a historical value but hardly does justice to a living institution growing from day to day. The paucity of share capital which amounted

only to Rs. 4,390 while the cost of machinery, types and accessories amounted to Rs. 18,121 points once again to the need for increasing the share capital. In the interest of the movement, it would be better that individual co-operators strengthen institutions of this type by investing their own share capital than that all and sundry primaries working at a loss or profit should contribute for the same. The Central Bank gave cash credit to the Society on which the sum outstanding amounted to Rs. 17,036. Loans and deposits from members and new members amounted to Rs. 12,880. It is not known what kind of assets the sum of Rs. 13,238-10-4 mentioned in para 25 in the audit order indicates. Perhaps it refers to arrears under bills to be collected, an awkward fact prominently looming large in the credit system at present. It is not possible to make out from the figures the value of stock sold during the year which alone would give an idea of the ratio of the gross profit to the total sale. Assuming that the figure of Rs. 15,607 under receipts by sale of goods to members represents this figure, then the profit on the same being Rs. 2,448, works to a percentage of 16. If by stock is meant account books, registers and forms, the percentage of profit should be held to be pretty high. The income from printing and composing amounted to Rs. 10,589. Unless the production and sale sides are completely separated under charges as well, it is not possible to say whether the printing department has worked at a profit or loss. The administrative charges amounted to Rs. 8,304 and it would not be possible to say whether they were too high unless details were furnished. Then alone we could assess whether the income from the printing department was commensurate with the staff maintained. It has to be noted that the overhead charges would remain the same whether the work turned out was small or big. Whether the gross income from the production section was reasonable from the point of view of the consumer, could be known only from the knowledge of the kinds and quantity of work turned out. Nothing can be made out of the big figures under other items except by supposing that para XXVI indicated cost of machinery and accessories and para XXV related to arrear account.

The above review is written more in the view of eliciting fuller facts about the Printing Works. We are glad to mention that the Press made a profit of Rs. 9,117, declared a dividend of 6½ per cent during the last year and we would appeal to the co-operators of the Presidency to help this institution which surely has been improving from year to year.

CONFERENCES AND RESOLUTIONS.

Co-operative Registrars' Conference at Bombay,

January 12th

Governor Opens.

H. E. the Governor of Bombay to-day opened the Ninth Conference of the Registrars of Co-operative Credit Societies in India, which is holding its session in the Sir Vitthaladas Thackersey Memorial Hall. There was a large attendance of Registrars from different provinces and Indian States. Many

prominent non-official co-operative workers were also present from all over India. This Conference, which used to meet periodically from 1906 till 1918 at the headquarters of the Government of India has been revived this year. The deliberations will be continued till the 15th instant under the presidency of Mr. H. Calvert, Registrar of Co-operative Societies in the Punjab.

Sir Leslie Wilson's Speech.

His Excellency, in his inaugural speech, extended a hearty welcome to the guests, and expressed satisfaction at the splendid results achieved by the Co-operative Movement during the last 21 years in India in inculcating the principles of thrift, self-help and mutual aid. It had not only improved the economic condition of the masses, but had raised the moral tone of the whole community.

The Co-operative Movement, His Excellency said, had stood a severe test during the War. It had been conclusively proved that principles on which it was based were essentially sound and of great benefit to all countries including India. While so many institutions went, during the War, into the melting pot, the Co-operative Movement emerged not only unscathed, but stronger than ever. His Excellency added that Bombay had been very fortunate, from the very beginning, in receiving active help and support from non-officials in the preaching of the Gospel of Co-operation to the masses. He believed that in other provinces also non-officials were rendering similar help. The movement had gone beyond the stage where it could depend only on the Government. If it was to be self-reliant, many more prominent non-officials must come forward to play their part. The more it depended upon itself for propaganda and organisation, the greater would be its strength and stability.

Mr. Calvert's Presidential Address

Mr. H. Calvert, in the course of his Presidential Address, said that the hope of the peasantry was bound up with the constitution of small village associations. The Raiffeisen type of societies had proved so successful in India that they could well see in it a message of hope. If Germany after 50 years' effort on co-operative lines was able to break the power of the money-lender and gradually convert her Societies from credit to thrift, there should be good reason to expect that similar efforts would, in due time, produce similar results in India, though the task might be greater on account of the special obstacles peculiar to India and its social system, which could only be overcome by prolonged and persistent efforts.

He declared that the greatest enemies of the Co-operative Movement were those who wished to force the pace and to advance without consolidating the gains. The development of the movement must depend, he said, on the character of the people and on the ability and capacity of the leaders. The great need of the country, at present, was sound economic leadership, if they were to secure for the masses a higher standard of living. It was necessary, he urged, that co-operative workers must become experts in rural economics. They must search far and wide for ideas and suggestions. Their policy must

be to educate the people. He meant teaching them not merely to read and write but educating them in the positive directions of better cultivation, better animal husbandry, better buying and better selling and also in the negative directions of abstention from the money-lender, from unproductive borrowing and from waste and extravagance. Without adult education of the right type, the problem of low standard of living would remain unsolved.

The general ideas prevalent in the country, the speaker continued, were essentially uneconomic. The prevailing customs and sentiments, some fortified by religious feeling, made up a burden beyond their power to bear. It must therefore be freely recognised that the ideal could never be attained without something like a complete revolution in the general outlook. It was for co-operators to endeavour to ensure what type of scientific agriculture, evolved by experts, was suitable to the economic conditions of the villages. Their attempt should be to arouse a desire for better living through better farming and better business, for a better life through greater effort, and for a better India through self-help.

In conclusion, he said, all that meant a prolonged campaign of education; but it was possible of achievement. Even politicians could assist them by adhering strictly to sound economics, and by avoiding popular panaceas, which only led to heavy economic losses. He trusted the result of the deliberations of the Conference would be to encourage them to work yet harder and with renewed faith for the upliftment of the agriculturists, artisans and persons of limited means in the country.—(*The Hindu*, 13th January.)

Bombay, Jan. 13.

The All-India Conference of Registrars appointed three Subjects Committees, which met last evening.

Mr. J. M. Mitra (Bengal) presided over the Committee dealing with liquidation of prior debts, consumers' societies, industrial co-operation, co-operation among weavers, fluid resources, borrowing power of societies and penal provision against members of the Managing Committees of Co-operative Institutions for serious negligence.

Mr. H. Calvert (Punjab) presided over the Committee on exemption of societies from super-tax, income-tax on securities and recognition of Co-operative Institutions under the Indian Trust Act.

Mr. J. Gray (Madras) presided over the Committee to consider the proposal for the establishment of an All-India Co-operative Journal and an All-India Information Bureau and the relations of the Indian Co-operative Movement with the Horace Plunket Institution.

The Subjects Committees will present their reports to the full conference this afternoon.

Resolutions Passed.*Bombay, Jan. 14.*

The All-India Conference of Co-operative Registrars, after considering the reports of the various Sub-Committees, on the motion of Rao Bahadur Venkatachiar (Madras), unanimously passed a resolution recommending the exemption of societies from super-tax, and also from income-tax payable on securities in Burma pointing out that, under the existing rules, it had been held in that province that societies were not liable to super-tax.

Mr. J. M. Mitra (Bengal) moved a series of resolutions about redemption of old debts by village societies. In doing so, he pointed out that, although he had been selected to move the resolutions, he was not in agreement with some of them.

The Conference accepted the proposal that well-conducted societies might be allowed to take up redemption of loans, and that they might be assisted with funds by central banks, but that definite schemes should be prepared before any such work is undertaken.

On the motion of Mr. Strickland (Punjab), the Conference accepted the proposal for publication of an All-India co-operative magazine, and accepted the personnel for a permanent committee, although the proposal was strongly opposed by Mr. Lalubhai Samaldas, on behalf of Bombay, and Mr. J. M. Mitra of Bengal. It was pointed out that the travelling allowances of members of the Committee would be a huge charge and the payment of a monthly honorarium of Rs. 500 to an editor, without any provision for payment of articles, unsound.—(*Hindu 14th Jan.*)

The All-India Conference of Registrars of Co-operative Societies to-day proceeded to discuss the Sub-Committees' Reports. The Development Minister of Madras, Sir T. N. Sivagnanam Pillai, and the Hon. Mr. A. M. K. Dehlavi were present. Intensive propaganda and organization, after careful enquiries, in respect of co-operative stores, was urged. The Conference considered that the present collaboration between the Co-operative, Agriculture and Industries departments was satisfactory, and recommended that those three departments should be under one Minister.

The suggestion that there should be a Development Commissioner under the Minister to co-ordinate the activities of these departments was dropped, the Madras Development Minister pointing out that no need was felt in his presidency for such an officer, as all the departments were under his charge and as he was the proper person to co-ordinate their activities.

The Bombay Minister supported the view of the Madras Minister, and said that he also did not advocate that the Secretary of the Government dealing with these departments should be the co-ordinating officer. Although I. C. S. men were competent, they had narrow and secretariat outlook. He has found personal discussions with the heads of the departments more useful.

The Conference adopted by a very large majority, a resolution that the Indian Trust Act be so amended as to permit of investment of Trust funds in certain co-operative institutions under proper safeguards.

The Registrar of Bengal and the Bengal delegates voted against the proposition.

The motion to amend the Insolvency Act in favour of debts due to Co-operative Societies was not accepted, although the non-official representative from the Central Provinces (Mr. Pandey) pointed out that the movement had reached a very critical stage, in both U.P. and C.P. demanding serious attention.

The Conference recommended that the borrowing power of societies with limited liability should not exceed 12 times the paid-up share capital and reserve fund. The formation of Central Industrial Societies to arrange for the supply of raw materials to, and sale of products of artisan members, was recommended, as also grants to enable them to maintain central depots till they made sufficient progress. (*The Hindu Jan. 15th.*)

The First All-India Provincial Banks' Conference.*Bombay, Jan. 15th & 16th.*

Resolution I. This Conference is of opinion that the question of seasonal surpluses and deficiencies in Provincial Banks can best be solved by (1) a regular exchange of information regarding deposit rates in force from time to time and quarterly intimations about the requirements for funds by one Provincial Bank to another; (2) permission for interlending amongst Provincial Banks should be obtained by each Provincial Bank, from time to time from the Registrar of its own province; (3) the Provincial Banks may with advantage follow, if necessary, the general banking system of receiving short term deposits in the seasons at higher rates and reduced rates in slack season; (4) the purchase of Government securities for short periods may also prove to be of advantage in solving the question in favourably situated Provincial Banks.

Resolution II. In view of the need for promoting agricultural development and land improvement, this Conference requests the Provincial Governments to issue loans under the Land Improvement Loans Act through co-operative agencies and be pleased to make provisions in their Budgets for allotments to be distributed for this purpose jointly by the Registrars of Co-operative Societies and the Directors of the Provincial Banks.

Resolution III. In view of the importance and complex nature of the question of the necessity of an All-India State Bank, the Conference resolves that the matter may be referred to the proposed Association for fuller consideration.

Resolution IV. This Conference considers that early arrangements for the organisation of land mortgage credit are necessary where mortgage of agricultural land is permissible and approves of the starting of co-operative land mortgage banks covering small areas.

It is further of opinion that the work of issuing and marketing the mortgage debentures may be undertaken by Provincial Banks or central financing agencies provided they maintain separate accounts for this department of their work.

This Conference recommends that Government should recognise the debentures issued under this scheme as trustee securities and agree to guarantee the interest payable on the debentures till redemption.

In giving effect to the scheme, it is desirable to confine its benefits, in the first instance and, so far as may be, to working agriculturists.

Resolution V. The Conference is of opinion that the Imperial Bank of India should be persuaded to:—

1. pay interest on balances in current accounts of provincial and central banks, on which minimum balance of Rs. 5,000 is maintained,
3. grant credits against pro-notes of unlimited liability societies of central banks backed by societies' pro-notes,
3. rediscount for Provincial Banks bills of urban banks and trading societies under previous arrangements,
4. encash at par at local branches cheques on provincial banks drawn by central or urban banks within prescribed limits,
5. grant favourable terms for advances against Government securities,
6. assist in marketing bonds of land mortgage banks.

Resolution VI. This Conference requests the Government of India to reconsider the question of exempting registered co-operative societies from payment of income-tax on interest from securities.

Resolution VII. The Conference is of opinion that in view of the prevailing practice and the vicinity or otherwise of the Provincial Banks to the money market, the question of a standard of fluid resource for different Provincial Banks should be, for the present, left to the different provinces for independent solution.

Resolution VIII. This Conference believes that the introduction of a system of real documentary bills or trade bills backed by tangible security and bank bills supported by crop loans for discount between trading societies, central banks or urban banks on the one hand and the Provincial Banks on the other is necessary with a view to enable the movement to possess an easily negotiable security and thus to ensure greater fluidity in resources. The Conference believes that the rediscounting of such bills by one Provincial Bank with another will not only facilitate interlending but ensure a closer financial relationship between the Provincial Banks.

Resolution IX. The Conference is of opinion that inter-relations between Provincial Banks for the transfer of funds should be developed by

1. payment of Demand Drafts or Telegraphic Transfers free of any charge provided there is sufficient balance at the credit of account,
2. collection of remittances from Provincial Banks free of charge for credit to account,
3. purchase and sale of securities on behalf of Provincial banks less favourably situated by other Provincial Banks at one-sixteenth per cent commission.

Resolution X. This Conference considers it desirable for the further development of the co-operative movement in this country that some inter-relations between Provincial Banks in British India, and Provincial Banks and Central Banks in Indian States, should be established wherever the two banks find the same practicable, with due regard to business considerations.

Resolution XI. This Conference recommends that to promote closer relations between the Provincial Banks, to take action on the resolutions of this Conference, to convene conferences in future, and to take such further action as may be necessary, a Standing Committee should be appointed consisting of one representative from each Provincial Bank of British India and Indian States, Mr. V. C. Rangaswamy being appointed as Secretary of the Committee.

Resolutions of the IVth Andhra Provincial Co-operative Conference held at Peddapuram, East Godavari District, on the 4th and 5th February 1926 with the Honorable Mr. V. Ramadas Pantulu, B.A. B.L., Member, Council of State, in the Chair.

1. This Conference considers that the appointment of Deputy Registrars is unnecessary for the progress of the Co-operative movement and accordingly requests that the savings effected by the abolition of these appointments may be granted as a subsidy by Government to Unions and District Federations for doing propagandist work.

2. This Conference considers that for the better working of the Andhra Sahakara Sammelanam, all societies and Unions should become members thereof by making a payment of Rs. 50 either in lump sum or in 5 equal annual instalments and recommends to the authorities of the Sammelanam to make suitable changes in their bylaws.

3. This Conference considers that it is necessary to have an apex bank in the Andhra Country to finance the Central Banks in the Telugu Districts and requests the Department to take early steps in that direction.

4. This Conference is of opinion that a period of 12 years should be fixed for payment of the long term loans issued by the Madras Central Urban Bank and a period of at least 10 years for long term loans issued by the District Central Banks.

5. This Conference desires to bring to the notice of the Government that in the economic enquiry made and to be made by the Special Settlement Officer in connection with the Resettlement of the Kistna and West Godavari Districts now taken on hand, the true extent of the indebtedness of the ryots will be known if enquiries are made through co-operative societies and it is therefore necessary that such a method of enquiry should be adopted.

6. This Conference considers that while fixing the Individual Maximum Borrowing Power of the Unlimited Liability Primary Societies, the Department is taking no notice of the requirements of members possessing large properties whose membership is resulting in giving greater credit to the societies and requests the Government that the Individual Maximum Borrowing Power

should be so fixed as to meet the demands of such members for loans required by them.

7. This Conference being of opinion that the institution of Honorary Assistant Registrars is unnecessary requests the Department to abolish them.

8. This Conference requests Government to make the necessary amendments in the District Municipalities Act and the Local Boards Act so as to exempt co-operative societies from payment of Companies tax.

9. This Conference requests Government to pass orders abolishing the collection of stamp duty when money is withdrawn from current account in co-operative societies.

10. This Conference advises that interest may be levied annually instead of half yearly as at present by Central Banks from Primary societies and by the Provincial Bank from the Central Banks.

11. This Conference requests Government that Village Panchayat Courts and Village Courts may be empowered to execute decrees of co-operative societies for amounts not exceeding Rs. 200 and involving movable property.

12. This Conference considers that the appointment of a separate Registrar for the Telugu Districts is absolutely necessary and that no Joint Registrar need be appointed. It accordingly requests the Government that an officer who is an expert in Co-operation and possesses a working knowledge of Telugu should be appointed as Registrar for the Telugu Districts with Headquarters at Bezwada.

13. This Conference requests Government to give a rebate of 75 per cent in Money Order Commission for remittances from co-operative societies as in the Province of Bombay.

14. This Conference considers that it is not at all desirable that when repayments are made in primary societies before the due dates the amounts should first be credited towards interest although not due and that the Registrar's circular on this subject if put into force will result in considerable loss to the members of the societies, and that in agricultural credit societies it is necessary that interest should be levied only once in a year.

15. This Conference desires that with a view to do intensive propaganda work in the matter of organising Purchase and Sale societies in the Telugu Districts, the Andhra Sahakara Sammelanam or the people of the districts concerned should form local committees consisting of leading co-operators and request the Madras Provincial Co-operative Conference to take steps to organise a co-operative wholesale society at once.

16. This Conference requests Government to recognise the Share Certificates, Deposit Receipts and Debenture Bonds of Co-operative Central Banks and Land Mortgage Banks as security for Sale credits in the same way as Government Promissory Notes and Municipal debentures are now recognised.

17. This Conference resolves that it is necessary that there should be a federation for each district and that it should have complete control over the

Local Supervising Unions in that District, that the Supervision Fund already collected and to be collected hereafter by Unions and Central banks in each district should be in the custody of the Federation of that district and should be administered by that Federation. This Conference exhorts the co-operators of all districts to have their respective Federations affiliated to the Andhra Sahakara Sammelanam and enhance the usefulness of the Sammelanam.

18. This Conference considers that duties and powers now exercised by Assistant Registrars except Registration, Audit and Liquidation should gradually be transferred to the Sammelanam and the present Assistant Registrars should be directed to attend exclusively to non-credit work.

Resolutions passed at the VIth East Godavary District Co-operative Conference held at Peddapur on 6th February, 1926.

1. This Conference exhorts all co-operators and co-operative societies that they should endeavour to establish schools and libraries in villages as the further progress of the movement is being impeded by the illiteracy of the masses and for this purpose requests them to co-operate with the Taluk Boards in the endeavours they are now making in this direction.

2. This Conference being of opinion that the existence of the Andhra Sahakara Sammelanam is necessary for the further progress of the co-operative movement in the Andhra Country exhorts the Unions, Central Banks, District Federations and every primary society with a paid-up share capital exceeding Rs. 1,000 to purchase one share in the Sammelanam and all other societies to assist the Sammelanam by subscribing for the journal "Sahakari".

3. This Conference requests the Local Supervising Unions and the Department to organise cattle breeding societies and cattle insurance societies in the district with a view to improve the breed of cattle which is now gradually deteriorating and to secure the ryots against loss caused by their untimely demise.

4. This Conference considers that it is desirable that interest should be collected from primary societies once a year instead of half-yearly as at present, and that Central Banks and the Madras Central Urban Bank keeping this in view should accept deposits subject to payment of interest only annually to the depositors.

5. This Conference being of opinion that it is highly expedient that long term loans should be granted to the ryots of Polavaram island who are now heavily indebted, that their lands should be saved from being sold in auction at the instance of their creditors, requests the Department to organise a Land Mortgage Bank either in Polavaram or in Kesana Kurru and appoint a committee of the following members to assist the Department : 1. D. V. S. Prakasa Rao Garu, 2. Bikkuna Venkataratna M. L. C., 3. Nyapati Subbarao Pantulu Garu, 4. Zamindar of Kipileswarapura n., 5. Chitrapati Venkatachalam Pantulu Garu,

6. Nadimpalli Subbaraju Garu, 7. Devakupta Narasimham Garu, 8. Uppuluri Devannagaru, 9. Narasimha Devar Satyanarayana garu.

6. This Conference requests Government to exempt co-operative societies from paying Money Order Commission on remittances made by them to Central Banks through the post office.

If it is not possible to completely exempt the societies from payment of such Money Order Commission, each branch post office in the District should be authorised to accept Insured covers from co-operative societies.

7. This Conference resolves that the Central Banking Union, Cocanada, and other Central Banks in the District may be authorised to issue debentures in the same manner and subject to the same condition as Land Mortgage Banks are doing at present and that the money realized by the sale of such debentures should be utilised towards giving (Long term) loans to Primary societies.

Tinnevely Co-operative Conference. **RESOLUTIONS.**

From 9-30 a.m. to 1 p.m. the Conference discussed and carried several resolutions. The first was one of condolence at the death of the late Dewan Bahadur L. D. Swamikannu Pillai. The next resolution requested the Government to so amend the law as to make the Provident Fund of members of co-operative societies unattachable by civil courts. Other resolutions passed prayed for the exemption of Co-operative Societies from all local taxes including the professional tax and for a concession of 50 per cent reduction on the commission of money orders sent by members to Co-operative Societies as in Bombay. The opening of a Government demonstration farm for the paddy area of the district was asked for with a request that agricultural demonstrators should do intensive work in at least one Co-operative Union area within their jurisdiction. The inclusion of a course of studies in co-operation, on the curriculum of instruction for the training schools and colleges was also asked for. A resolution moved by Mr. P. V. Sivaswami Iyer, Vakil, Tuticorin, to the effect that in municipal areas where Co-operative Building Societies have to develop special colonies or suburbs, the Municipality should hand over half the proceeds of the property tax realised from such colonies for the purposes of supplying municipal conveniences such as lighting, road-making etc. The mover said that the Government, which had directly lent money to the building societies, should see that houses which were practically the security for the loan, did not suffer in value on account of the municipality not attending to their conveniences. Mr. Gray, the Registrar, objected to the motion on the ground that it would introduce functions to the Co-operative Societies entirely foreign to their scope. The resolution was withdrawn at the request of the President who said that it raised complicated issues. The meeting ended at 1 p.m.

Extracts from the Proceedings of the Governing body of the Rambha Local Co-operative Union Ltd, Meeting No. 5 Dated 28-3-26.

Resolution No. 37. This Governing body records its heart-felt thanks to Mr. S. A. Alley Sahib, Hony Assistant Registrar, Co-operative Societies, Rambha for his kind sacrifice of his T. A. (Rs. 96-12-0) earned during his services as H. A. R. to this union and wish him bright success in his career as H. A. R.

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Resolutions of the South Arcot Co-operative Conference May 3rd.

The following important resolutions were passed by a large majority, without much discussion.

1. This Conference requests the Provincial Co-operative Bank to reduce its lending rate of interest from 7 per cent to 6½ per cent.

2. This Conference requests the Government to exempt the payment of pensionary and leave contributions by co-operative institutions on behalf of officers whose services have been placed at the disposal of these institutions.

3. This Conference requests the Agricultural Department to take for demonstration the co-operative farm selected by the Union.

4. This Conference requests the Government to prohibit the exportation of articles which are used for manure, such as bones, phosphate, nodules, fish guano, oilseeds and cakes.

5. This Conference requests the Government to take immediate steps to instal an oil mill at Kallakurichi in view of the fact that South Arcot District in spite of its abundant production of groundnuts has, for want of facilities for extracting oil, to go in for oil cakes and other manures from outside to meet the increasing demand for manure for the expansive cultivation of sugarcane and other crops.

6. This Conference resolves that the present number of societies fixed for the audit for one Inspector should not exceed fifty.

7. This Conference requests the Imperial Bank to reduce the rate of interest on the overdrafts allowed to Central Banks from 6½ to 6 per cent.

8. This Conference requests the Government to prescribe a special reduced rate for the professional tax payable by the co-operative institutions.

9. This Conference requests the Registrar to see that the debenture scheme administered by the Department be given effect to before the 1st July.

10. This Conference requests that the Government should in addition to loans and subsidies take shares in all Co-operative, Agricultural, and Industrial Societies.

11. This Conference requests the South Arcot District Co-operative Banking Union to reduce the rate of interest from 8 to 7½ per cent.

12. This Conference requests the District Federation, South Arcot, to alter its bylaws so as to include all the non-credit societies in the District.

13. This Conference requests the societies in the Kallakurichi Taluk to take shares in the Spinning and Weaving Society, Kallakurichi.

Resolutions of the S. Kanara Co-operative Conference.

A District Co-operative Conference was held recently in the hall of the Sadananda Co-operative Buildings at Codialbail under the presidency of Mr. Mahaballa Siva Rao, President of the Uppinangudi Taluk Board. There was a large number of delegates from all parts of the district besides the departmental officers. The following decisions were arrived at after a long discussion :—

1. The classification of societies into good, bad and indifferent was left to the Unions as a rigid classification would create unnecessary bickerings. Wherever the Unions found the task of rectification of bad societies beyond their capacity, they were requested to appeal to the District Council and the Department for help who will decide eventually which societies have to be liquidated.

2. The forecast system of loans to societies, though condemned, was to be given a further trial with certain safeguards to be more rigorously applied.

3. Reduction of overdues in societies and of loans due to Banks was to be carried with great diligence by the end of June and every endeavour to be made by the Unions towards this.

4. The intensive supervision of the Adi-Dravida Societies was beyond the slender resources and has to be done by the Labour Department by means of a special staff.

5. In the District Co-operative Council by-laws, amendments were introduced to have a Working Committee of five out of the large executive body of nineteen to meet more frequently and the larger body being a sort of Subjects Committee for the half-yearly Conference and for consideration of the annual and revised budgets of the Union and the District Council.

6. It was decided to appoint a touring officer on Rs. 150 per mensem to visit societies of Union governing body members and other societies affiliated directly to the District Council and also to attend to rehabilitation of weak Unions and to do the interim audit of the Central Bank.

7. A protest was recorded against the efforts of the local bodies to levy profession tax on societies and it was resolved to move the District Board for exemption. (Hindu 8th May).

Resolutions passed at the Co-op. Cotton Sale Societies' Conference, Dharwar, 17th December 1925.

1. The Conference recommends that cotton sale societies should regularly publish information regarding the movement of cotton prices, and the

the market from day to day and that they should take the necessary steps for bringing such information to the notice of all cultivators selling their cotton through the society. It is further of opinion that while enabling members to make arrangements to hold their cotton, the societies should not take upon themselves the responsibilities of recommending such action.

The Conference is of opinion that the discretion of postponing an auction sale on account of unfavourable marketing conditions should as at present rest with the Managing Committee of the sale society.

2. This Conference recommends that the arrangements for the financing of cotton sale societies should be placed on a systematic basis and urges upon such societies to enter into negotiations with their financing agencies at the commencement of the cotton season for the finance required by them in the course of the season. The Conference is of opinion that the requirements of the cotton sale society should be definitely divided under the following four heads and separate limits be sanctioned under each head :—

(1) An overdraft against cotton not exceeding 60 per cent of the value of the stock in hand.

(2) An emergency credit against cotton also on the same terms but subject to conditions about a limit fixed in advance, a notice of three days' time and a maximum period of repayment not exceeding 4 weeks.

(3) A maximum credit against the general assets to be drawn upon according to forecasts to be submitted in advance and payable on receipt of a week's notice.

(4) A small cash-credit also against the general assets for current daily requirements payable on demand.

3. This Conference recommends the Central Financing Agencies to grant to cotton sale societies cash credits up to Rs. 5,000 without imposing the half interest clause and if necessary to make arrangements in advance with the Apex Bank for meeting the requirements of these societies.

4. This Conference recommends agricultural credit societies to prepare in advance of the cotton season a statement of normal credits to meet all the current requirements of their members especially for cotton and suggests that on the basis of such statements maximum credits should be obtained from Central Banks at the commencement of the season. It forcibly recommends Central Banks to permit their branches to sanction advances within the co-operative limits without reference to the Head Office.

5. This Conference is of opinion that every member of a cotton sale society should send the cotton grown by him for sale through the society. A member who fails to do so should be liable to a penalty as fixed in the by-laws, unless he has not been adequately financed through the co-operative movement. In the case of members of a credit society there may be provision whereby in any particular loan a clause should be included compelling the member taking that loan to sell his cotton through the society.

CO-OPERATORS' DAY ***A Message to the Young.**

The International Co-operators' Day is being celebrated in India for the third year in succession, although the movement started in the West one year earlier. The object of the celebration is to bring together co-operators for an annual stock-taking, and to disseminate broadcast the aims and ideals of the movement with a view to enlist new adherents to the fold. Co-operators take this opportunity to declare the faith that inspires them, to proclaim their message of harmony and good-will, and to convert the general public to their way of thought and business. Co-operators wish particularly to convey an appeal to the young, for it is the young who will be the inheritors of the Co-operative Commonwealth which the Co-operative movement seeks to establish. The old have the prejudices and their vested interests; the young have ardent fresh minds and a new outlook on life. It is they who can best appreciate the deep significance of this new gospel.

The young will naturally want to know what the gospel is, what its creed is, what its ideal is. Co-operation is essentially a movement of economic reconstruction, but it is described as a "religion applied to business." It seeks to strengthen the weak, to protect the community and to give fair play to all. Co-operation is not merely a movement for the displacement of the usurer and profiteer; it is a potent force in the reconstruction of society which as constituted to-day is only an endless conflict of interest between the consumer, the producer and the capitalist. Its motto is "each for all and all for each," and its goal is to secure better living, better business and better production. It ensures that production is for use and not for profit, but it goes further and aims at producing fine human beings in preference to rich goods. It seeks to break the monopoly of the capitalist by establishing an identity of economic interests among consumers and among producers who by union of forces hope to secure economic gains beyond the reach of any of them acting individually. Its methods are those of democratic government, universal franchise, equal rights, and full publicity. Membership of any co-operative association is voluntary, but experience all over the world shows that the number of adherents is ever on the increase.

The co-operative movement comprises to-day approximately fifty million members. Great Britain is noted for her consumers' movement, France for her Producers' Societies, Denmark for agricultural co-operation, Germany for her labour societies and joint farming, America's her splendid agricultural marketing organizations. Russia has her artels, Ireland her dairies and creameries, while Roumania, Czechoslovakia, Japan, all have notable achievements to their credit. What is to be India's special contribution to this great cause?

India took to the movement in 1904, and we have now over 70,000 societies, mostly for agricultural credit, with thirty lakhs of members, and commanding

* A manifesto prepared for the use of the Committee for Co-operators' Day Celebration, Bombay, by Mr. V. L. Mehta.

resources exceeding fifty crores of rupees. We were asked to find a Raiffeisen and a Horace Plunkett, and though we have workers, official and non-official, in plenty, we want a Raiffeisen and a Horace Plunkett in every district and city and it is to arouse enthusiasm, to create workers and to inspire young minds with the faith and the zeal of a Raiffeisen and a Plunkett that these celebrations are being planned. The task that awaits them is no less important than that of winning national freedom. For Swaraj, as also great leaders of the nation recognise, is not a goal in itself but a road to the goal. The goal itself is to add to the happiness of the individuals who form society in a manner not inimical to the interests of the community. Co-operation is one of the great world forces which tend to establish an economic order which harmonizes the interests of the individual and the community, and its teachings should, therefore, evoke a stirring response among the youth of all countries, of all creeds and races who aspire to build for themselves a new social order.

Triplicane Urban Co-operative Society.**SIR F. BARBER'S VISIT.**

Sir Fairless Barber, the representative to the 14th Madras Provincial Conference of the English and Scottish Wholesale Societies, paid a visit to the T. U. C. S. on Monday, 5th April, at 3 p.m. He was accompanied by Mr. Gray, the Registrar of Co-operative Societies, and some delegates to the Conference. The distinguished guest was received at the Stores by the President, Mr. A. Sivarama Menon, and the other members of the Board of Directors, and was taken round the various sections of the Head Office.

MADRAS CO-OPERATORS' DAY.**16TH ANNUAL CELEBRATION.**

The members of the Triplicane Urban Co-operative Society, Ltd., Triplicane, celebrated with great eclat their Sixteenth Co-operators' Day yesterday evening at the Gokhale Hall, George-town, with Diwan Bahadur T. R. Ramachandra Iyer in the chair. The function was attended by a large number of Co-operators including Rao Bahadur M. K. Venkatachari, K. B. Ramanathan, A. C. Pranatharthihara Iyer, Mr. V. Ramadoss, Rao Sabibs K. Devasikamani Mudaliar, and T. K. Hanumantha Rao, and Mr. A. Sivarama Menon. The programme of events arranged for the day was varied and interesting.

After light refreshments, the guests were entertained with music which was followed by the enactment of a typical scene from the devotional story of Nandanar. The public meeting was then held when Miss Anna Ornsbot of Denmark spoke on the "The Practical Ideals in Co-operation" and Mr. Parthasarathi Iyengar on "Some Aspects of Consumers' Co-operation in India."

Mr. A. Sivarama Menon, on behalf of the T. U. C. S. offered a hearty welcome to the guests and briefly alluded to the early history of the society. He

then pointed out that at present the society had 4,200 members on its roll and that it was managing 21 branches in the City. One of their ideals was to have a real wholesale society. Two years ago a new constitution had been introduced by the present managing directors with a view to make the society a really democratic institution with each of the branches in the City represented in the Board of Management. They were at the beginning of a new era and he hoped that the present Board would hand over to its successors a society which was progressing well towards realising the ideal of a consumers' co-operative society.

Mr. T. K. Hanumantha Rao next addressed the audience on the importance of co-operation and pointed out that for the spread of the movement, it was the education of the heart that was wanted.

The Chairman, in winding up the proceedings of the meeting, said that the co-operative movement was based on the principle that they must look at all human beings alike and that in united action lay the strength of the society. After congratulating the T. U. C. S. for its efficient working and management, the Chairman pointed out that the reserve funds of such societies might be utilised for building houses on co-operative lines for the benefit of its members, and for the successful starting and maintaining of co-operative societies. They must have on the Board of Management men of high character imbued with business-like habits. Further, unity of interest must be the predominant motive in the running of societies. No one should exhibit his own personal feeling in the management of those institutions.

With a vote of thanks to the Chairman and the speakers, the meeting terminated.—(*Extract from the Hindu dated 12th April, '26*).

A Co-operator Honoured.

The Directors of the Government Telegraph Employees' Co-operative Society Limited, Central Telegraph Office, Madras, held an "At Home" to their Secretary, Mr. V. Manikka Mudaliyar, in the Government Telegraph Office buildings precisely at 4-30 p.m. on Monday, the 29th March, 1926.

To The Registrar of Co-operative Societies, Madras.

Sir,

You may remember my showing you while you were inspecting this Banking Union in April last a copy of the plaint in the suit which I was about to file against the Cuddalore Municipal Council for the recovery of Rs. 150, being the amount collected by mistake, by the Municipality by way of Companies tax for several years. The said suit was accordingly filed and the defendant council has not yet filed its written statement.

2. I also mentioned to you that I had preferred an appeal to the Municipal Council against the order of the Chairman imposing a profession tax of

Rs. 96-4-0 for the half year ending 31st March 1926 on the net profits of the previous co-operative year. Receiving a notice that the appeal came on for disposal on 10-5-26, I appeared before the Municipal Council in person and argued the matter at some length. The Chairman Delegate, Mr. V. J. Samu Pillai,* appeared to be convinced with my arguments as also some of the other Councillors. A certain lawyer Councillor felt some difficulty in understanding the points involved and wanted time to think over the matter in the light of my arguments. Another Councillor concurring, the matter stands deferred till the next meeting, a sub-committee having in the meanwhile been appointed to submit a report on the legal point raised.

3. I did not give up the point that Central Banks were not assessable at all, but did not argue the point either, as in the face of the G. O. rendering Co-operative Societies liable to profession tax, it would be futile to waste time before a body which would, of course, be inclined to respect the G.O. issued rightly or wrongly.

4. I confined my arguments to the only question of the basis of assessment. Income alone affords the basis. In levying profession tax, Municipalities accept the taxable income of a person if he is assessed to income tax, so that if this Bank were to be assessed to income-tax, the Municipality would be quite prepared to take that figure for assessing profession tax as well. Now therefore the question is, what would be the basis upon which an Incometax Officer would proceed if he wanted to charge us with that tax had we not been exempt from it. The case reported in I. L. R. 47 Madras, 1, furnishes an effective answer. The word "income" came in for interpretation in that case. Following an English case reported in (1889) 14 ap. ca. 381—a decision of the House of Lords—their Lordships held that where the capital of a mutual benefit society was made up solely of periodical investments by its members and the income of the society was mainly derived from interest earned on loans given solely to its members, every one of whom was by the rules eligible to take loans, such interest earned by the society from its own members was not taxable "Profits" within the meaning of Section 9 of the Income Tax Act VII of 1918 in spite of the fact that the society was registered under the Indian Companies Act and as such was for certain purposes a separate legal entity from its members. They further held that interest derived by the society on occasional authorised deposits with outside Banks of its unlent surplus was taxable. In another English Case (1913) 3 K. B. 75, Buckley, L. J., says at page 82 "a man cannot make a loss or profit out of himself and that was the ground of the decision in New York Life Insurance Company *versus* Styles, the H. L. C. referred to above. At page 7 of 47 M. 1. their Lordships say that all earnings of the Fund from within are governed by *Styles' case* and are not liable to be taxed.

5. Applying the principles enunciated above, the only items of receipts that can be called income are these :—

1. Interest on Reserve Fund invested in M.C.U.B.
2. Dividend on share capital

3. Interest on loans to non-members.
4. Commission on cheques.
5. Entrance fees.
6. Transfer fees.

The interest that we receive from the affiliated societies and individual members who borrow on the security of their Fixed Deposits comes in from within the Bank. The aforesaid items alone come from without. If at all, therefore, we are taxed, the aforesaid figures alone should be taken into consideration.

6. Interest on Reserve Fund and Dividend paid on Share Capital as on 30th June each year becomes known to us only in the succeeding year as soon as the General Body meeting of the Apex Bank is held, so that for the half-years ending 31st March and 30th September respectively the amounts on these heads will remain the same. The amounts on the other heads will vary and can be supplied from our books. Outside these items whatever we got, resulting in profit or income, that amount comes from within and is not taxable--of course I take it that the word "income" used in both the Acts bear, and should bear the same interpretation.

7. In the view adumbrated above, I felt obliged to reconsider my former position that Reserve Fund set apart every year by us and the dividend paid by us every year to members might alone be taken into consideration. It seems to me now after giving the subject my very careful consideration that even these items cannot be taken into consideration as they are derived from sources not amounting to "income" as interpreted in the cases cited.

8. On the basis conceded by us, we will have to pay on the monthly income of Rs. 300 to 400 and that comes to about Rs. 7 or so under the schedule.

9. Now that all the Central Banks are affected by the narrow interpretation sought to be put by the respective Chairmen, am I asking you too much if I request you to obtain the opinion of the Advocate General on the point and persuade the Government to issue a circular of instructions to all Municipalities pointing out to them the correct method of assessment?

I have the honour to be,
Sir,

Your most obedient servant,
R. KRISHNASWAMI AYYANGAR,
Secretary.

(South Arcot District Banking Union, Ltd.)

Cuddalore, }
Dated, 12th May, '26. }

THE FOURTEENTH Madras Provincial Co-operative Conference. LIST OF DELEGATES.

A. Provincial Societies.

	Institutions represented
1. The Hon'ble Mr. V. Ramdoss	} The Madras Central Urban Bank
2. V. Venkateswara Sastrulu	} Ltd.
3. P. Ramanathan	... The Central Co-operative Printing Works Ltd.

B. Central Banks.

4. R. Krishnaswamy Iyengar	} S. Arcot Dt. Co-operative Banking
5. A. Nagarajan	} Union Ltd.
6. R. Venkoba Rau	} Hospet Central Co-operative Bank
7. S. Hanumanthachar	} Ltd.
8. E. V. Gopalaswamy Iyer	... Trichy District Co-operative Urban Bank Ltd.
9. T. Adinarayana Chettiyar	} Salem Dt. Co-operative Urban Bank
10. T. C. Sethumadava Iyer	} Ltd.
11. Dasa Vishnu Rau	} Vizivada Central Co-operative
12. P. Venkatakrishna Sastry	} Banking Union Ltd.
13. Ch. Hanumantha Rau	... Guntur Dt. Co-operative Banking Union Ltd.
14. A. Ramaswamy Iyer	} Nellore Dt. Co-operative Banking
15. O. Visvanatha Rau	} Union Ltd.
16. T. S. Venkataramana Iyer	} Coimbatore Dt. Urban Bank Ltd.
17. K. S. Madhava Rau	} ... Ellore Central Co-operative Banking Union Ltd.
18. E. Krishna Rau Naidu	... Chittoor Dt. Co-operative Bank
19. C. Venkataramana Iyer	... Do.
20. T. Sreenivasa Rau	... S. Kanara Central Co-op. Bank Ltd.
21. N. N. Swarna	... Malabar Dt. Co-operative Bank Ltd.
22. V. Govindan	... Anantapur Dt. Co-op. Bank Ltd.
23. H. Siva Rau	... Conjeevaram Central Co-operative Bank Ltd.
24. A. Rajabadar Mudaliyar	} Cuddapah Dt. Co-operative Bank Ltd.
25. R. Venkataramiah	} ... Godavari Dt. Co-operative Banking Union Ltd., Cocanada
26. J. Krishnamoorthy Rau	
27. P. Venkataramiah	

- 28 R. Sundaram Iyer
 29 K. R. Sreenivasa Iyer
 30 N. Krishnaswamy Iyengar
 31 R. Ananda Rau
 32 N. Krishnamachariar

} Tanjore Co-operative Banking Union
 ... Kumbakonam Central Co-op. Bank
 ... Sriyilliputur Co-op. Banking Union
 ... Vellore Central Co-operative Bank

C. Urban Banks.

- N. Seshagiri Iyer
 E. S. Ganapathy Iyer
 V. V. Sundararaja Mudaliyar
 V. Devaraja Pillay
 M. Hariharan Iyer
 S. M. Narayanaswamy Iyer
 C. S. Venkatachariar
 L. Gangadhara Sastry
 K. S. Chengalroya Iyer
 A. Subramania Iyer
 A. Sethurama Iyer
 M. K. Pattabiram
 S. Ramaswamy Iyer
 S. Narayanaswamy Iyer
 M. S. Subramania Iyer
 B. S. Srinivasagopala Iyengar

... Big Conjeevaram Town Bank Ltd.
 ... Erode Urban Bank Ltd.
 ... Karur Town Bank Ltd.
 ... Bhavani Urban Bank Ltd.
 } Sivaganga Urban Bank Ltd.
 ... Chidambaram Urban Bank Ltd.
 ... Hindupur Town Bank Ltd.
 ... Krishnagiri Urban Co-op. Society Ltd
 ... Chittoor Town Bank Ltd.
 ... Nidamangalam Bank Ltd.
 ... Tiruchengodu Urban Bank Ltd.
 ... Dindigul N. Urban Co-op. Bank Ltd.
 } Melattur Agricultural Bank Ltd.
 ... Tiruvannamalai Co-operative Urban Bank Ltd.
 ... Penukonda Urban Bank
 ... (?)
 } Tiruvallur Urban Bank
 ... Gooty Co-operative Town Bank
 ... Namakal Urban Bank
 ... Karkala Co-operative Society Ltd.
 ... Periyakulam Urban Bank
 ... Salem Urban Co-op. Society Ltd.
 ... Ramachandrapuram Urban Bank
 ... Madura Urban Co-operative Society Ltd.
 ... Little Conjeevaram Urban Bank Ltd
 ... Chingleput Urban Bank Ltd.
 ... Shiyali Urban Bank
 ... Trichy Co-operative Credit Bank
 ... Ambasamudram C. C. Society Ltd.
 ... Srivilliputur C. S. Ltd.
 ... Punganur Town Bank
 ... Tiruthuraiyandi Urban Bank
 ... Tindivanam Urban Bank

- Subba Rau
 C. T. Krishna Rau
 D. Jeeyaratna Mudaliyar
 G. Munuswamy
 C. Ranganadha Iyengar
 C. M. Ranga Rau
 E. Vasudevaia
 V. Subbarama Iyer
 N. V. Krishnia Chettiar
 M. Narasimha Rau
 P. Krishnaswamy Sastry

K. Rangaswamy Iyengar

- P. Raghava Iyer
 K. V. Vaidyanatha Mudaliar
 T. S. Palaniswamy Pillay
 G. Sankarasadasiva Iyah
 V. Ganapathi Iyer
 Seshachari
 V. Vaidyanatha Iyer
 S. Manikam Pillai

- S. S. Ramiah Iyer
 S. Narasimham
 C. S. Narayanaswamy Iyer
 T. Kumaraswami Pillai

Parthasarathy Iyengar
 Viswanadha Iyer
 C. S. Rangaswamy Iyengar
 V. Krishnamachariar
 N. Raghavan
 S. Gopala Iyer
 T. S. Subbarama Sastry
 Chandrasekara Iyer
 Chennroya Chettiar

... Periyakulam Urban Bank
 ... Kurnool Urban Bank
 ... Tiruppur Urban Bank
 ... Karunthattangudi Adi-Dravida C. S. Ltd.

} The T. U. C. S. Ltd.
 } Villupuram C. C. S. Ltd.
 ... Coimbatore Town Bank
 ... Srivaikuntam C. S. Ltd.
 ... Trichendur C. S. Ltd.
 | Chinnappampatti C. S. Ltd.

D. Local Unions.

- T. R. Ramachandra Sastry
 Subbarayadu
 A. Veerabhadra Pillay
 T. S. Muthukumaraswamy Pillay
 V. Sreenivasa Iyengar
 P. S. Chinnavenkata Raja
 D. Samuel
 K. Sreenivasa Iyer
 N. Sundram Iyer
 K. Raghavachariar
 T. V. Tirunavakarasu Pillay
 V. Venkatarama Iyer
 R. Venkatesa Iyengar
 P. N. Krishnaswamy Iyer
 Arulappa Upathiyayar
 P. V. Kamakshinaidu
 K. Chevanra Gowder
 A. Joghee Gowder
 G. Sriram Babu Naidu
 R. Krishnaswamy Iyer
 Sundaresa Gurukul
 T. Venkatachala Reddiyar
 K. Rajaratna Naidu
 L. V. N. Marthandam Pillay
 M. Venkataswamy Redi
 S. Venkatachalam Pillay
 C. V. Sreenivasachari
 N. Ekambareswara Iyer
 G. Ranga Rao
 C. Paravasudevayya
 K. Venkatanarasappa

... Kurnool
 ... Pypally
 ... Ottaipidaram
 ... Karur
 ... Bhavani
 } Rajapalayam
 | Manamadura
 | Thinnanur
 ... Mayavaram
 | Dharmapuri
 ... Nilakottai
 ... Pattukotta
 | Todanad
 ... Madras Pudupet
 ... Shiyali
 ... Cheyyar
 | Tiruvallur
 ... Trichendur
 ... Nandikottur
 ... Sankarapuram
 ... Chidambaram
 ... Usilampatty
 | Krishnagiri
 ... Kambadur

S. Venkata Rau	... Anantapur
W. Markandeya Chettiyar	... Wandiwash
M. Venkatarama Iyer	... Pakala
J. Subba Rau	... Punganur
K. C. Ayyarambalam	... Melur
J. Swaminarayana	... Mumudiwaram
Markanda Sastry	— Alampundi
R. Venkatarama Iyer	... Do.
P. A. Venkatarama Iyer	} Polur
V. Krishnaswamy Iyer	... Jammalmadugu
B. Samuel	... Zath Co-op. Union
D. Mark	} Kantha Do
B. Nanja Gowder	... Chittoor
T. Belli Gowder	... Andimadam
V. Krishnaswamy Iyer	} Villupuram
A. N. K. Sivachidambara Mudaliar	... Tenali
V. R. Krishnaswamy Iyer	... Arkonam
S. Vridhagiri Iyer	... Tirukattupally
K. Sriram Pantulu	... Atur
A. R. Munuswamy Reddiyar	... Peddapur
Panchapakesa Iyer	... Conjeevaram Non-agricultural Co-operative Union
S. Bhuvaramurthy	... Puvalur
G. Lakshminarayana	... Tiruvalur
A. V. Subbarama Iyer	... Cuddapah
T. S. Raju Iyer	... Alur
N. S. Aravamutha Iyengar	... Koilpatty
G. Seshachala Rau	... Vachakarapatty
Venkatarama Rau	... Kalugumalai
Chakrapani Reddiyar	... Tiruvannamalai
Kandaswamy Mudaliyar	... Agaram
Subramania Pillay	} Nandalur
Venkatarama Iyer	} Khajipet
Ananta Padmanaba Pillay	... Alamuru
Parasurama Rau	... Tirupattur (N. A. Dt.)
G. Sundara Rau	} Tirupathur (Ramnad Dt.)
M. Sitaramiah	... Repally
Satyanarayana	... Dindigul
P. V. Subba Rau	} Melattur
P. C. Kuppusawmy Reddy	
P. A. Subramania Iyer	
M. S. Subramania Iyer	
M. Gopalakrishnayya	
A. Kachapeswara Iyer	
S. Kasiviswanada Iyer	
L. Lakshminarayana Iyer	

S. V. Krishna Iyer	} Srivaikuntam
Shanmugasundara Mudaliar	
J. N. Jayakaran	} Coimbatore
T. Venkataraghavan	... Lepakshi
L. Ramachandra Rau	... Gopichettyalayam
V. Subramania Iyer	... Thalavasal
Krishnaswamy Iyer	... Cuddalore
Sivananda Mudaliyar	... Ulundurpet
T. S. Krishna Rau	} Elathur
Manika Mudaliyar	... Arni
E. R. Krishna Iyer	... Penukonda
Arunachala Mudaliar	... Sattanapally
Raghavaçhariar	... Nelvoy
P. Ananta Rau	... Arantangi
Vedanadha Iyer	} Tindivanam
S. Subramania Iyer	... Kulitalai
T. J. Mahamad Ismail Goshell	} Tolasampatty
K. Venkatarama Iyer	... Rasipuram
S. Annadurai Iyer	... Tanjore
T. C. Krishnaswamy Iyer	... Hindupur
K. Sundararaja Iyengar	... Bukkapatnam
G. Vijendra Rau	... Kalavai
T. R. Sreenivasa Iyengar	} Salem
K. Krishna Rau	... S. P. C. Union, Nellore
Venkataramanappa	} Kotagiri Co-operative Union
Sama Subramania Iyer	... Erode
M. G. Vasudevayya	} Adoni
Narayanaswamy Iyer	... Indukurpet
M. Ramakrishna Rau	... Tiruthurai pundy
Belli Gowder	... Narsapur
Ajja Gowder	... Salavakkam
T. Sreenivasa Mudaliyar	... Tiruchengodu
K. G. Ramakrishna Iyer	... Ramachandrapuram
M. Venkoba Sastry	... Dharmavaram
A. Venkoba Rau	... Kaveripakam
M. Venkataraghavulu Naidu	... Tirumangalam
G. Venkataraghavachari	... Palmaneri
T. V. S. S. Prakasa Rau	} Manimangalam
M. Natesa Mudaliyar	
Chennakesava Chettiyar	
V. Subba Rau	
C. Venkatasubba Rau	
R. Mohanam	
P. V. Narayanaswamy Iyer	
R. Sreenivasan Chetty	
M. Balasundara Mudaliyar	
Sreenivasachari	

I. Other Societies.

Sreenivasa Iyer	... Pottipuram
V. Sreenivasa Iyer	... Nannilam
S. Venkatarama Iyer	... Sedhineepuram
B. Chidambara Rau	... Sirugumalai
S. V. Iyengar	... Alakudy
Sesbadri Iyer	... Satyanathapuram
A. Rajagopalachariar	... Maduramangalam
P. K. Shanmugaperumal	... Satrapathi Weavers'
N. Sudarsana Sastry	... Alamur
Ramaswami Thevar	... Kothankulam
S. Arumugampillay	... Samusigapuram
D. Chinna Naidu	... Chinnagadlavaru
P.S. Venkatachalam	... Pallikonda
T. Devasenapatigurukal	... Tirukannapuram
S. A. K. Arunachalam Chetty	... Trichengode
K. V. Krishnaswami Iyer	... Kovilur
Gopalaswami Mudaliyar	... Murugangulam
G. T. Madhavachariar	... Polur Gudalur
V. R. Thathachar	... Usoor
Gopala Reddiyar	... Alathurai
N. K. Pattabirama Iyer	... Neikarapatty
Venkatachalam Chetty	... Thadangam
Mannar Naidu	... Mela Kachirayur
Kuppuswamy Pillay	... Varagur
Kuppuswamy Iyer	... Mel Pudur
Narayanaswamy Reddi	... Kuthalvady
C. Jaya Rau	... Agraharam Khajipet
A. Sivasubramanya Pillay	... Pandavarvady, Tirumalai
P. K. Ananthanarayana Iyengar	... Pannimadai
Govindappa Naicker	... Sennamanikampalayam
Onudappa Goundur	... Sanaianur
A. Ramaswamy Naidu	... Edigari
Venugopala Reddi	... Sathavedu
K. Venkataraman	... Kannagudi
M. D. Ibrahim	... Kazanallur
T. Prasannaraghavachariar	... Tiruvenkaranai
N. R. Subramanya Iyer	... Nungavaram
Seetharama Iyer	... Kamalapuram
Rangaswamy Iyer	... Pavalathanur
T.V. Natesa Iyer	... Tolasampatty
Venkatasubramany Iyer	... Maramangalam
Narayana Gounder	... U. Maramangalam
Bhutha Gounder	... Periyeripatty
G. Kulandayapillay	... Mamusapuram

A. Vellinayagampillay	... Pillayarkulam
Mahadeva Gurukal	... Graemspet
N. Sivananda Mudaliyar	... Vetchur
N. Sreenivasa Rau	... Kakavery
A. V. Dorasamy Iyer	... Annadur
T. S. Somasundara Mudaliyar	... Triumichiyur
Vasudeva Gounder	... Perungappur
Rajagopala Iyengar	... Tathampatty Palur
R. K. Varadarajulu Naidu	... Kannanthangal
M. Pappaya Naidu	... Olarpuram
S. Benjimin Naidu	... Nenmili
S. A. Sreenivasa Iyer	... Sanikavady
R. Munuswamy Nainar	... Anavady
Ariyatha Naimar	... Modaiyur
Narayana Iyer	... Palasur
Bhupathy Chakravarthi Raja	... Kaveripakam
S. K. Karuppanna Thevar	} Sultur
S.-T. Venkatachala Chetty	
Mannar Reddiyar	... Tachampattu
• Veerasamy Reddiar	... Narayur
S. I. Kuppuswamy Mudaliyar	... Sanur
Nanji Reddi	... Kodikonda
L. Tiruvenkatachari	... Tiruvenkasavai Agricultural Society
• D. Pulliah	... Kajipet Sulliswar
P. Baktayatsalu Mudaliyar	... Kodambakam
Sivanandampillay	... Salayakam

LIST OF RECEPTION COMMITTEE MEMBERS.

1. T. R. Venkatarama Sastry	27. V. Manika Mudaliar
2. T. Adinarayana Chettyar	28. C. S. Sreenivasa Mudaliar
3. V. Venkatasubbayya	29. The Hon'ble V. Ramdoss
4. L. Dharma Raja Iyer	30. Hon. Secy., Postal & Telegraph Employees' Co-op. Society Ltd.
5. M. Shiva Rao	31. K. G. Sivaswamy
6. M. Sitaramiah	32. V. C. Rangaswamy
7. S. K. Yegnanarayana Iyer	33. T. Sreenivasa Rau
8. A. Veerabhadra Pillay	34. A. Sivarama Menon
9. V. V. Sundara Raja Mudaliar	35. A. Narayana Rau
10. T. S. Muthukumaraswamy Pillay	36. O. Visvanadha Rau
11. Prof. K. B. Ramanathan	37. A. Ramaswamy Iyer
12. A. S. Menon, Ottapalam	38. V. Sreenivasa Iyer
13. T. R. Naga Raja Rau	39. S. Santhana Thevar
14. T. M. Lakshmi Kantham Iyer	40. S. V. Sreenivasa Iyengar
15. S. Varada Chettiar	41. A. Nagaraja Iyer
16. K. Venkatarama Iyer	42. S. R. Narayanaswami Iyer
17. P. A. Subramanya Iyer	43. V. Krishna Menon
18. S. M. Ramalingam Pillay	44. V. Dandapani Iyer
19. T. S. Venkataramana Iyer	45. O. M. Venkatanatha Iyengar
20. T. N. Rajagopala Iyer	46. T. K. Venkatanadha
21. M. S. Seshachala Iyer	47. E. Vasudevayya
22. Prof. T. K. Hanumantha Rau	48. P. Krishnaswamy Sastry
23. V. Govindaswamy Iyer	49. P. Ramanathan
24. M. Appavu Mudaliar	50. V. Venkateswara Sastrulu
25. G. Sriram Babu Naidu	51. K. Venugopal Naidu
26. C. N. Balakrishna Iyer	52. S. Srinivasa Raghavachariar

DONATIONS.

A. Provincial Societies.

	Amount.
Rs. A. P.	
1 The Madras Central Urban Bank Ltd.	50 0 0
B. Central Banks.	
2 South Arcot District Co-operative Banking Union	20 0 0
3 Tanjore Central Co-operative Banking Union	25 0 0
4 Kurnool District Co-operative Bank	10 0 0
5 S. Kanara Central Co-operative Bank	10 0 0
6 Conjeevaram Central Co-operative Bank	10 0 0
7 Trichy District Urban Bank	10 0 0
8 Salem District Urban Bank	15 0 0
9 Coimbatore District Urban Bank	10 0 0
10 Nellore District Banking Union	25 0 0
11 Guntur District Banking Union	10 0 0
12 Tinnevely District Banking Union	5 0 0
13 Cuddapah District Co-operative Bank	10 0 0
14 Ellore Central Co-operative Banking Union	15 0 0
15 Srivilliputur Banking Union	10 0 0
16 Vellore Central Co-operative Bank	15 0 0
17 Malabar District Bank	20 0 0
	20 0 0
	230 0 0

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C. Urban Banks.

	Rs. A. P.
1 T. U. C. S. Ltd Madras	50 0 0
2 Kurnool Urban Bank	5 0 0
3 Big Conjeevaram Town Bank	5 0 0
4 Little Conjeevaram Urban bank	5 0 0
5 Palamcottah Co-operative Society Ltd.	5 0 0
6 Nicholson Town Bank Ltd.	8 0 0
7 Erode Urban Bank Ltd.	5 0 0
8 Bhavani Urban Bank Ltd.	5 0 0
9 Dharmapuri Town Bank Ltd.	10 0 0
10 Trichy Co-operative Credit Bank Ltd.	5 0 0
11 Tirupathur Town Bank Ltd., North Arcot...	5 0 0
12 Periyakulam Urban Bank Ltd.	3 0 0
13 Ambasamudram C. C. Society Ltd.	10 0 0
14 Pattukottah Urban Bank Ltd.	5 0 0
15 Villupuram Urban Bank Ltd.	5 0 0
16 Tindivanam Urban Bank Ltd.	5 0 0
17 Gobichettipalayam do	5 0 0
18 Krishnagiri Urban Co-operative Society Ltd.	1 0 0
19 Trinchengodu Urban Bank Ltd.	6 0 0
20 Triupathur Town Bank Ltd., Ramnad Dt.	3 0 0
21 Namakal Urban Bank	3 0 0
Tiruvallur Urban Bank Tanjore Dt.	5 0 0
Trivellore Urban C. S. Ltd. Chingleput Dt.	4 0 0
Nanganeri Peace Memorial C. S. Ltd.	15 0 0
25 Madura Urban C S Ltd.	183 0 0

D. Local Unions.

	Rs. A. P.
1 Tathampatty Palur	3 0 0
2 Ambasamudram	2 0 0
3 Mangalore Town	10 0 0
4 Panratty	5 0 0
5 Periyakulam	3 0 0
6 Puttur South Kanara Dt.	3 0 0
7 Rameswaram	5 0 0
8 Todanad	5 0 0
9 Salem	1 0 0
10 Nandikottur	5 0 0
11 Kantha	3 0 0
12 Dindigul	1 0 0
13 Erode	5 0 0
14 Cannanore	5 0 0
15 Kumbakonam South	5 0 0
16 Nanganery	64 0 0

Dt. Federations.

1	South Kanara District Council of Supervision	...	Rs.	A.	P.
2	Malabar District Co-operative Union	...	5	0	0
		...	10	0	0
			15	0	0

Employees' Societies.

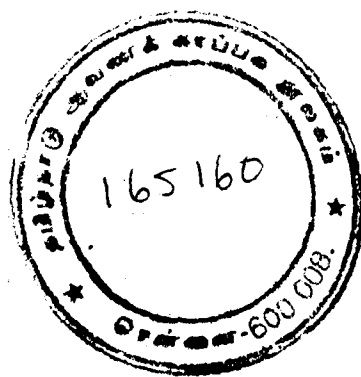
1	South Kanara Govt. Servants' Co-operative Society Ltd.	...	5	0	0
2	Tinnevely Dt. Public Servants' Co-operative Limited	...	5	0	0
3	Nilgiris Public Servants' Co-operative Society	...	5	0	0
4	Govt. Servants' Co-operative Society Ltd., Triplicane...	...	2	0	0
5	Coimbatore Public Servants' Co-operative Society Ltd...	...	5	0	0
			22	0	0

Building Society.

1	Coimbatore Building Society	...	5	0	0
		...	5	0	0

Individuals.

1	Dr. B. Pattabi Sitaramiah	...	50	0	0
2	The Hon'ble Mr. V. Ramdoss	...	2	0	0
		...	52	0	0
	Total	...	621	0	0



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STATEMENT OF RECEIPTS AND CHARGES

(as it stood on 15-4-1926.)

Receipts.		Charges.	
	Rs. A. P.		Rs. A. P.
1. Donation	...	Printing, Proof Correction, Typing and	654 9 0
2. Delegation	...	Clerical charges	92 15 0
3. Reception Committee fees	...	Postage and Telegrams	5 10 0
4. Boarding and Lodging fees and Sale of Special Tickets and of unused articles returned to T.U.C.S.	...	Stationery	28 1 0
5. Suspenses received	...	T. A. to Workers	50 0 0
6. Suspense from P. C. U.	...	T. A. to the President	75 0 0
7. Suspense recovery	...	Rent for the Hall and Room	38 5 0
8. Advance Recovery	...	Hire of Furniture	37 4 5
		Lighting charges	917 13 3
		Boarding { Including kitchen articles, } { purchase of fans, etc., }	89 10 9
		Contingencies (including remuneration paid to peons, purchase of garlands, & other sundry expenses)	186 0 0
		Suspenses paid to P.C.U.	745 0 0
		Advances paid	3 0 0
		Suspenses returned	153 4 6
		Suspenses returned to P. C. U.	3,076 8 11
		Closing Balance	160 5 3
			3,236 14 2

List of Societies Registered during the Month of March, 1926.

Name of the Circle or Section.	Number of Societies registered.
Agency Section	nil
Bellary Circle	4
Bezwada Circle	18
Coimbatore Circle	12
Madura Circle	12
Trichinopoly Circle	12
Vellore Circle	nil
Vizagapatam Circle	13

List of Societies the Registration of which was Cancelled during March, 1926.

No. and Name of Society.	District.	Date of Cancellation.
5628. Rakshanamarga	Kistna ...	2—3—1926.
7925. Mount Zion Xian	Ramnad ...	4—3—1926.
3011. Ambasamudram Range Board Teachers	Tinnevelly ...	5—3—1926.
4869. Vilathikulam Stores	do ...	18—3—1926.

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