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THE MADRAS BULLETIN OF CO-OPERATION

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P.C.U.
ALL FOR EACH and EACH FOR ALL

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THE XVI MADRAS PROVINCIAL CO-OPERATIVE CONFERENCE, RAJAHMUNDRY

6th, 7th & 8th April 1928.

ADDRESS OF DR. P. GURUMURTHI,

Chairman of the Reception Committee.

BROTHER CO-OPERATORS, DELEGATES, LADIES AND GENTLEMEN,

On behalf of the Reception Committee, I thank you all sincerely for your kind and ready response to our invitation to attend this Conference and extend to you a most sincere and cordial welcome to this ancient and historic city.

Rajamahendravaram is a picturesque town with the beautiful river Godavary on the one side and the famous and historic Sarangadhara hill on the other.

This is the place where the Eastern Chalukya king, Raja Rajanarendra, after whom the city takes its name, established his capital. To the north of the town is situated the Kotilinga Kshetram, a place of pilgrimage known as Dakshina Kasi. Our town enjoys the proud privilege of being the centre of Indian Art and Culture for the last thousand years and more. It was here that the first Andhra poet Nannaya Bhatta, the family priest of Raja Rajanarendra, wrote the Mahabharatam in Telugu. Coming to our own times, we claim the birthplace of the late Rao Bahadur Kandukuri Veeresalingam Pantulu, the pioneer of Andhra Renaissance in literary, religious and social reform. Though a poor schoolmaster, he made a fortune by his inimitable writings and created a public trust to manage his properties to further the cause of religious and social reform in Andhra Desa. The late Damerla Ramarao, whose premature death was mourned by the country as a distinct loss to the world of Art, was born here. He created a school of Andhra Art all his own, and I request you to pay a visit to the Art Gallery established in his memory where his faithful pupils are carrying on the work of their master.

Your presence here to-day, in spite of great personal inconvenience aggravated by the scorching heat of the April sun, shows the genuine interest you have been taking in our movement, "the greatest social experiment of the 19th Century." Though young in years, the Co-operative movement has gathered a mass of literature in the course of its rapid and many-sided development which baffles the ordinary devotee in his attempt to secure a clear grasp of the subject in all its bearings. I, therefore, content myself with recommending for your consideration, a few points as a humble worker in the field of co-operation.

The movement was started at the instance of the Government in 1904 "with the desire of assisting the organization of rural credit through the land and agricultural Banks in this presidency with a view to the replacement of the individual moneylender and to the development of the economic condition of the country" and may we not also say, "with the desire of ultimately setting up the kingdom of God on earth by creating a feeling that human society is a brotherhood and that in their dealings with one another a feeling of justice and righteousness should pervade in the place of selfishness and rivalry prevailing, as he who serves man most serves God best." But let us see how far we have realised our hopes and aspirations.

Though the movement was imposed upon the people, it found a congenial soil on account of the temper and traditions of our countrymen. But one regrets to find that the movement which is 24 years old in this presidency is still rickety because it is spoonfed and instead of the full bloom and vigour which it ought to have developed by now, it is unable to stand on its legs. It has expanded but not grown.

Present Position.

Let us see how far the movement has progressed. When we talk of the movement we refer generally to the credit side of it, since it is cheap credit that is vitally important to our villagers. The 'Stores' side of the movement does not appeal so forcibly to our countrymen as in the West; because nature is bountiful unto us and we have plenty of foodstuffs everywhere. But we should provide people with cheap money to buy them.

Now let us examine the extent of relief vouchsafed by the movement as its credit side, to the agricutural population for whom the movement was inaugurated.

Our presidency consists of 35,000 villages with a population of 42 millions. At the end of June 1927, we had 13,357 societies with a membership of 8,30,522. The percentage of the population touched by the movement according to the Committee's report is about ten in this Presidency while it is 11·6 in Bombay and 10·4 in the Punjab. The net working capital of the movement on 30th June 1927 amounted to Rs. 737·70 lakhs. These figures proclaim that our movement has but touched the fringe of the people. About the economic condition of the ryot, the less said the better. He is still in the grip of the money-lender and the agricultural indebtedness of our presidency has arisen to the appalling extent of about 100 crores. There is a loud cry that there is a glut in the District and Provincial Banks. The Provincial Bank has invested over 50 lakhs in Government paper and in the movement outside the presidency. The indebtedness is great and our financial resources are slender, yet the money available in the country is not attracted to our movement but goes elsewhere in search of utilisation. How is it that the available resources in the country do not rush to satisfy the crying need of the co-operative movement?

(2) The Condition of the Organisations.

Overdues :—Let us for a while look into the condition of the existing organisations. About 3000 societies are said to be in a dormant state. Regarding the rest, the Registrar in his administration report for the year gives a very sad and gloomy picture of the existing state of affairs. Notwithstanding the extensions granted to the extent of 28·34 lakhs, collections under all heads have shown a tendency towards further deterioration. 16·76 per cent under principal and 3·53 per cent under interest is overdue. Careful attention must be paid to this aspect which is assuming serious proportions year after year.

Causes for Overdues :—I feel that much of this delinquency is due to the fact that societies were started in haste without the people understanding the basic principles of the movement. They were lured into it by the thought that if they paid a rupee they would get 8 or 10 rupees without knowing what is meant by co-operation, unlimited liability and so on. Societies should be started only after clearly explain- the duties and responsibilities of co-operators and not by merely presenting the attractive side of cheap credit. Natural improvidence and extravagance in spending, encouraged by. the facility of borrowing, cause the present trouble. The purpose of the loan should be carefully looked into and a close watch should be kept on the member to see that the loan is properly utilised.

Prior Indebtedness:—The most potent cause of abnormal overdues is the fact that money given on short-term loans is paid to clear off old debts, with a view to escape from the worry of the money-lender. The small credit allowed by the societies leaves him no margin to improve his land after meeting the demands of the sowcar. The yield on land being the same, he will be in constant need of money for his family expenses. The society will not grant a fresh loan owing to default of payment of the first. He is in the grip of the money-lender. His financial embarrassments work themselves out in this vicious circle until he grows into a desperate borrower. The remedy to this state of things lies in making him independent of the sowcar by wiping out his prior indebtedness with long term credit, which will leave him some money to improve his land also. He will then start with a clean slate and pay his annual savings. Short-term loans will do the ryot no good until the original sin of prior indebtedness is washed away. Money must, therefore, be found somehow to create facilities for long-term credit. Government did not do its duty to the ryot, when the movement was started. Gokhale, welcoming the inauguration of the movement in 1904, observed " there is no provision in the proposed scheme for preliminary liquidation of the existing debts of those who wish to avail themselves of the opportunity now offered to improve their position " and he predicted that the experiment would not be a success unless Government came to their help with sufficient money to wipe out the prior inbebtedness of the ryot. The position has not improved a whit since this prophetic warning was uttered by the political sage of India. The Government has bargained for overdues from the very beginning and the movement is now reaping the fruit of their short-sighted policy. The Land Mortgage Banks will mitigate the present evil of prior inbetedness but as at present constituted these banks are restricted in their scope and the machinery is elaborate.

Government should take early steps to provide funds for Long-term Loans, by retaining in India the large sums of money now kept in

England under the heads of the Paper Currency and Gold Standard Reserve and by raising a co-operative loan just as loans are raised for irrigation and railways etc.

Resolutions to this effect were adopted in two successive sessions of the Andhra Provincial Co-operative Conference. No notice seems to have been taken of it.

Postal Insurance funds, Postal Savings bank and general provident fund may be ear-marked for long term loans.

Whatever be the source of financing the agricultural population, the Government must give up its present niggardly policy and substitute a bold and forward step instead.

In addition to a liberal financial policy of the Government, the various organizations of our movement can do much to improve the lot of the ryot.

Loans should be granted immediately after applicaiion without undue delay which is now vexatiously long. Societies must grant crop loans to the ryot to enable him to store the produce until the market is favourable to him. At present the individual maximum borrowing power allowed in societies is not sufficient to meet the requirements of certain individuals. It should be raised so as to suit the requirements of all. Above all, the small agriculturist must have some subsidiary occupation, during the off season. This must be of universal application and must appreciably increase the annual income. I cannot think of a simpler and cheaper occupation involving no initial outlay than the introduction of Charka. From purely economic considerations, it must be possible for village societies to organise spinning in every home.

In order to carry out the ministrant functions of our movement, we must first set our house in order. The existing defects in organisation and working of various bodies connected with the co-operative movement should be rectified without further delay. The Union and Federation, on whose efficiency and integrity mainly depends the success of the co-operative ideal, must be strengthened in every respect. Their financial resources must be considerably improved and the right type of men must be recruited to carry on their work. I suggest that two cadres of supervisors may be formed in connection with the work of the Union and the Federation. The officers of the union must look after the routine administration and put the societies in efficient working order. The Federation must employ a better type of men; for these officers, while exercising general supervision over the work of the unions and societies, are intended to carry on constant propaganda and develop the co-operative sense in the people until every villager becomes a good co-operator. These must be people filled with enthusiasm and love of work without attaching undue importance to the salary they get. We hear cries of rural reconstruction everywhere. This movement of ours goes a long way towards improving and re-organising the condition of the villages. But yet a good many of our rich and educated men who would readily take part in public life do not care to think of this movement. They are indifferent and apathetic to this movement. Is it because the movement does not project them sufficiently into the limelight? Unless a nation is economically free, it cannot be politically free. People who are trained in business organisations only will be fit for Swaraj. The history of the movement in Russia stands before us as a good object lesson.

"Nothing was more significant of the revolutionary transformation of the Russian Government immediately after the Czar was deposed than the prominent part assigned to the co-operators in the national organization by Kerensky. The posts of the Deputy Minister of Agriculture, Director of the Supplies Committee and the Minister of Commerce and Industry were all filled by leaders of the co-operative movement".

I therefore fervently appeal to all young men to take a keen interest in the movement and work it with zeal as it is at once an economic and a humanitarian institution. In this connection, may I put in a word of special appeal to our ladies who have not yet taken kindly to the idea of popularising the co-operative movement? As in elementary education, so in co-operation you have a very important part to play. You have more tact, patience and perseverance than men, and nowhere are these qualities more urgently needed than in implanting the co-operative idea among our women. You have largely contributed to the dissemination of Gandhian ideas among the masses and you have not hesitated to court imprisonment in good cheer when the occasion demanded it. I request you therefore to become co-operators in large numbers and carry on this much needed constructive work in villages. In this connection, I am compelled to sound a note of warning against attempts made in certain quarters to organise these bodies on a communal basis. Besides administrative inefficiency resulting from the wide areas over which these communal unions must be necessarily distributed, formation of communal unions cuts at the very root of the co-operative ideal. It may be a wise political game; but for God's sake, let no communal ideas mar the beauty and harmony of the co-operative organisations.

Federations.

The Federation is a comparatively new growth. Its duties are manifold and very important. But its present resources are lamentably low. The financing banks and the Government must place the federation on its legs. The federation must carry on propaganda throughout the year to teach co-operative principles to the villagers. The Panchayatdar classes that are now held in certain selected centres are useful in their own way. But propaganda should be carried to their very doors to train up a large number of villagers to work the movement. In addition to the work of propaganda, supervision and co-ordination of the work of the unions, training of the supervisors and panchayadars, the federation may be entrusted with all the functions of the Assistant Registrar, with independent charge of a district as now recommended by the Committee, except audit. If the above duties now performed by the Assistant Registrar are transferred to the federation, the existing re-duplication of officers—the federation Inspector, the union Supervisor, the Bank Inspector, the administrative Inspector, and the Labour Inspector—all doing more or less the same kind of work will be avoided. The Assistant Registrar should be the executive officer of the federation, something like the Commissioner of a Municipal Corporation. The important function of audit which is now being exercised by the Registrar must be delegated to a separate audit department created for the purpose as in the case of Municipalities and Local Boards.

For efficient co-ordination of the work of these federations and to carry on propaganda there must be a central organisation for each language area. The Andhras have named this central organisation the *Sammelanam* whose activities are merely confined to its linguistic unit. Each linguistic province will hold its annual co-operative conference under the auspices of its Sammelanam. There are a good many disadvantages of holding a conference like this for the whole of the presidency. In the first place speeches have to be made in English which will take away from the usefulness of the Conference from the point of view of the masses. Secondly, the societies which are the backbone of the movement have no direct representation in the conference. Even if they were given direct representation, monetary considerations prevent a large number of ardent co-operators from participating in the deliberations of a presidency conference like this.

But so long as all the linguistic units remain under the jurisdiction of one Registrar, there should be a central organisation to represent the co-operative conscience of the whole presidency. With slight alterations in its constitution, the present Madras Provincial Union may be converted into a central institution which will become the unofficial executive body of the co-operative organisations in our presidency. With adequate representation of each linguistic Sammelanam it can co-ordinate the work of the various linguistic areas and will voice the co-operative public opinion of the whole presidency.

Similarly, there should be an all-India organisation where representatives from the various provincial unions meet to exchange views, thoughts, and experience and to co-ordinate and correlate business all over India. As it is, things done and experiments made in one province are repeated over and again in another. A conference like this will put a stop to all this. Ultimately this may be affiliated to the International Co-operative Organisation.

Audit :—Audit, I am constrained to state, is done at present in a slipshod and hurried fashion. Each auditor is entrusted with a number of societies from 60 to 100; and is it humanly possible for him to cope with the work? The audit, I am afraid, has become a mere mathematical and mechanical affair. In the words of Hemingway " he ought to be the guide, counsellor and friend of the society ". The societies to be audited by each Inspector should be restricted to a much smaller number to make audit efficient and real.

Non-Credit Work :—About the non-credit side of the movement it must be said that not much progress has been made. When the posts of the Deputy Registrar were created, it was said that they are to enlarge the non-credit work. It is now three years and I do not see any appreciable change in this direction :—At the outset, I said that the 'stores' side of the movement does not appeal to the villager so much as the credit side of the movement. There are certain things which would however appeal and be most useful to the villagers. The best non-credit work for a rural society would be to start a Library and make provision for elementary education, medical relief, and rural sanitation. By adopting these measures they would be able to remove much of the illiteracy that is now existing in the villages and relieve suffering humanity and make villages worth living in. I would like to refer in this connection to a matter viz., milk supply which is vitally important to the people living in towns and cities. As Mr. William Smith, Imperial Dairy Expert, observes "much of the physical degeneration of the modern time is due to want of milk from the point of view of quality as well of quantity." Infantile mortality is appalling. Nowhere in the world is infantile mortality so high as it is in India. The main cause for this is want of good milk. Municipalities and Local Boards which are entrusted with the care of the health of the people, are very indifferent to this question. They would see with

equanimity a number of young innocents slaughtered rather than court the displeasure of a few men, who are interested in that trade at present. Co-operative dairy farms should be organised wherever and whenever possible to supply good and pure milk to the people and thus save the nation.

House Building Societies :—The interest charged is high and the monthly instalments work hard on some. The choice of the instalments, monthly or otherwise, should be left to the debtor. The amortization scheme will be of considerable help and it may be adopted.

Government Staff :—The Registrar should be an Indian. I mean no disparagement to the splendid work done by the Non-Indians. I bow to them with gratitude but, with due deference to them, it must be said that an Indian can discharge his duties more satisfactorily as he will be able to move with them and talk to them in their own language. That is why we Andhras have been demanding a separate Registrar for our linguistic area. It may also be said that, if the officer is an Indian, his services and his past experience will be available even after retirement. Our sincere and grateful thanks are due to Dewan Bahadur R. Ramachandrarao and to Rao Bahadur A. Vedachala Ayyar for the untiring zeal and energy with which they are helping our cause. We cannot boast of any non-Indian who has settled down after retirement to serve this country.

The Deputy Registrar's place has from its inception been condemned by non-officials. The recent Committee on Co-operation has also said the same thing. These posts should be abolished at once, and Assistant Registrars of high standard of efficiency should be appointed for each District. They may be styled District Co-operative Officers. These Officers should be recruited direct from Graduates in economics, agriculture and commerce. When a resolution to this effect was moved in the Andhra Provincial Co-operative Conference held at Peddapur, it was opposed by the officials. But it was reported recently that the Government of Bengal have accepted such a proposal.

The Registrar and the Assistant Registrars should have a personal experince of the working of the co-operative institutions in other countries.

The Committee on Co-operation :—The Madras Committee on Co-operation was appointed to investigate the working of the movement and to suggest remedies for existing evils with a view to fulfil the original object of the Act—to improve the lot of the villagers. I must confess to a sense of disappointment at the outcome of their labours, The recommendations of the Committee are halting and in some respects even retrograde.

(1) In the first place one regrets to notice that the evidence on which the recommendations were based finds no place in the report.

(2) The Committee does not propose any practical solution of the many complicated and important questions that are now engaging public attention. It indulges in certain places in vague generalizations and in others, in minute details of forms and formalities.

(3) No mention is made of the existing economic condition of the ryot and no methods are suggested as to how his lot could be improved.

(4) It dismisses the question of de-officialization in a few words "time has not yet come". On the other hand, it makes certain proposals to strengthen the hands of the bureaucracy. Some of the recommendations made give autocratic powers to the Department, for instance, the Registrar could *Suo Motu* reduce the borrowing power of a society. This certainly interferes with the autonomy of the society. The Committee admits it, but yet strangely recommends it—of course with a proviso that it should be done with great care and caution. This is introducing the thin end of the wedge to strengthen the official hold on the movement.

(5) *Long and Short Term Loans*:—Much is made of the division of loans into long and short term ones. It is said that all the existing ills are due to the non-observance of the spirit and practice of this. They stick to the dictum that short term monies should not be lent for long periods. This is good reasoning no doubt, but, if one looks at the amounts of fixed deposits that are flowing into the movement, there is absolutely no need for alarm. Most of the fixed deposits are renewed year after year and fresh deposits are constantly pouring into our banks. They have admitted that "even the most conservative witnesses have said that no risk will be run even if 50 per cent of the deposits for one year and less are utilised for long term loans." And yet the Committee has given the finding that that should not be done so. It is because, as observed by Rao Bahadur T. A. Ramalingam Chettiar, the problems were dealt with more from the commercial standpoint rather than from the co-operative.

(6) Staff is recommended to be increased all round. This will make the machinery cumbersome and complicated.

(7) According to the suggestion of the Committee, the bank cannot take action to rectify the irregularities in a society or union except with the permission of the Registrar, when the union and the

Federation fail to do their duties. This recommendation seems to be queer, for the bank, a federation of societies, is as vitally interested in the movement as the union, federation or the Registrar. I cannot really understand why the aid of the Registrar should be invoked to allow the bank to take action to safeguard the financial interest of the movement especially when the union and the federation fail to take necessary action.

Or a special board with representatives from the federations and central banks with the district co-operative officer as a co-opted member may be constituted for the purpose.

(8) It is an accepted principle that the number of individual shareholders should progressively decrease. The Committee asks us not to proceed any further with the process of elimination of these members. The Committee's argument to the contrary is not convincing.

Individuals who take genuine interest in the movement can and will certainly find a place in the Banks as representatives of some institutions.

(9) *Rate of Interest*:—The Committee says that the lending rate of a society should not be reduced. The banks get deposits at 4 to 5½ per cent and it is lent to the members at 9-6-0. The middle-men—the Provincial and the Central Banks—walk away with much of the profits. No means are suggested to remedy this and to make money available to the ryot at a cheaper rate. What with the half-yearly interest that has to be paid, and what with the penal interest that is demanded, I am afraid the poor agriculturist is in no way better for becoming a co-operator. I request that you will please pay special attention to these and other points raised in the Committee's report and come to right conclusions which will strengthen the movement.

Conclusion:—People should look upon co-operation as a living organisation to bring about social evolution and economic regeneration rather than as a mere agency for borrowing.

Let us for a moment look at the remarkable and wonderful progress made in other countries. "It has turned homeless labourers into cultivating owners, employed journeymen into thriving traders, starving peasants into substantial yeomen, stimulating everywhere commerce and industry. The retail and wholesale society, which was started to supply the necessary requirements of life for its members, has launched into schemes to help the movement of consumption by establishing itself in manufacture, finance, and agriculture, with a view to free the members from those who sell to it, and to reach the sources of supply and to secure greater advantages on behalf of its members and thus eliminating manufacturers and middlemen's profits. Certain co-operative wholesale societies subsidise Literature, Art, Poetry and Philosophy. They employ musicians and organise operas and orchestras. Artists are engaged and maintained by them. Postal service is said to have been organised and conducted by certain societies. How co-operation creates a brotherly feeling and makes them feel that they belong to a fraternity, could best be shown by the facts that during the great German War the co-operative stores were spared in the invaded and devastated regions and that they gave protection to the enemy refugees as did the Churches in the Middle Ages, and that the British societies provided care for the captured German co-operators and sent financial help to Austrian societies.

It is said that many thousands of co-operators are living in their own co-operative houses, supplied by their own Stores, working in their own industries, financed through their own banks, and entertained in their own theatres and it is further said that the children of these co-operators are seen frolicking in their own play-grounds.

Even co-operative colonies and commonwealths in miniature are established thus giving a decent burial to industrialism and imperialism.

Such are the potentialities of this great and altruistic movement. If young and enthusiastic men like my friends Messrs. G. Ramachendra Rao and N. Suryanarayana, who were devoting their whole time for the progress of this movement, come forward and dash into the movement, I am sure we can in the fulness of time establish a co-operative democracy where service is the motto and where each works for all and all for each.

I most heartily and sincerely thank you, Sir, for having kindly accepted our invitation in the midst of your onerous duties and come all the way from Lucknow to priside over this momentous session of our Conference.

Brother delegates, before I ask you to elect your President I have great pleasure in requesting Mr. Ranganadha Mudaliar to open this Conference.

PRESIDENTIAL ADDRESS

By Dr. Radhakamal Mukerjee, M. A., Ph. D.,

(University Professor of Economics and Sociology, Lucknow.)

Brother Co-operators,

It has given me a genuine pleasure to accept your most generous invitation to preside over this Conference of the co-operators. There is to-day an unfortunate breach between economic theory and economic practice, as a result of which our classrooms are apt to become full of fictions, which cannot stand the light of day. It is for this reason mainly that I have taken advantage of the opportunity that presented itself to me of coming in close touch with the hopes, fears and aspirations of the peasantry that in India are to-day best represented in the work of our rural co-operators, whom I see before me. Years ago when I first began teaching in economics, my duties in connection with the organisation and supervision of primary societies in the district of Murshidabad, of which I was in charge as Honorary Organiser, gave me an agricultural instinct, which I have since tried my best to nourish. I had since then opportunities of tours in the villages in most parts of India and tried to acquaint myself with the characteristic agricultural problems in the different provinces.

Agricultural Inefficiency.

There are three outstanding features of the rural situation which one encounters whether he is in the cocoanut-clad villages of Malabar with their thousands of lean Puleyas engaged in transplantation of rice from daylight to dusk, or in the prosperous cotton-producing region of Central India sending the jingling train of cotton carts to distant markets, or, again, amongst the semi-slave aboriginal tenants, who wrest a scant living from the hard, red soil of Chota Nagpur. These are, first, agriculture is the least organised of the Indian occupations. A crop of archaic customs and superstitions, a blind belief in an inexorable fate, a faulty land system, a continuous fractionalisation of holdings, have made agriculture at best a robbery of the soil and often an uncertain, if not an unprofitable occupation. Secondly, co-operation has touched so far only a fringe of our rural population. The vast mass of the peasantry remain as aloof from our Primary Societies as they are from the School and the Post Office. An illiterate and inefficient peasantry, which have been carrying on agricultural operations according to time-honoured methods and practices is suddenly caught and enmeshed in a new economic system which has as its upholders the Government and the vested interests, as its tools the money-lender, the trader and the labour-recruiter, and as its allies the schoolmaster, the lawyer and the scribe.

As regards the exhaustion of the soil, evidences are forthcoming from various parts of India. Soil surveys carried out recently by the Madras department of agriculture have brought prominently to notice the fact that soil exhaustion in respect of phosphates is not localised but spread all over the presidency. The extent of the phosphate deficiency in the rice-growing tracts can be gauged from the following :—

Areas surveyed.	Phosphate Deficiency per cent.
Godavari Delta	23
Kistna	33
Guntur	33
Tanjore	80
Periyar Tract	70

The importance of an adequate supply of phosphate is two-fold, for not only does any deficiency reduce the yield, but also it seriously lowers the food value of the crop both in grain and straw. It may be suggested that the increase of leprosy in the rice tracts of Madras, Northern Orissa, South-Western Bengal, and the Deccan is connected with exhaustion of soil and deficiency of food values of rice grains. A deficiency of phosphate in cattle food limits the growth of cattle and the yield of milk. It is well known that on the poorer soils cattle diminish in size and also yield far less milk.

Slow Progress of Co-operation.

While the experience of all countries has been that co-operation is the only method by which practical agricultural improvements and better farming business may be introduced, co-operation has so far made a very tardy progress in this country. Nine out of ten people in this

presidency are as yet untouched by the movement. As a contrast, take Japan,—an instance of the success of co-operation in the East. Practically the whole adult male population of Japan is found enrolled in the membership of one or more of the million and three-quarters of separate co-operative societies for economic purposes of one sort or other.

The only system of co-operation which has taken root in this country is credit. Yet in many of the provinces, societies have been found to be a mushroom growth which sprang up merely because loans could be had on easier terms than from the money-lender and which cannot collect arrears and would not borrow again. Many of you are familiar with the black list of the different provinces arranged in order of loans outstanding due to agricultural credit societies. The latest figures are as follows :—

	Percentage of amounts repaid by members to amount outstanding at the beginning of the year.	No of agricultural societies.
Bombay	94·1	3,868
Bengal	48.4	11,169
Madras	41·9	9,822
C. P. and Berar	40·7	4,071
Punjab	38·9	12,617
Burma	36·6	4,032

Weakness in Financial Organisation.

Where more than half the amount is overdue, it indicates a fundamental weakness in the financial organisation. In the first place, arrears may be due to inadequate agricultural profits owing to the inclemencies of the seasons. This proves that mere credit facilities cannot ensure successful farming and that as long as we have an inadequate development of agricultural co-operation in all its aspects, the precariousness of the monsoon will leave its impress upon the yields of crop, and through these upon the balance to demand of loans due to the primary societies. Secondly, a high percentage of arrears is due to the fact that the cultivators are not sure of getting advances of money promptly and adequately when they require them. Thus it is human nature which prompts them to keep back part of the dues so that they may not suffer financial strain at the beginning of the next agricultural season. Lastly, arrears mount up where the economic implications of the difference between long and short term loans in agriculture are not properly understood, or made a part of the system of agricultural advances and returns.

The Uneconomic Holding and Co-operative Failure.

Where the holding is uneconomic, and agriculture is a vocation resorted to simply because the family must stay at home, or has no other avenue of more profitable employment, all systems of advances become over-financing. However carefully we might fix the maximum for loans to individual members and however closely we might supervise the expenditure, arrears will still recur. Both for the money-lender and for the co-operative society, over-financing requires drastic remedies. Then we drive the cultivator to the arms of the money-lender, who can afford to take greater risks than the Central Banks can, or to those of the labour-recruiter who fills him with the visions of an Eldorado. Enquiries into agricultural costings in many parts of India have gone to show that the average size of the holding is much smaller than that of the subsistence holding, that the yield of the plots, deducting the costs of agriculture, rent and interest on agricultural capital sunk and providing for some reserve against the effects of uncertain rainfall, is inadequate for maintaining the peasant's standard of living. It has been estimated that in Madras, in the districts of Tanjore and Trichinopoly, a *Mirasdar's* family must have at least 5 acres to maintain itself without any other resources. The number of families which own less than 3 acres of land is much bigger than that of families which own more than 3 acres. Mr. N. G. Ranga's recent enquiry in Guntur has shown that a ryot should have at least 6 to 8 acres of wet land in the deltaic villages, if he is to maintain his present standard of living and save a little to insure himself against famine, sickness and social calamities such as festivals of the gods. Out of 190 families in a village, ninety families own no land. Out of the 100 who own lands, 75 own less than 10 acres per family. I suggest that the supervising unions might institute agricultural cost enquiries in different regions, or engage the services of students of the University for a period of three to six months for such purpose, with a view to ascertain whether agriculture, undertaken on an average-sized holding under the conditions of the prevailing practice of crop-rotation, can pay the interest on loans advanced by primary societies and permit the punctual repayment according to the instalments fixed.

Agricultural Bankruptcy and Long-Term Loans.

The failure to distinguish long and short term loans which the Townsend Committee of Co-operation have characterised as the most unsatisfactory feature of the co-operative movement at the present time is due less to any lack of understanding of the financial implications of the contrasted kinds of business than to the fact that where agricultural conditions themselves are unsatisfactory, short-term loans easily tend to convert themselves into long-term loans and neither the borrower nor the panchayatdar has any choice in the matter. Generally speaking, agricultural prosperity is associated with a preponderance of short-term business. On the other hand, the preponderance of long-term business is at once the symptom and effect of agricultural bankruptcy. Where agriculture is not adequately remunerative, short-term credit advances have a tendency to be transformed into long-term advances and the long-term advances into arrears. The transformation is regarded in each case as an act of God over which man has no control.

Over-Financing.

From another direction, both profit-seeking and mismanagement have conspired to encourage over-financing. The Central Banks in more than one province have shown a tendency to be anti-co-operative in their spirit. Established chiefly by the money of the professional classes, they have a partiality for the interests of the depositors, and they pay often higher rates of interest than the joint-stock banks to finance the co-operative movement. Thus deposits flow freely. Yet the higher rates of interest on deposits still continue. The existence of a surplus in the Central Banks, again, has in the different provinces encouraged the multiplication of new societies as well as the increase of the borrowing power of the existing societies. In Bihar and Orissa, the indiscriminate acceptance of deposits by the Central Banks and the tendency to issue excessively heavy individual loans have brought about an alarming situation. Many banks are at present incurring heavy losses by the acceptance of deposits in excess of their possible requirements and by their failure to obtain by proper investment even the return necessary for the payment of the interest due to depositors.

Neither Business nor Co-operation.

To save themselves or to promote the interest of the middle and moneyed classes, the Central Banks give up the co-operative spirit, They seem to exist for their depositors, and not for the societies. They grant loans more freely than is justifiable, and are apt to consider that their duty is done when they are able to secure the loans to the societies by mortgages. The societies themselves are also corrupted by the mercenary spirit, and they also are more busy in securing mortgages from the individual members than encouraging that collective responsibility and management which might be fostered only on the basis of personal integrity and security. This is neither business nor co-operation. For obviously, when a large number of mortgages have at any time to be realised in the village, the number of local purchasers will be so small that the land will fetch a small price and may even prove unsaleable. Thus the failure of the Central Banks and with it the collapse of the co-operative movement as a whole will only be a matter of time. As regards the primary societies, the tendency to emphasise mortgage and material security in preference of mutual liability and responsibility undermines the very foundation of co-operation. A false sense of security is assured by an increase of mortgage business, and co-operative supervision and education relax. On the other hand, the lack of co-operative supervision and education leads to the increase of arrears and preference of mortgage. Thus the whole affair becomes involved in a vicious circle.

These are the most regrettable tendencies of the co-operative movement in almost every province in India with this difference that in provinces like the United Provinces of Agra and Oudh and Bihar and Orissa such tendencies have become so strong and persistent as to constitute a menace which, if unchecked, will lead to the ruin of the movement.

Both overdues as well as idle balances indicate at once the violation of both banking as well as co-operative principles, and so, as long such features characterise Central Banking which is the fulcrum of the co-operative movement in this country, the movement is full of risks. On the other hand, the recognition of both these principles will demand the following steps—(1) adequate control over the influx of deposits by an adjustment of the rates of interest and the refusal of deposits when there is no necessity of the money; (2) avoidance of excessive profits incommensurate with the working capital; (3) avoidance of making un-co-operative investments of idle balances; (4) reduction of overdues by perisistent effort towards the improvement and re-organisation of the existing societies; (5) avoidance of penalising credit-worthy members of primary societies by denying the latter further loans because of overdues.

Rectification, A Collective Task.

This leads us to the consideration of an effective method of financial control, supervision and reorganisation of the primary societies. Which institution is best fitted to take up the work of re-organisation and recovery of overdues will depend largely upon local conditions and circumstances, and perhaps no uniform principles of procedure of financial control ought to be laid down. It must be admitted, on the one hand, that co-operative efficiency points to the local unions as being best fitted to exercise a careful vigilance at close quarters over the financial and administrative affairs of the primary societies; and if the unions fail to dicharge this duty properly for lack of efficient higher paid office-bearers, something ought to be done to increase their funds with a view to enable them to dicharge the dutes of general supervision, propaganda or organisation work efficiently. On the other hand, as the Central Banks are ultimately the financiers of the movement, it is they that through their directors or their own paid staff can most effectively execrcise the practical business control so necessary to safeguard the banks' own financial stability. The initiative may be taken by the Central Bank, union or federation, and I think that on the whole a hard and fast differentiation of the duties of supervision, inspection, administration or control and the allocation of responsibilites for the same to different bodies will not be conducive to practical efficiency of the primary society. There is danger of dyarchy when drastic and speedy action is to be taken. There is also danger of lack of sufficient number of efficient and whole-hearted co-operators in the different organisations. Any idea of the conflict of interests between the primary societies and Central Banks, which has its justification in the past management of the Central Banks on joint-stock lines, need not justify a complete shifting of responsibility from their hands into those of new organisations with staff and funds wholly inadequate to deal with the present situation, when as many as 75 per cent of the societies demand immediate rectification. The obvious remedy seems to be to depend upon the growth of a sound public opinion in co-operative finance, so that the existing Central Banks may not be controlled by a few individuals and they may develop a sound co-operative spirit which will enable them to steer clear of the Scylla of large idle balances which keep up a feverish agitation for expansion on the one hand, and the Charybdes of making un-co-operative investments of such balances on the other. The experience of Bengal has shown that the Central Banks are federations of local societies and where the constituent societies, through their representatives, play a leading part in the management of the banks, inspection by Central Banks has been found to be most effective. With an effective representation of the primary societies in the executive of the Central Banks, the causes which underlie a possible misapprehension will disappear and the district federations and unions can devote themselves more strenuously to co-operative education or propaganda in the villages,—a task which they are most fitted to undertake; while they also should, with the concurrence and co-operation of the Central Banks, undertake the work of consolidation and reorganisation. Nothing is more tantamount to lead to financial chaos at this stage than any scheme which instead of bringing about a co-operation between the financing and supervising agencies sows seeds of disharmony and dual administration. Nothing, again, is more calculated to kill the initiative which has developed in these years than to place greater reliance upon the official agencies for supervision and control. For, gradually we have to work towards the complete control of co-operative movement by the co-operators themselves—an end which can be realised only by the mobilisation of the resources, ability and idealism of all the co-operators in primary societies and supervising unions, in district fededations and Central Banks. A provincial co-operative service, responsible to a central board composed of representatives of different classes of co-operative organisations is, I believe, the first practical step towards such co-operative efficiency.

Need of Linking Central Institutions.

Gradually as Primary Societies, Central Banks and Unions grow, the central institutions, *viz.*, the central banking establishment and the federation will form parts of one organic whole. The central banking institutions will represent in their functions the link between agriculture and the money market while the federations will take charge of audit, inspection, organisation and propaganda.

It is inevitable that the Central Banks will gradually specialise in forms of banking business only that would require experienced and sagacious guidance contributing to maintain the fluidity of the co-operative business as a whole. To the unions and the federations will be allotted the task of establishing and supervising the Primary Societies and educating them by a continuous personal contact kept up by means of the auditors. The scope of Government audit, supervision and inspection will gradually shrink. Whether the time has come to separate the functions of banking and of supervision, and how in the interests of co-operative efficiency and self-government this separation, may now be introduced and Government control restricted, your own local experience and conditions will best guide you. But one thing is clear. The two central institutions, the central banking establishment and the

federation must be closely linked together and if they show discord, the currents that will be transmitted from these centres of energy to the farthest village will contradict one another making the whole movement futile.

The Ancient Rural Communalism.

I do not agree with the view that is current in co-operative circles that credit is the first step towards co-operation and that unless we have advanced a great deal in this direction no other forms of co-operation are likely to succeed. This is derived from a particular and partial phase of European co-operative experience, which ought not to guide our social and economic policy. Rural history in the East is far different from that in the West. In Europe the village was overshadowed by the imperial system and feudalism which obscured the anci nt communalism, suppressed the rights of the villagers in the common lands, disintegrated village solidarity, and absorbed most of the profits of agriculture so that the tenants were debased. In India and, generally speaking, in the East, the village communalism has been far more widespread and the common pasture, the rights of grazing and cutting fuel, the holdings lying not in contiguous blocks but in scattered strips so as to profit from different soil and climatic conditions, the collective management of irrigation, communal employment of village artisans, servants and functionaries, the maintenance of a common village fund,—all these still testify to the persistence of ancient and essential co-operative traditions unknown to the Western villager. The early English administrator, born and bred in the individualistic traditions of Bentham and Ricardo, treated these as tribal-communal relics of the mediæval past. Both land-settlement and local government tended to obliterate that careful adjustment of rights in land between the different classes and that efficient local co-operative service, which the Indian village community has evolved through the centuries in response to the agricultural needs and social instincts of the people. Indeed, the disuse of village law and custom as regards communal control of pastures, tanks and irrigation channels, or the management of common village funds and functionaries have in recent years contributed in no small measure to the decline of agriculture in the country. Many reparative measures have been undertaken by the Government in different provinces to check the disruption of the village community and agricultural custom. Such, for instance, are the Punjab Land Alienation and Pre-emption Acts, the various Village Panchayat Acts, which have for their purpose the revival of village organisation and peasant solidarity.

Agricultural Credit not the Whole Remedy.

When the co-operative movement was initiated in India in 1904, it was anticipated that the re-orientation of rural life will not be long delayed and the havoc wrought by a persistent policy of centralisation at last effectively checked. These hopes have not been realised. So far the movement has touched only a microscopic minority of our millions and chiefly confined to cheap financing, which alone cannot solve the economic problem of the peasants. After decades of multiplication of credit societies, we have now come to realise that in spite of the great reduction in the burden of interest and the large and growing amount of reserve fund raised from the agriculturists themselves, arrears have continued to increase and now have become a serious menace. In most of the provinces, we have been reaping the effects of hurried and impatient work and the policy now adopted is that of consolidation and improvement of existing societies, not fresh organisation.

In many cases on account of bad debts of the societies members cannot get enough accommodation and resort to the money-lender. Thus the member borrows from the society to repay the money-lender and also borrows from the money-lender to repay the society and this goes on in see-saw fashion till one day credit tumbles town. Easy credit cannot rescue the peasant because it does not touch the roots of the problem, *viz.*, how to increase agricultural efficiency. As long as we cannot increase the actual yield of the land, the interest will not be paid regularly to the primary society and the mortgage debt will increase. Indeed, the agricultural problem cannot be solved by honesty and thrift alone. The essential thing is to revive or arouse neighbourly friendliness and mutual service in agricultural tasks as well as in general affairs of village life, to improve rural efficiency, and the standard of rural living conditions.

Unfortunately what the co-operative movement generally aims at is to throw a noose in the country side and lure the peasants into it by the offer of cheap loans. The task of rural reconstruction has been more or less kept in the background. Rural reconstruction is a term which embraces every phase of rural labour and production, and it is essential that this aim should be always present in the mind of the Indian co-operator. For the chief reason why we cannot make much progress in the co-operative movement is that in our country we are working in the villages on isolated problems and in piecemeal fashion. We thus fail to achieve the success which collective effort in definite regional improvement undertakings might have brought.

Co-operation and the Social Tissue.

Rural reconstruction, again, cannot be achieved through the medium of institutions and practices which may be foreign to the social tissue or may remain unassimilated by it. A grave blunder has been committed in India when the modern co-operator has completely ignored the indigenous forms of co-operation. In Japan, Russia or Italy the success of the co-operative movement is chiefly due to the fact that the ancient system of co-operation of peasants or artisans has been fully utilised by the new movement. In Japan, for instance, the Mujin and the Hotokusha which are time-honoured institutions have assumed an important position in the present co-operative movement and are to-day widespread among the middle and lower classes. Both represent credit societies. The former is purely an association for economic purposes; the latter under the leadership of Ninomiya Sontoku lays great emphasis on the moral and ethical mission of the society while at the same time adopting all that is best in the organisation and practical methods of credit societies. The functions of the Hotokusha besides the granting of advance which occupies only a subsidiary position in the whole programme cover public service, education work, cultivation of morality, social welfare, thus representing an excellent assimilation of new efficiency methods to the ancient social code. The Kuris or Chittis of Malabar are methods of financing closely corresponding to the Japanese Mujins, but in India we have never thought of converting these into co-operatives. Similarly, the rice granary and the silk-marketing society, which correspond to Nidhis, Dharmagolas and guild societies in India are ancient indigenous forms of operation in Japan, which have also played an important part in the organisation of modern co-operative marketing, In Russia the artel which represents a characteristic feature of indigenous co-operation has also adapted itself to modern conditions with great facility. Of late years, since the spread of the co-operative movement as known in Western Europe, the artel tends to merge in the co-operative society, and it is probable that it will take something approaching the form of co-operative societies in other lands. In Italy these associations of workmen which resemble to a large extent the artel, the braccianti who hire themselves out for navvies' work, and the muratori who do bricklaying and masonry. Many of the Italian railways have been constructed largely by sub-contract, given to the braccianti, who work as organised bodies under the head contractor. These are not so primitive in origin as the artels, but are formed to meet the problem of unemployment in Northern Italy. Again, in Switzerland and the Alps, the cheese-making societies called fruitieres, and in the Pyrennes called cabanes or baraques, are also early examples of co-operative production known long before the advent of modern co-operation.

The Labour Society.

The system of co-operative labour like that represented by the artels, the braccianti and the muratori is quite familiar in India among the class of landless day-labourers who can be hired out for tank and road repairs, bricklaying, earthen and masonry work. Fishing is always carried out by artels in the Ural, the Volga and all the lakes of Northern Russia. We see similar allotments of fishing grounds among the fishermen's castes in India in the great rivers, for instance, in Eastern Bengal; or in the sea, as in Puri, Madras, Tuticorin, or in the Cochin backwaters. In the interior we find a group of fishermen associated together in the fishing enterprise. The man who supplies the boats takes 2 shares, while eight others get a share each. The difference between India and Italy or Russia is simply this, that while the artels, the braccianti and the muratori have been assimilated to the co-operative society in the West, these indigenous forms have been completely ignored by the modern Indian co-operator, who has thus failed to utilise a rich legacy of co-operative practice. No doubt the associations of canal, tank or well-diggers, masons or stone-cutters, road-builders and menders, met with in different parts of India, may without much difficulty be merged in the co-operative system which will enable labour contracts from Government, from district boards, municipalities or private persons to be completed at much smaller cost than when contractors seek fat profits in the contracts. Indirectly such societies will offer outlets for the increasing number of unskilled labourers who are being dispossessed from the land and who in some provinces rise into hundreds of thousands.

A very significant beginning has been made in India in the direction of the organisation of labour-contract societies in this Presidency. We read in the recent report with satisfaction that the contracts obtained by the 12 labour-contract societies in the Tanjore and Trichinopoly districts alone amounted to nearly Rs. 5½ lacs. The contracts include important piece-works cutting canals, execution of buildings connected with the Mettur project etc. How long will it take the Indian labour societies to maintain their own engineers, technical experts, craftsmen, directors and artists, and own their machinery and implements, and to build roads, railways and ports or found entire garden cities as such societies do in Italy remains in the lap of the gods, but there is no doubt that the lead given by Madras in co-operative activity in this particular direction is full of promise. Sweepers and scavengers in our big

municipalities, dock-hands and railway-coolies may all be easily organised into co-operative associations of this type, and this will be conducive to both efficiency as well as harmony of relations between the employers and the employees. It should be the duty of municipal and local boards to direct the organisation of such societies among the inferior employees and to give all contracts to the labour societies.

From Indigenous to Modern Co-operative Irrigation.

But perhaps the most glaring instance of the disregard of ancient co-operative habits and practice will be found in the field of agriculture and irrigation. Throughout India, there are still maintained vital traditions of co-operative irrigation practice which have their origins in the strong communal instincts of the peoples and the need of collective effort in irrigation, particularly in connection with the wet crops under the conditions of irregular and uncertain rainfall in the country. In the alluvial plains of the Punjab, United Provinces and Madras where village communities are best preserved, irrigation canals and channels are usually maintained and repaired by the villagers and indeed, the irrigation man who is engaged in common by the community and who regulates the distribution of water is one of the ubiquitous village functionaries in India. In the mountain valleys, the villagers similarly combine together to dig little channels through which they bring the water of the hill streams to their fields. In the dry regions which are dependent upon well irrigation, wells are generally worked under a system of agricultural partnerships according to which the share of each member is determined by the number of bullocks or labour he provides. Where tank irrigation is in vogue as in Behar and Bengal, the villagers combine to build or maintain embankments, and the peasants of the villages in the lowland have the right to conduct the water through small channels until their demands are satisfied. Nothing has contributed more to agricultural decline under landlordism than the apathy of the Zamindar in this respect, the disuse of such irrigation customs and the violation of irrigation rights when these were left unrecognised in the village record-of-rights by the Government.

Nothing was more gratifying to me during my tours in the villages of Madras than the practice which I found prevalent in village after village of repairing and maintaining the common irrigation channels by communal funds or by communal labour. The system of channel repair and maintenance from funds or by labour contributed by the villagers in proportion to the extent of land irrigated and the employment of the irrigation man, the Nirghunti, the Nirarikaran or the

Madyan may profitably be merged in a co-operative irrigation society. The co-operative society represents an association with legal rights and the bye-laws would bind the members for punctual and systematic work as well as permanent as regards the irrigation channels.

As in Bengal, societies may be formed on a limited liability basis, but in order that they may be in a position to offer adequate security to their creditors, the liability of the members may be fixed at a certain multiple of the value of shares. In the case of societies where members are not able to pay the full value of shares in one instalment, provision may be made for the execution of irrigation schemes by means of deposits and loans to be repaid from payment of share calls as they fall due. Provision will be made for proper maintenance of completed schemes by a levy of water-rate or by the inclusion of the capital cost of maintenance in the share payments to be made by the members. Further, to prevent any peasant in the irrigated area from holding out and thus profiting while others work for them, some measure of compulsion will be necessary, and irrigation and village punchayat acts modified accordingly. The maintenance of embankments and the excavation of tanks by co-operative societies is also an important step, and important lessons may be derived in this connection from experience of such societies in Bengal and Bihar. The following figures show the progress made by tank and bundh societies in only two districts of Bengal, *viz.*, Bankusa and Bhisbhum.

	1922—23	1923—24	1924—25
Number of societies	29	173	2,682
Number of members	4,689	7,376	10,368
Working capital	Rs. 77,658	1,24,657	1,90,124
Irrigable area Bighas	20,000	35,257	46,000

Both the Government as well as Local Boards should depute agricultural and irrigation engineers and help such societies with loans and the law should give such facilities that the irrigation schemes might begin without resort to Land Acquisition proceedings. Mention should be made in this connection of an interesting irrigation institution found by me in the South. Villages are divided according to the number of tanks for irrigation purposes and each of these divisions is managed by a Sethi. All the cultivators whose lands are irrigated by the particular tank or tanks of the ward are members of the Sethi. The Sethi, under the leadership of the headman called *karaiswan*, regularly meets to arrange for the repair and maintenance of the tanks under its particular jurisdiction. When the funds of the Sethis are deficient, other Sethis give them loans or contributions amongst these different irrigation associations of a cluster of villages, which render smooth work of the

irrigation of lands under their ayacut. The working of such institutions suggests that we should not look to Bengal or Bombay for a model of co-operative irrigation. The indigenous institution is co-operative in the fullest sense of the word, but our dependence upon the initiative of the Government, and our respect for laws and bye-laws have so far prevented us in different parts of India from giving any heed to this and similar indigenous forms of co-operation.

Exchange and Consolidation of Holdings.

Why, for instance, need we seek inspiration from the Punjab for consideration of holdings, by mutual consent and transfer, when we have the traditions of *parivartani* and *badar* in our own villages here? As long as the holdings are not economically sized, co-operation will only imply the transfer of debt from a single creditor to a body of creditors on more reasonable terms, and the benefit that will accrue from the movement will be incommensurate with the funds of the credit societies. In most of the agricultural countries in Europe, the consideration of holdings is effected by the power given to the majority to coerce the minority. Several other principles have been accepted, *viz.*, that a local committee is entrusted with task of investigation, that the Government gives technical advice and provides the necessary money and materials; that the cultivator may be given in exchange land of value approximately equal to that of the plots which he owned before consolidation and, lastly, that the reconstructed small holding should go to the preferred heir without any division. Co-operative societies in this country may play a large and important part in bringing about the reform of consolidation of scattered and fractionalized holdings on the above principles and, indeed, the propaganda for legislation for consolidation and for an ultimate change in the law of succession to undivided landed property by the creation of a preferred heir (anerbe), as in Germany, might be done through the co-operative movement. Germany is the pioneer in this kind of legislation and the German practice of the creation of a preferred heir and the compensation of the other members of the joint family according to the margin of agricultural profits and not the price at which the land can be sold seems more suitable to Indian conditions, and this would not lead to any bitterness while providing an incentive to an active and thrifty life of the members of the cultivating families. In Madras the land system is not complicated and the vitality of village communal habits and traditions also gives promise of success of co-operative propaganda for consolidation.

Co-operative Cultivation.

A variety of interesting forms of agricultural co-operation is met with in different districts of the South. In the cultivation of such profitable crops as plantain, chili or brinjal, the lease money is often raised by individual subscription, and the irrigation-channels are repaired and maintained by common labour. The profits are divided according to the proportions cultivated by each cultivator as lease-money and agricultural capital. In cases where capital is not advanced, a share is given to labour alone. The best instance of this mode of co-operation is however to be found in betel cultivation. The lease-money is here always jointly paid and divided in proportion of the extent of land and the number of betel plants which each cultivator looks after. The distributary channels and ditches leading to betel fields are maintained and repaired in common. Sheep-dung manure, which is considered very useful and costly, is always purchased in common, and the manure is distributed according to the number of creepers. Each man's crop is individual, but certain sources on which they depend upon one another and on which the whole field depends for its success in crop-raising are divided in proportion to the extent of blocks and the number of creepers. In vast and extensive wet lands in Travancore and Malabar enclosed by *bunds* on all sides, cultivation is often found in common. Ploughing commences from one end of the paddy-field by the co-operation of all cultivators so that each cultivator's block is ploughed in the long run by common labour. The removal of weeds, harvesting, as well as breaching the bars during monsoons, in order to prevent inundation, are sometimes all done in common.

The Solution of Toy Holdings.

There is slight difference between co-operative cultivation in common as described above and the method of agricultural co-operation in Italy which has in this direction advanced far beyond any country in Europe. In Italy the agricultural co-operative societies fall into two groups; those in which the cultivation itself is done in common and those in which the property which was leased in common is divided for purpose of cultivation separately among the individual members who pay to society rent in cash or in kind. The latter type has been on the whole more frequent. Each member here cultivates the land himself; and provided that he does not sublet, that rent is paid and the land not abused, he will not be disturbed until the lease expires. The distribution of the land is then revised, and if one family has too much and another too little, adjustments are made. Every member finds his own implements and his stock; costly machines like fodder-cutters and threshers usually can be hired from the society. Seed, manures and other agricultural requisites are supplied on payment, and some co-operative sale is attempted. In the more advanced societies, there may be a bank where loans can be had or savings deposited, and there may be a store

also where household requirements can be purchased. Sometimes, as in the Indian village community, land is entirely redistributed after a period of years and holdings are made up from different estates, so that every one may have good and bad land alike. This is exactly as it will be in India if the village communities are given a new lease of life. The Co-operative Farm has been immensely successful in Italy and now has been introduced into France, Ireland, Serbia and Roumania. Indeed, such type of society is regarded as the highwater mark of agricultural co-operation in Europe. Our old and essential forms of co-operative cultivation in common may easily be assimilated to such type of society. In the Punjab the better farming societies which now control an area of about 42,000 acres are modelled on somewhat similar lines. Here the members pledge themselves to follow the advice of the Agricultural Department in cultivating their own lands. Valuable propaganda is carried on and profitable work is done by them. In Bombay also there are joint cultivation societies where the members have taken land from the Government, have improved it and made it fit for cultivation or constructed dams and rendered large acres of land cultivable. The continuous fractionalisation of holdings as well as changes in the land-system within the last few decades, as a result of which we have an increasing class of rent-payers and land-less labourers indicate that co-operative cultivation in common is the only way of escape from the insistent problems of unprofitable agriculture and property in under-sized holdings in India. But here as in other fields, we have ignored indigenous habits and practices, which might have fashioned the Co-operative Farm as in Italy and solved the problems of toy-holding and uneconomic cultivation.

National Co-operative Movement.

Co-operation in India is still being fashioned by ideals and standards derived from the West. The movement is exotic and inspection and inspectors bring its alien character home to the people. It is a matter of surprise how our legislators, ignoring the vital traditions of communalism among the peasants and the industrialists of the country which lay before their eyes slavishly copied the rules and bye-laws of the Raiffeisen and Schulze-Delitzsch Credit societies of Germany and imported them wholesale into India. Nothing is more needed to-day than to nationalise the movement. A national co-operative movement rooted in the indigenous social and economic structure is bound to be a popular movement whose sweep will be universal. The forms of Co-operative cultivation and irrigation which we still find in the villages might be re-oriented into agricultural and irrigation societies which rescue agriculture from its present stagnation. The system of small proprietorships and of village and caste government as well as the living traditions of communal agriculture and industry inevitably point to the success of agricultural co-operation and of guilds and co-operatives of artisans, and workmen in India even as the system of landed estates and of rural government in England condemns co-operation to failure in relation to agriculture. From village to village, the *Samudayam* lands, now collectively owned and managed by the panchayats, will be controlled for the purpose of fodder-store and cattle-breeding and co-operative creameries may also come in their wake organising the supply of milk and milk products to the nearest city or town. To the indigenous village Nidhi or Dharmagola storing for emergencies a sufficient stock of paddy for seeds as well as for food may be added depots of cotton, oil-seeds and spices, and there will be a federation and union of such depots from village to village and from district to district, and their affiliation to a co-operative wholesale society as the central establishment. Wherever we have fine examples of the formation of guilds, such as the Panch Brahma or Sourashtra Sabha, maintaining the standard and tradition of crafts and comprehending the different classes of apprentices, artisans and traders over a whole region in a system of industrial management, we may transform such guilds into co-operatives. The guilds and co-operative societies might be developed into regional associations of producers and consumers which would eliminate the middlemen and bring urban and rural population into more intimate relation with the needs of town and village. By the side of the guild-halls and temples let us have power houses which will transmit electricity to the looms and lathes in the artisans' homes. To the indigenous Samuhamuthams, Uttupuras and Chawadis, let us add schools and laboratories, workshops and experimental farms still supported by communal wealth and labour, by the Brahmodaya or by Mahimai contributions. And, lastly, let not the villages forget the time-honoured charities and ministrations to the poor and the needy, their diversions, amusements, and festivals. In Bengal a cultivator's co-operative society at Naogaon spends a big sum of money annually for maintaining 3 charitable dispensaries, 1 veterinary dispensary, 2 High English Schools, 1 Middle English School and 30 Primary Schools for boys and girls. The Gramapanam and Karayogam funds amount in some villages in the South to very large sums, sometimes more than a lac; along with the village plays, recitations, songs, and festivals let us establish schools and hospitals, bridge rivers, construct roads, dams, and embankments, all out of the traditional spirit of rural self-government. Let us build out of the network of village societies a peasant democracy which would grow by union and federation to larger and larger dimensions, rising layer upon layer from the lower communal stratifications to meet the expanding needs of our political life.

Village Swaraj

With the rise of new individualism, new ideas on economics and new forms of government, India stands to-day at the crossroads. In her political life, India is rent asunder by new parties none of which reflects the peasant mass point of view. She has imported institutions and methods which, if allowed unarrested scope, would bring about an ascendancy of the middle classes in Government that will never be to the benefit of our agricultural civilisation. In India, democracy must rest on the land, and it must rest neither on the landlord's estate nor on the middleman's riches but on the rural community. Our politicians must sooner or later realise the fact that no scheme of political reform will be suitable or satisfactory which does not revive the village organisations, the bedrock on which alone a true and democratic edifice can rest in India. And where is the goal to village Swaraj envisaged better than in the Co-operative Commonwealth? Our social peace is to-day destroyed by old and new feuds between castes, religions and communities. Where can we look for the ultimate hope of sanity, unity and peace, better than in some such constructive movement as this?

A Spiritual Democracy

Our ancient and hoary culture has failed to arrest the tide of corruption and degradation of man caught in the whirlpool of world-commerce and exploitation. Spiritual ideals cannot bring a ray of hope to the poor, the bankrupt and the despairing peasant. If the infinite respect of man as man, which the Indian religions inculcate, ought to survive the present cultural crisis brought about by the domination of economics, economics itself must needs be humanised and socialised. Where can greater harmony between economic, human and spiritual interests in the daily lives of men be realised than in the doctrine of co-operation, in its principles of comradeship in work, in its ideals of better farming, better business and better living? Neither present-day-politics with its communal contentions, its abstractions and its futilities, nor ancient religion with its old-fashioned weapons powerless to meet the onslaughts of poverty, neither the cult of the charkha with its fervent insistence on the ancient simble and low standard of living, nor industrialism that brings about family breakdown and social unsettlement, show India the path to real progress and achievement. If India is to keep alive her time-honoured humanistic and spiritual ideals, these must be rescued form the pages of the Manava-Dharma-Shastra and the Bhagavat Gita and embodied in her social and economic organisations. She must have to moralise her agricultural economy, where exploitation has now become the first law, introduce ethical obligations into business transactions, and instead of taking refuge in a facile doctrine of simple and plain living build up a rich and abundant life on more spacious economic foundations, neither unethical at their base, nor cramped by a spirit of self-repression. Our science, our knowledge, our new organisation must go to the villager and interpret his life in terms of a wider and more equitable sharing of the fair fruits of civilisation. The co-operative and collectivistic sense, the implied humanism, are much stronger in India than in the West. The basal facts of the Indian family, social and village communal life furnish occasion for a perpetual discipline in human and social sympathies, and in the repression of the appropriative and exploitative impulses of the individual, which are so strong in the peoples of the West. Thus, India, if she remains true to the ideals of the past, must build her social and economic future after the co-operative pattern, a functional and regional democracy which will embody the social values still preserved in her village communities, guilds and brotherhoods, and which will protect them against the inroads of industrial, capitalistic economics.

The Leaders of A Green Rising.

The co-operators of to-day are fashioning the future polity of India, which will be based not on class cleavage but on political and economic justice, not on competition but on brotherhood, not on conflict but on peace in industry and participation by the entire community of the fruits of science and labour. They will bring about a silent transformation in the countryside, which in other lands is appropriately termed 'the Green Rising,' a bloodless revolution based as it is on a change in the heart, and in the morale of the masses. Now is the time for you co-operators to determine what part you will play in the leadership which the Indian masses long have been waiting for. And this leadership will entail a long and strenuous preparation during which one has to live unseen and unknown amongst the cottagers, but there will be joy in such consecration, for such work will be nation-building and nation-uplifting, such work will be service to God who, as some of our scriptures say, lives in the poor, the helpless and the forlorn, struggling, yet perfect.

In one of the Puranas, God is described as the co-operative spirit, the sense of law, beauty and mutual service. And we are prophetically told that when the earth will cease to be green and will be scorched and seared by a blinding sun, and the country will be under the grips of a series of famines, God will reappear among the peasants from the sun-baked soil as the co-operative spirit, the Hundred-Eyed One, Who will nourish the famine-stricken with food created out of Her own body. The situation in India to-day is full of signs to indicate that the time is ripe for the fulfilment of God's prophecy. "And I shall again be on earth when there has been drought, and scarcity of water for a hunred years, born not out of the mother's womb, when my praise will be recited by the saints. Then I shall cast a look on mankind with hundred eyes, and they shall call me the Hundred-Eyed from that time. Then, ye Gods, I shall support the entire universe until there is rain with life-sustaining herb created out of my own body. From that time I shall be known on earth by the name, Sakamvari."

May the mighty Hundred-Eyed Spirit of Co-operation cast Her benign glance on our fields, cottages and workshops! May the sweat of the tiller of the soil be consecrated, may the artisan's lathes and looms be in tune with the Great God Hum, may the scales of the merchant dispense divine justice!

THE XVI MADRAS PROVINCIAL CO-OPERATIVE CONFERENCE, RAJAHMUNDRY.

RESOLUTIONS.

Short Term Loans.

1. This Conference approves for a temporary period the preference of short-term loans to long-term loans under the following provisos:—

(1) The preference should obtain specially in areas where land mortgage banks work.

(2) The preference should obtain specially in areas where intensive staff is employed.

(3) That separate maximum borrowing power should be allowed for short-term loans dependent on *inter alia* the amount of resources available for the purpose.

Local Deposits.

2. As short term credit requirements can be usefully met when a society has its own local capital, this Conference urges the following methods for increasing the same:—

(*a*) Securing to each member a decent amount of savings to meet his cultivation and domestic expenses till the next harvest by undertaking a deposit campaign, in kind or in money;

(*b*) Inducing members to invest their surplus savings in joint purchase and joint sale as deposits;

(c) Encouraging deposits from non-members particularly those who are natives or have relationship in the village but are employed outside; and

(d) Allowing a maximum rate on deposits without prejudice to contribution to the supervision and reserve funds, at a rate not exceeding $7\frac{1}{2}$ per cent per annum.

Dividend in primaries.

3. This Conference disapproves of the recommendation of the Committee that dividends should be discouraged in primary societies.

Registration of Societies and Amendments.

4. This Conference urges on the Registrar that definite instructions be issued fixing a time limit for the disposal of papers relating to registration of societies and amendments.

5. Where an amendment of a by-law proposed by a society is refused registration by the Registrar, and where that amendment is supported by the District Bank and the District Federation, the Registrar shall register it.

Safeguarding of the financial interests of Central Banks.

6. This Conference disagrees with the recommendation of the Committee that a Central Bank should obtain the previous sanction of the Registrar to take steps to safeguard its financial interests and resolves that it should be at liberty to take all such steps on its own initiative when and where Unions and Federations have failed in this regard.

Staff and Funds for Education and Propaganda.

7. This Conference is of opinion that the Unions and Federations should take necessary steps for co-operative supervision and education as well as propaganda, that they should employ adequate and trained staff in two cadres, higher and lower, for such purposes, and that they should be supplied with sufficient funds from the resources of the kind indicated in the report and from the Government with special reference to the financial requirements of supervision in each district.

Personal Assistant for the District Officer unnecessary.

8. Resolved that a personal assistant for District officers is unnecessary and the amount spent on the administrative inspectors for non-statutary functions may be usefully given as grants to Federations. Where such inspectors are temporarily found necessary in certain districts, they should work through and at the request of District Federations.

Constitution of Central Banks.

9. This Conference is of opinion that each union should have one representative on the board of management of the Central Bank and that there is no necessity to increase the number of individual representatives in any central bank and that where the number of individual representatives is higher than the number of union representatives in the central bank, steps should be taken immediately to reduce the number to that level.

10. This Conference is of opinion that there is no necessity for increasing the number of individual representatives on the Board of Management of the Madras Central Urban Bank as recommended by the Committee on Co-operation.

Dividends in Central Banks.

11. This Conference disapproves of the policy proposed by the Committee of giving dividends in Central Banks in subsequent years for making up the shortage in the previous years.

Presidentship of the District Bank and the Federation.

12. This Conference disapproves of the general policy mentioned in the Report that the President of the District Bank and District Federation should be the same person whenever possible and considers that this is a matter for each District to decide.

Utilisation of Short Term Deposits for Long Term Loans.

13. This Conference approves of the present policy of utilising short-term deposits for long term loans with necessary safeguards.

Formation of Central Banks with Societies alone as members.

14. This Conference urges on Government the formation of Central Banks with only societies as members as an experiment in selected areas.

Loans to non-members on fixed deposits in Urban Banks.

15. This Conference resolves that the privilege of issuing loans to non-members on the security of their fixed deposits should be extended to Urban Banks also.

A Provincial Organisation for Urban Banks.

16. This Conference resolves that for the purpose of spreading education in urban areas and settling all common questions concerning Urban Banks, a provincial organisation of Urban Banks should be started as expeditiously as possible and that a committee consisting of Messrs. S. K. Yegnanarayana Iyer, E. S. Ganapathi Iyer and P. Krishnaswami Sastri be appointed to take steps for the same.

A Provincial Audit Organisation for Central and Urban Banks.

17. This Conference resolves that, with a view to secure efficient concurrent audit of urban societies, a Provincial Audit Organisation of Central and Urban Banks should be started as early as possible.

Affiliation of Urban Banks with Unions.

18. This Conference resolves that the obligation cast on Urban Banks to get or remain affiliated with local supervising unions should be discontinued.

19. Resolved that all resolutions passed relating to Urban Banks should be referred to for definite action to the sub-committee named in resolution No. 16.

Current Accounts to be extended to non-members.

20. Resolved that current accounts need not be confined to members.

Qualifications of District Officers.

21. This Conference urges on the Government that the appointment of District Officers of the Co-operative Department should be from among men trained in Agriculture, Banking, and Rural Economics, and a Deputy Director of Agriculture for the whole province is quite superfluous.

Non-credit.

22. This Conference exhorts all co-operators to organise dairies, poultry and pig-farming societies wherever possible.

23. This Conference urges the heads of all educational institutions and all co-operative organizations to start and promote school requisites and stationery societies in their respective areas.

24. This Conference disapproves the views of the Committee on Co-operation that stores should not be established in villages or in small towns and urges on co-operators to start stores in villages as well as towns as far as practicable.

25. That in the opinion of this Conference it is not desirable to combine credit and non-credit functions in stores.

Building Societies.

26. This Conference urges upon the Government to reduce the rate of interest on Government loans to building societies by one per cent, that is from 6½ to 5½ per cent.

Land Mortgage Banks.

27. This Conference resolves that the establishment of a Central Land Mortgage Bank in Madras and the development of Primary Land

Mortgage Banks in the rural areas should be promoted immediately and that the main principles of the recommendations of the Committee on Co-operation regarding the constitution of the Central and Primary Banks be accepted.

Rural Reconstruction.

28. This Conference resolves that

(*a*) the P. C. U. in co-operation with the Madras Central Urban Bank, District Banks and District Federations should take immediate steps to start at least six rural reconstruction centres in the Presidency and to bring about a co-ordination of the work of the agricultural, co-operative, labour, industries, hygienic, and educational agencies for a collective programme of regional development being initiated;

(*b*) that some competent rural reconstruction supervisors be trained for the work.

Urban Banks and Deposits.

This Conference is of opinion that Urban Banks situated in places where there are no Central Banks be permitted to receive Abkari and other deposits from local bodies.

The Registrar to be an Indian.

30. This Conference resolves that the Presidency Registrar must be an Indian with an intimate knowledge of the main languages used in the area over which he holds jurisdiction and that an Indian with an intimate knowledge of Telugu must be immediately appointed as Registrar for the Andhra Desa.

Suppressed Classes.

31. This Conference urges the immediate adoption of the following measures with a view to ameliorate the condition of the suppressed classes:—

(1) They should be admitted into the ordinary village caste societies and not be segregated in separate ones.

(2) Their societies should be affiliated to the local supervising unions and not compelled or persuaded by the Government or the Christian Central Bank to group themselves into separate unions.

(3) Stores should be started for them so as to free them from the grip of the retail shopkeeper.

(4) In view of the insanitary and dark howels in which they are generally huddled together, housing societies should be started for them on easy terms of thrift so as to provide them with modest habitable tenements.

Adult Co-operative Education.

32. Whereas the utter want of facilities for the education of the masses of the country, more particulary of adult population, is greatly responsible for the tardy progress that the Co-operative Movement has so far made,

And whereas it is urgently necessary to organise suitable institutions and finance them throughout the country whereby this crying need can be supplied,

(A) This Conference urges on the State and the people

(1) to organise stationary and travelling libraries,

(2) to arrange demonstrations with the aid of cinemas, magic lanterns and picture cards,

(3) to have lectures delivered by travelling lecturers and publish pamphlets in popular languages on subjects necessary and useful to the masses,

(4) and adopt other means and methods varying with the environment to be served thereby.

(B) In particular, this conference requests the co-operative organisations throughout the country to make the above work a feature of co-operative educational propaganda and allot sufficient funds for the same.

Investment of Provident Funds of Teachers in Central Banks.

33. This Conference urges on Government to allow schoolmasters and educational institutions to invest their provident funds of teachers in co-operative central banks.

Next Provincial Conference.

34. Resolved that the invitation to hold the next Provincial Co-operative Conference in the District of Coimbatore be accepted with thanks.

(SD). RADHAKAMAL MUKERJEE,
President.

RESOLUTIONS PASSED AT THE FIRST ANDHRA PANCHAYAT CONFERENCE

Held at Rajahmundry on 7-4-1928 under the Presidentship of

THE HON'BLE V. RAMADAS PANTULU.

I. This Conference is of opinion that in order that Panchayats may function efficiently, they should be given a permanent source of income and urges upon the Government to make over to the Panchayats one anna in the rupee from land revenue collections in ryotwari villages and one anna in the rupee from "peshcush" and water-cess in zamindari villages.

II. This Conference is of opinion that the work of the Panchayats has been hampered on account of the Registrar-General of Panchayats not being given an adequate staff for helping the Panchayats with supervision and advises and requests the Government to sanction immediately an adequate staff for the Registrar-General of Panchayats.

III. This Conference is of opinion that communal properties such as poramboke lands, unoccupied village sites, grazing grounds, threshing floors, sources of water supply etc. should vest in the panchayats as they are the most suitable local bodies to administer them and that the panchayats cannot function properly so long as these properties are in the hands at the Revenue Department and Taluk Boards; this Conference therefore urges on the Government to amend the Panchayat Act at an early date so as to vest these properties automatically in the Panchayats as soon as they are constituted.

IV. This Conference notes with regret that the Government have so far not taken any steps to entrust the distribution of water in upland areas to village panchayats and urges the Government to do so at an early date.

V. This Conference is of opinion that wherever village panchayats are constituted, the control of village forests should be vested in them under sec. 17 of the Panchayats Act.

VI. Whereas the insanitary condition of the villages is a danger to the whole country, this Conference requests the Government to make liberal grants to village panchayats for sanitation and medical relief.

VII. This Conference is of opinion that the control and administration of village service inams should be vested in village panchayats and requests the Government to initiate legislation for securing this object. This Conference also requests the members of the Legislative Council to promote such legislation by every means open to them.

VIII. While this Conference is of opinion that it is unnecessary and inadvisable to form Temple Committees under the Hindu Religious Endowments Act in villages where panchayats are constituted, it requests the Religious Endowments Board to entrust the management of temples to sub-committees of Panchayats wherever it is possible to do so.

IX, This Conference requests the Government to decrease the number of opium shops in East and West Godavery districts, as the consumption of opium in these districts is far greater than in other parts of the Presidency.

X. With a view to improve the resources of the Panchayats, this Conference requests the Government to hand over the income and administration of cattle pounds to village panchayats under section 15 of the Panchayats Act.

XI. The villages where both Panchayat Courts and Village Panchayats exist, this Conference requests the Government to hand over to the latter all the fines levied by the former under the Indian Penal Code.

XII. This Conference requests the Government to increase the teacher's grant given to panchayats from Rs. 180 to Rs. 240, as teachers in schools managed by Taluk Boards and the Labour Department are getting Rs. 240 a year and Panchayats are consequently unable to get qualified and satisfactory teachers for a lower salary.

XIII. This Conference requests the Government to give to village panchayats the right of cutting grass and the usufruct of trees over P. W. D. canals and drainage channels, without requiring the panchayats to pay anything in return.

XIV. This Conference draws the attention of Government to the fact that village munsiffs are not prompt enough in collecting taxes levied by the village panchayats and requests the Government to issue clear instructions to the village munsiffs in this respect.

XV. In view of the slenderness of the resources of the Panchayats, this Conference requests the Golernement to raise the library grant from half and half to $\frac{3}{4}$ and $\frac{1}{4}$.

XVI. In view of the slenderness of the resources of the Panchayats, this Conference requests the Government to raise the Government grant for village communications and waterworks from half and half to 3/4 and 1/4.

XVII. To give effect to the resolutions of this Conference and to arrange for periodical conference of Panchayats in the Andhra desa, this Conference appoints a Standing Committee consisting of the following gentlemen: (i) The Hon'ble V. Ramadas Pantulu, (2) Sri Balasu Buchi Sarvarayudu, Proprietor, Kapileswarapuram and Kesanakkuru Estates, (3) Mr. N. Satyanarayana of Anlamur, (4) Mr. P. V. Subba Rau of Peddappalla and (5) Mr. Chilakuru Seshagiri Rau Pantulu of Kotipalli.

XVIII. This Conference resolves that the invitation of west Godavery for holding the next Conference there be accepted with thanks.

V. RAMADAS
President.

SHORT AND LONG TERM LOANS

By the Hon'ble Mr. V. Ramadas Pantulu.

It is now evident that the recommendations of the Townsend Committee on "Short and Long term loans" have given rise to some amount of misapprehension in certain quarters. A calm and dispassionate study of the Committee's scheme as a whole will however disclose its merits. I am sincerely convinced of the great advantages which the scheme offers and in fact I believe there is no better method whereby the evils of the existing system can be remedied. I feel genuinely glad that the resolution tabled before the XVI Provincial Co-operative Conference to condemn this scheme was ultimately withdrawn. I do not take the withdrawal as amounting to acceptance of the scheme. But I take it as an earnest of a desire to examine it further. I am quite content to have an assurance from my fellow-co-operators that they will give their further thought to it. I am confident that greater the care with which it is examined, the greater are the chances of its ultimate acceptance.

The scheme of co-operative finance recommended by the Committee and taken as a whole is briefly this:

Co-operative credit is divided into three categories. The division is based on two fundamental considerations, namely, (a) economic background of the transaction (the sources of repayment and the borrower's capacity to repay) (b) agency which is best suited to liberate the particular form of credit. The three classes of credit are these:

(A) Crop finance loan which is called short term loan. This is working capital advanced for investment on agricultural operations of the season and is wholly repayable out of the year's harvest. (In the case of special crops like betel leaves or sugarcane, it may extend to two years, otherwise it is always a 12-months loan.) Extensions for its repayment can be claimed on one ground only, namely, the failure of the harvest out of which it is repayable. This form of credit does not admit of delay in its advance and is usually obtainable only on more usurious and onerous terms than other kinds of loans. Its encouragement will be of direct benefit to improvement of agriculture as an industry. Its encouragement is ensured by two subsidiary recommendations. (i) This loan should be made a first charge on the crop grown with its help. This will help in raising the maximum borrowing power of individuals and societies without reducing that power in respect of other loans. For example, if a member has 3 acres of good land worth Rs. 6,000, his utmost maximum borrowing power under the 50 per cent net assets rule, is

Rs. 3,000. If he can raise on that land an annual crop of, say, the value of Rs. 500, an additional sum of Rs. 250 can be advanced to him as crop finance in view of its peculiar security as first charge on the crop. The maximum borrowing power is thus automatically raised by 12½ per cent. By the same process, a society's maximum borrowing power is similarly raised by adding the crop finance loan to its original borrowing power. (ii) The advance of loan should be speeded up and the amount made available at call throughout the cultivation season. This object is assisted by a system of annual forecast of seasonal agricultural credit needs and fixing a limit of credit with a four months currency. If the forecast system was once tried and found wanting, it was obviously due to faulty working and not to absence of inherent merit in it. (Vide South Kanara Committee's report).

(B) The Intermediate loan (the long term loan of the primary societies) ranging from 1 to 6 years, which may be for various purposes, some called short and some called long hitherto (purposes very important in themselves from a co-operative standpoint and which primaries should take note of and see to being observed in practice) but which it is not easy to emphasise in the definition without adding numerous qualifications. These intermediate loans are payable out of the savings left after repayment of the short or crop finance loan and defraying maintenance charges etc., from one or more harvests as the case may be, but not exceeding 6 in ordinary course.

(C) Long term loans for periods over 6 years which are usually borrowed for buying or permanently improving lands or discharging prior debts and similar substantial puposes, and are of such sums as do not admit of being repaid except in small driblets out of the margin of the profits over a long series of years, say, 7 to 25 years. This loan should be advanced out of long term debenture money by special institutions called Land Mortgage Banks when they are started. For reasons stated in the report, the primary societies are not deemed suitable agencies for liberating this form of credit.

This scheme keeps five definite objects in view: (i) The satisfaction of all the credit needs of the member as far as possible on a sound economic basis through primary societies and land mortgage banks, short and intermdeiate needs by the former and long term needs by the latter. The plea for satisfying all the members' needs through the primary society alone with its 10 years' loans (whose extent is limited by the maximum borrowing power fixed on ½ assets basis out of short term deposit money received by central banks) is irrational, unbusiness-like, unattainable in practice and calculated to defeat the very end in view. A simple illustration will make the point clear. A society with total assets of Rs. 80,000 can command for its members only Rs. 10,000 to be lent out for 10 years. This is the utmost. The same society under the Commitee's scheme can secure for its members from itself Rs. 5,000 for a period of 1 to 6 years on Rs. 40,000 assets and on the balance of Rs. 40,000 assets, its members can borrow from a land mortgage bank Rs. 20,000 being 50 per cent of Rs. 40,000 for a period of 7 to 25 years. It is needless to point out that while the existing system only assures at the most Rs. 10,000 accommodation for ten years, the new scheme assures Rs. 25,000, Rs. 5,000 for 1 to 6 years and Rs. 20,000 for 7 to 25 years, upon the same total assets of Rs. 80,000.

(ii) The observance of sound banking principles requires that the money lent for 25 years should be real long term money and not money invested for a short term with a probability of renewal, however good and strong that probability may be. The Co-operative banks cannot be linked to or be assisted by a State Bank or a Joint Stock Bank on any other basis; and without such linking for certain purposes there will be no adequate finance for the movement in its future development which ought to be practically limitless to relieve rural indebtedness.

(iii) The loan should lead to increase in the productive capacity of the ryot. The combined operation of the three classes of loans will undoubtedly result in a real increase of his productive capacity. That the existing system did not so result is conceded on all hands.

(iv) Credit should be democratically controlled by the borrowers. Loans advanced through primary societies for long periods on mortgage of land up to the hilt are not really co-operative and there is little need or scope for mutual watch of members over each other's affairs or for democratic control of credit in such an arrangement. The development of a sense of identity of the lender and borrower interests in societies cannot be looked for on the basis of the existing system of finance. Short and intermediate loans advancad largely on personal security will better promote the co-operative spirit.

(5) So much for *production* credit. This is linked on to *marketing* credit by the Committee's proposals for the development of produce loans and loan and sale societies. This marketing credit, according to the Committee's scheme is capable of more facile development on the basis of the reformed system of finance. The old system was a real handicap and one reason why marketing credit has not developed is the inconvenient and uneconomic mode of the system of loaning adopted by the societies hitherto.

These are some of the essential features of the Committee's scheme. It is a whole and indivisible one. The Committee had an evolutionary and not a revolutionary programme of business before its mind's eye. So it endorsed the present practice of 10 year mortgage loans by societies to continue till land mortgage banks are developed. I had no difficulty in understanding the Committee's recommendation in the sense set forth above. I signed the report with that understanding. Even now I fail to discover in them anything unco-operative. The ten years loan through the societies is really not beneficial to the ryot. It hinders the development of the land mortgage banks very effectively. It should be remembered that economic conditions of agriculturists in the Deccan are nearly the same as those in the uplands of this province and yet the Bombay system does not permit loans for over 3 years. A refusal to examine the defects of the existing system and to consider the merits of the Committee's scheme will be a serious obstacle to our future progress.

RURAL RECONSTRUCTION—A SCHEME.

BY

THE HON'BLE V. RAMADAS PANTULU.

The XVI Madras Provincial Co-operative Conference passed the following resolution regarding rural reconstruction through the help of co-operative institutions:—

"This Conference resolves (*a*) that the Provincial Co-operative Union, in co-operation with the Madras Central Urban Bank, District Banks and District Federations, should take immediate steps to start at least six rural reconstruction centres in the Presidency and to bring about a co-ordination of the work of the Agricultural, Co-operative, Labour, Industries, Hygienic and Educational agencies for a collective programme of regional development being initiated; and (*b*) that some competent rural reconstruction supervisors be trained for the work".

Plan of operation.

It is therefore the duty of the co-operative organisations to take up the task immediately. It is obviously impossible to work on a provincial scale. The work must of necessity be confined to certain centres. The minimum number *six* mentioned in the resolution cannot be exceeded in the coming co-operative year. There are two ways in which a centre may be fixed; it may be either a single village for model development or a small group of villages, say within a radius of 7 miles, for intensive reconstruction work. After giving my best thought to the subject, the latter alternative appeared to me to offer far more advantages than the former. Under this scheme, one firka in each of six select districts should be taken in hand in the next co-operative year. I prefer to leave out West Coast districts in the first year, having regard to the difficulty of organising village work in the distant and scattered villages of Malabar as judged by the experience gained in working the Village Panchayat Scheme in that part of the province. I would suggest that three centres in Andhra Desa and three in Tamil Nadu should be selected for next year's work. A trained rural reconstruction supervisor should be placed in charge of each firka. The headquarters of the firka should, as far as possible, be the same as that of the local co-operative supervising union. This will enable the Union supervisor and the reconstruction supervisor to collaborate in their work. The headquarters should be in a central place in the area of operations and easily accessible by railway, road or canal for frequent visits by rural leaders interested in the work. It should preferably be a village in which a co-operative society and a Village Panchayat are already working, where one such is available. If the local union headquarters is inconveniently situated, it should be shifted to the reconstruction centre.

Programme of work.

Two important principles have to be borne in mind in settling our programme of reconstruction work. The main aim of rural reconstruction should be the reconstruction of the mentality of the villager by propaganda and education specially in the social and economic spheres of rural life. Charitable doles of money or cheap credit thrown into the villager's pocket, whether by official or non-official agencies, will only serve to make him more dependent and less self-reliant. If the financial assistance rendered to the ryot is not closely associated with the inculcation of co-operative principles, his position may become worse. Mr. Wolff is therefore never tired of emphasising this truth. The next essential principle to be borne in mind is that any reconstruction scheme should embrace all sides of the activities of the village life which are compendiously described in Horace Plunkett's classification of the ten principal needs of a farmer as "business needs" and "social needs". Mr. MacNeil summed up the idea in the words "Better Farming and Better Business would be a soulless thing without "Better Living".

With these ideals in view, a simple and workable programme has to be framed in accordance with local needs and conditions. Its general features may be briefly stated. The duties of the supervisor shall be to plant in each village in the firka a co-operative society, a village panchayat under the Act of 1920, an elementary school for the village children and a rural dispensary for medical relief

(it may be of the ayurvedic type). A primary land mortgage bank operating over the entire area of the firka should also be established. The statutory village panchayat should be made the main instrument for the reconstruction work. No other agency can comprehend within its scope all the spheres of the village activity. Voluntary associations without legal sanctions are difficult both to organise and to sustain. A village panchayat under the Act of 1920 is a corporation and enjoys power of local taxation for common good. It has also certain plenary powers. The Registrar-General of Panchayats describes the work which a panchayat can do in these words: "That work will be based on a detailed survey of the conditions of village life in all its aspects in every panchayat area. The panchayat and the supervisor are to collaborate in the preparation of the survey. The panchayat will then take the steps for improving the amenities of village life in all directions." The control of village services, the renovation of village temples, tanks and wells, the administration of village commons and charitable inams will be in the sphere of the panchayat's activities. Financial help, where forthcoming, from the co-operative organisations, local boards and the Government, may be availed of. The co-operative societies in the area can make small contributions from their common good fund for the maintenance of village libraries. The Government is at present financing panchayat-managed village schools by making a non-recurring grant of Rs. 80 per school for initial outlay and a recurring annual grant of Rs. 180 for each teacher employed. In the reconstruction area education for children should be made both *free* and *compulsory*, a policy to which the local government has now agreed. Compulsory physical culture on the indigenous system (talimkhanas and national games) should be a feature of these schools. The local government is also making grants for the development of roads and preserva-tion of drinking water in villages on the basis of a half and half contribution, that is, a sum equal to that found by the village itself. The co-operative organisations in the area can be made to render effective help to the agriculturists by advancing capital and credit needed for the industry, by co-operative purchase of seed, manures and necessaries of life for them on indent system, by promoting economic marketing of agricultural produce and in other ways. A very useful and interesting experiment could be made in one select village in each firka of taking over all the ndebtedness of the agriculturists in the village and arranging for its being wiped out in a number of years through the agency of the rural credit society and land mortgage bank. It will also be the duty of the supervisor to put the villagers in touch with the agricultural demonstrator, the veterinary surgeon and other itinerant officers, who are expected to render assistance to them in the respective spheres of their official duties. Three more activities should be mentioned. There should be some programme of adult education in all the villages in the experimental centre. Attention should be paid to the revival or encouragement of such cottage industries as may be familiar to the villagers with special emphasis on the charka and also handweaving where possible. The improvement in the housing of the Depressed Classes who now live in most insanitary localities on the outskrits of villages and providing other amenities to them should be an integrai part of the rural reconstruction scheme. These classes should be freely elected to village panchayat boards and admitted into the village schools. This list of reconstruction activities may look formidable on paper, but the activities are all related to the daily life of the villager and will be found to be capable of being easily carried out if there is a plan and organisation of work.

Cost of the Scheme.

In view of the slender resources at the disposal of the co-operative institutions, the cost of each centre should not exceed Rs. 2,000 per year. The Central Bank in whose banking area the centre is selected should make an annual contribution of Rs. 1,000 and the Madras Central Urban Bank should make a like contribution for each centre. Thus it will cost Rs. 6,000 to the Madras Central Urban Bank in the next year. This sum may be allotted from its common good fund which amounts roughly to Rs. 15,000 a year. The salary and allowances of the supervisor should be fixed at a sum not exceeding Rs. 100 a month. He should be given a peon on a monthly pay of Rs. 15 and about Rs. 30 a month should be set apart for the publication of leaflets and distribution of other propagandist literature. The cost of each centre will thus be roughly Rs. 2,000 a year. The union supervisor shall assist him in some of his activities specially on the co-operative side. I understand that local bodies are being encouraged to constitute a Rural Reconstruction Fund, but that the scheme has not matured owing to the reluctance of the villagers to bear additional taxation. If each Taluk Board levies and earmarks an additional one pie of land cess in the rupee, it will yield 5½ lakhs per year and with an equal grant which Government has promised, a sum of Rs. 11 lakhs will be available every year for rural reconstruction work. The question may be re-examined and village opinion ascertained.

The success of the scheme will largely depend upon the interest which the educated middle class Indians will evince in the problems of rural life and nation-building and the extent of rural bias which they can cutivate in the immediate future. A National Government would have employed thousands of intelligent young men in this task of national reconstruction and turned their latent energy which is now running to waste, to good account in the cause of the Motherland. But as we are at present circumstanced, it is a vain hope. The apathy of the government to Nation-building programmes is evident from the manner in which the 3½ crores of rupees gained by the remission of Provincial contributions have been alloted between Reserved and Transferred departments. But there is no reason for despondency if even some among our middle classes realise their responsibilities to the nation and resolve to contribute their legitimate share to the cause of nation-building. India is as a matter of fact rich in human material. It needs mobilising. Let those who are called upon to render this contribution remember that a regenerated village with its corporate life and sense of civic responsibility developed will be the true foundation of a lasting Swaraj for India.

THE ALL-INDIA CO-OPERATIVE CONFERENCE

BY MR. E. S. SUNDA, B.A., B.L.,

Madura.

The necessity for an All-India organisation is very obvious. There are several striking differences and similarities in the growth of the movement in the several parts of the country. What passes for an ante-deluvian method or activity in one portion of the country is sometimes suggested as a new move for progress in another part of the country, leaving the co-operation in the latter part of the conntry to suffer again by another experiment already found wanting elewhere. In this connection I would instance the method of Supervision and Audit observable in Burma and Madras. In Burma there was a system of leaving the audit and supervision of societies in the hand of certified Auditors, which after all did not prove successful from the co-operative standpoint. But we see in papers and Co-operative Journals now-a-days that the system of co-operative Audit by certified Auditors is being vigorously suggested by some co-operators. I am not supporting or decrying either of the two above-stated views but I only state it as one of the subjects that should be considered, thought and fought over in an All-India organisation composed of representatives from all parts of India and Burma. There are other activities which will really develop out an All-India spirit, the intense co-operative outlook which will lead to an interchange of commodities and finance, an All-India Sale and Consumers' society, an All-India Chief Co-operative Apex

Bank and a nation-wide of activities in other ways. After all the co-operative movement is the only popular movement in the sense that it deals with crores of people and crores of rupees. As the only important non-official organization, aided and fostered by Government, it is sure to be a plank for the future progress of the country in several ways. As such the officers therein should be well harnessed and completely contented. Such a state can be had only when the non-officials' movement affords a nation-wide All-India Co-operative Service with systematic gradations and systematic responsibilities. The Banker at Madura should be able and should have the confidence to rise to the post of the Superintendent of an All-India Apex Bank and the poor consumer at the Thambarabarni valley should enjoy all the co-operative advantages of the supply of things from Dera Ismail Khan. Things like this are not the visions of a dreamer but practicalities that should immediately fructify if only certain amount of honest energy and persuading courage is brought to bear upon this aspect of the question.

After all, co-operation does not stand for easy grant of loan applications and supply of ordinary necessities of human beings. The co-operative movement aims at the betterment of the soul in man, at a greater ideal of universal tolerance and brotherhood and at a greater amity of mutual goodwill and trust in India and elsewhere. The movement is a moral reformative force not intended for pecuniary bargains. Such a mass movement is bound to thrive only when several intellects and temperaments are allowed to have a free exchange of thought and opinion on a broader basis. I am glad that it is left to our Presidency to start the idea and begin to push it through to the logical end and success. We, the co-operators in Madras, are indebted to the distinguished Hon'ble Mr. Ramadas for the suggestion and we hope that the All-India Organisation would be set on foot and would reach its manhood fairly early.

THE MADRAS PROVINCIAL CO-OPERATIVE UNION.

Proceedings of the Meeting of the Governing Body Held at Rajahmundry on 6th April 1928.

The Hon'ble Mr. V. Ramadas Pantulu occupied the chair. Among the other members, Messrs. V. Venkatasubbayya, S. Narayanaswamy Iyer, G. Sriram Babu Naidu, L. Gangadhara Sastry, E. S. Sunda were also present.

1. Annual Report and Audit Order of the P. C. U. for 1926-27 :—

Resolved that the Report and Audit Order be placed before the General Body.

2. Letter dated 20-2-1928 from the Bombay Central Co-operative Institute regarding the fixing of a date for the celebration of the International Co-operators ' Day, the date fixed at present—the first Saturday of July every year—being found inconvenient in some provinces :—

Resolved that the first Saturday in July is not inconvenient in this province and that the first Saturday in October will be less convenient.

3. Resolution No. 16 of the North Arcot District Co-operative Conference and Resolution dated 8-2-28 of the Salem District Federation, regarding the P. C. U. supporting the Provincial Co-operative Conference resolutions :—

Resolved that the general policy underlying the resolutions of the Madras Provincial Co-operative Conference will be supported in the Bulletin in so far as they are not in conflict with the views of the Madras Provincial Co-operative Union.

4. Resolution No. 15 of the North Arcot District Co-operative Conference and letter dated 13-3-28 addressed by the North Arcot District Council of Supervision to the Chairman of the Reception Committee of the XVI Madras Provincial Co-operative Conference and the letter dated nil from Mr. G. Srinivasraghavachariar regarding the changing of the constitution of the P. C. U :—

Resolved that the Governing Body regrets that it is not in a position to accede to the request as the proposals are not in a proper form to be placed before the General Body.

5. Holding of an All-India Co-operative Conference and the formation of an All-India Co-operative Association :—

Resolved that the Governing Body recommends the holding of the Conference and the formation of the Association and that the recommendation be placed before the General Body of the P. C. U.

6. Holding of a Conference of all Provincial Co-operative Institutes at Simla in June next :—

Resolved that the Governing Body approves of the idea.

7. Letter No. 398/26-27 dated 22-9-27 from the N. Arcot Dt. Council of Supervision, requesting the payment of a sum of Rs. 25-3-0 as due on account of charges for the publication of printed essays in 1922 by Rao Bahadur A. Vedachala Iyer :—

Resolved that the subject be adjourned.

8. Correspondence relating to the disaffiliation from the P. C. U. of the Madras City Co-operative Bank :—

Resolved that the Madras City Co-operative Bank be requested to supply a copy of their bye-laws for considering the matter and that Mr. G. Sriram Babu Naidu be requested to interview the authorities of the Bank.

9. The reply dated 12-3-28 of the Editor of the Tamil Bulletin to the letter dated 22-2-28 of the Secretary of the Tolasampatty Co-operative Union regarding the publication in the Bulletin of the entire report of Union Conferences:—

Resolved that if any such matter is considered to be of sufficient importance to be published in the Bulletin, the P. C. U. requests the organisations desiring such publication to arrange for the printing of the matter for them at the Central Co-operative Printing Works as far as possible or in other presses, in the bulletin size, thus making it possible to take reprints of the matter and add it to the bulletin. The setting up and restriking of the matter already printed will be a waste of time and money both to the concerned organisations and the P. C. U. In order to economise expenditure, such collaboration is desired. If the organisation concerned does not co-operate in carrying out this suggestion, then it will place the P. C. U. in a difficult position. It will be very diffcult to have the whole matter reprinted for the bulletin.

10. Revised scale of T. A. for the meetings of the Governing Body, Advisory Body and of other committees appointed by these two bodies and for propaganda tours:—

Resolved that the following resolution passed in circulation be ratified with retrospective effect:

1. "2/3 second class or Inter, whichever is higher from the place of residence to the place at which the meetings are held.

2. Rs.4 in lieu of daily allowance covered by the days of journey or mileage at 2 annas per mile, whichever is higher for distances not covered by the train.

3. A daily batta of Rs. 2 for every day of attendance at a meeting"

Resolved also that in future, a single second class fare with Rs.2 batta per day of the member's stay and while on journey be given and that this proposal be placed before the General Body.

11. Letter D. No. 9339 dated 19-3-21 from the M.C.U.B. sanctioning a sum of Rs.500 as grant for purchase of books on co-operation for the use of the Training Class:—

Resolved that the sum of Rs.500 sanctioned by the M. C. U. B be accepted with thanks and that purchase be made after obtaining lists of books from the lecturers of the Training Class.

12. Statements of receipts and charges of the P. C. U. from July 1927 to February 1928 and the statements of Revised Budget estimates of receipts and charges for the year 1927-28:—

Resolved that the statements be passed.

13. Invitation dated 28-1-1928 to attend the 41st Congress of Centrosoyus to be held on 5th May 1928:—

Resolved that the invitation be acknowledged with thanks and that the President be requested to send greetings on behalf of the P. C. U.

(Sd) V. RAMADAS,
President.

Proceedings of the Meeting of the General Body of the P.C.U. Held at Rajahmundry in the Viresalingam High School.

Friday, the 6th April 1928.

The Hon'ble Mr. V. Ramadas Pantulu (In the Chair).

I. Enrolment of Members

(a) *Co-operative Institutions:*—The President first read out the names of the representatives of the member societies of the P.C.U. from whom intimation had already been received. Next, on the application of the representatives of the following institutions to affiliate them as members the President took leave of the house to do so:—

Kotipalli, Ottapalam, Tanuku, Kovvuru, Achanta, and Adduru Co-operative unions, Erode and Coimbatore Co-operative Urban Banks; The Madras Teachers' Guild Co-operative Society; The Andhra Co-operative Ayurvedic Pharmacy, Ltd., and Sree Konaseema Co-operative Central Bank, Ltd., Amalapuram.

Honorary Members: The following gentlemen were elected as honorary members of the P.C.U.

1. The Hon'ble Mr. V. Ramadas Pantulu.
2. Prof. T. K Hanumantha Rau.
3. Mr. A. Ranganadha Mudaliyar.
4. Dr. P. Gurumurthy.
5. Dr. B. Pattabhisitaramayya.
6. Dewan Bahadur M. Ramachandra Rau.
7. Mr. A. Rajabadar Mudaliyar.
8. Mr. Nadimpalli Subbaraju Garu.
9. Sir T. Desikachariar.
10. Mr. L. Dharmaraja Iyer.
11. Mr. C. Rajagopalachariar.
12. Mr. G. Ramachandra Rau.
13. Mr. V. Venkatasubbayya.
14. Rao Bahadur A. Vedachala Iyer.
15. Mr. V. C. Rangaswamy.
16. Sir K. V. Reddi Naidu.
17. Rao Saheb K. Nageswara Rau.
18. Mr. C. V. Venkataramana Iyengar.
19. Mr K. L. Narasimha Rau.
20. Mr. P. Ramanathan.

II. Elections.

The Hon'ble Mr. V. Ramadas Pantulu and Mr. A. Ranganatha Mudaliar were unanimously elected as the President and Vice-President of the Union respectively.

Messrs V. Venkatasubbayya, G. Sriram Babu Naidu and N. Satyanarayana were unanimously elected as Secretaries.

The President then requested the different constituents of the Union to elect their representatives to its Board of Management as per the new bye-laws. The meeting then dispersed.

Saturday, the 7th April 1928.

(In the Arts College Hall, Rajahmundry)

The General Body met again with the Hon'ble Mr. V. Ramadas Pantulu in the Chair. The names of the following gentlemen were read out by the President as having been elected by their respective constituencies:

Name of Constituency.	S. No.	Name of the elected delegate.	Institution represented.
Provincial Societies (1 delegate each).	1	Dewan Bahadur T. Ramachandra Rau ...	The M. C. U. B. Ltd.,
	2	Mr. V. Manicka Mudaliyar ...	The C.C P. Works, Ltd.
	3	Mr. G. Sriram Babu Naidu ...	The Xian Central Bank.
	4	Mr. A. Sivarama Menon ...	The T. U. C. S. Ltd.
Dt. Federations and L. Unions in each district (one delegate each)	5	Mr. L. Gangadhara Sastry ...	Anantapur Dt. Federation
	6	„ A. Natesa Mudalyar ...	Arni C.U., N. Arcot Dt.
	7	„ M. G. Parthasarathy Mudaliar ...	Virdhachalam C. U., S. Arcot
	8	„ A. Narayana Bhatt ...	Bellary Dt. Federation
	9	„ A. Krishnaswamy Iyer ...	Pallavaram C.U., Chingleput
	10	„ T. Doraswamy Reddiyar.	Vediyangadu C.U., Chittoor
	11	Rao Bahadur T. A. Ramalinga Chettiar.	Coimbatore-Nilgiris Dist. Federation.
	12	Mr. N. Kameswara Rau ...	Alamuru C.U., E Godavery
	13	„ Ch. Sheshagiri Rau ...	Tanuku C.U., W. Godavery
	14	„ M. Gopalakrishnayya ...	Repalle C.U., Guntur Dt.
	15	„ R. W. Bhandarkar ...	S Kanara Dt. Council
	16	„ G. Srinivasaraghavachariar.	Madura-Ramnad Dt. Fedn.
	17	„ A. Sankunni Menon ...	Ottapalam C.U., Malabar
	18	„ M. Ramakrishna Rao ...	Nellore Dt. Federation
	19	„ R. Ananda Rau ...	Tiruthangal C.U , Ramnad
	20	„ K. Sundararaja Iyengar...	Salem Dt. Federation
	21	„ G. Venkatarangachariar...	TirutturaipundiC.U.Tanjore
	22	„ M. Sankarapandiya Reddiyar.	Koilpatty C.U., Tinnevelly
	23	„ P.S. Somasundaram Iyer.	Puvalur C.U , Trichy Dt.
	24	„ C. Subba Rao ...	Vizagapatam Dt. Federation

(The districts of Madras, Kurnool and Cuddapah were not represented and it was resolved to request them to elect their representatives within a period of 2 months from the date of the Annual Meeting of the Union as provided in its Bye-law No. XX(b).)

Central Banks (8 delegates, 3 from Tamil Dts. 3 from Telugu Dts. 1 from Kerala and 1 from Karnataka.)	25	Mr. E. S. Sunda ...	The Madura-Ramnad Central Bank.
	26	Rao Bahadur V. Murugesa Mudaliyar.	N. Arcot Dt. Central Bank
	27	Rao Bahadur M. K. Venkatachariar.	Chingleput Dt Central Bank
	28	Mr. K. Venkata Rau ...	Sree Konesema Central Bank
	29	„ R. Aiyakutti Iyengar ...	Kurnool Dt. Central Bank
	30	„ O. Viswanadha Rau ...	Nellore Dt. Banking Union
	31	Rao Saheb V. Krishna Menon	The Malabar Dt Bank
	32	Mr. G. Venugopala Rau ...	S. Kanara Dt. Central Bank
Urban Banks (3 delegates)	33	„ S. Nagaswamy Iyer ...	Sivaganga Urban Bank
	34	„ C. Ranganadha Iyengar...	Gooty Co-op. Credit Society, Ltd.
	35	„ S. Siva Rau ...	Kovvuru Urban Bank
Non-credit Societies (3 delegates)	36	„ P. V. Subba Rau ...	Kotturu Co-op. Building C. S.
	37	„ R Krishnaswamy Iyengar	Pudupalayam Co-operative Stores, S. A. Dt.
	38	„ A. Venkatasubbarayudu...	The Andhra Co-op. Ayurvedic Pharmacy, Amalapuram.

Resolutions.

III. Adoption of Annual Report

The Annual Report of the P. C. U. for the period from 1st April '27 to 20th March '28 and the Audit Order for the year 1926-27 were unanimously adopted.

IV. Amendment to Bye-Laws.

The General Body unanimously resolved to introduce an additional bye-law that

"The Editor of the English Bulletin for the time being be an ex-officio member of the Board of Management and the Executive Committee of the Union."

V, International Co-operators' Day.

The letter dated 20-2-1928 from the Bombay Central Co-operative Institute was read and it was resolved that the first Saturday of July every year is not inconvenient for the celebration of the International Co-operators' Day in this Presidency.

VI. The P. C. U. and the Provincial Co-operative Conference

The resolutions of the N. Arcot Dt. Co-operative Conference and the Salem Dt. Federation stating that the P. C. U. should support all the resolutions of the Provincial Co-operative Conference were considered. Thereupon Mr. P. Kirshnaswamy Sastry of Madura Urban Co-operative Society proposed that "the P. C. U. should be the Executive of the Provincial Conference". This resolution was hotly discussed and lost by 32 to 10.

VII. Change of Constitution of the P. C. U.

The resolution No. 15 of the N. Arcot Dt. Co-operative Conference and the letter dated 13-3-1928 addressed by the N. Arcot Dt. Council of Supervision to the Chairman of the Reception Committee of the XVI Provincial Co-operative Conference and the letter dated nil from Mr. G. Srinivasaraghavachariar regarding the changing of the constitution of the P. C. U. were placed before the house for consideration.

The proposals were ruled out of order in accordance with the resolution of the Governing Body which met the previous day to the effect that the proposals were not in proper form. The General Body was also of opinion that the proposals could not be taken up without adequate notice.

VIII. Holding of an All-India Co-operative Congress and the Formation of an All-India Co-operative Association.

The proposals were welcomed and the Executive Committee was authorised to take the necessary action in the matter.

IX. Holding of a Conference of all Provincial Co-operative Institutes in June next at Simla.

The proposal was approved and it was resolved that the Executive Committee do take the necessary action.

X. T. A. To Members of the Board of Management and the Executive Committee and other Committees for Attending Meetings and for Propaganda.

Resolved that the question be referred to the Board of Management.

The meeting dispersed at 8 p. m.

(SD) V. RAMADAS
President.

Proceedings of the Meeting of the Board of Management Held on 7th April 1928 at Rajahmundry in the Arts College Hall.

As soon as the General Body meeting came to a close, the Board of Management consisting of members elected by constituent institutions met for the co-option of 3 Honorary members to the Board and then for election of members of the Executive Committee other than the President, the Vice-President and the Secretaries elected by the General Body the previous day.

I. Co-option of 3 Honorary members to the Board of Management.

Messrs A. Rajabadar Mudaliyar, Dewan Bahadur M. Ramachandra Rau and K. L. Narasimha Rau were duly declared co-opted.

II. Election of members of the Executive Committee.

The following 5 names were proposed to be members of the Executive Committee, the first three from Telugu Districts, the 4th from Kerala and the 5th from Karnataka; and they were unanimously elected :

1. Mr. L. Gangadhara Sastri.
2. „ M. Venkata Rau.
3. „ M. Ramakrishna Rau.
4. „ A. Sankunni Menon.
5. „ G. Venugopala Rau.

The following were elected to be members of the Executive Committee, from the Tamil Dts.

1. Rao Bahadur V. Murugesa Mudaliar.
2. „ M. K. Venkatachariar.
3. Mr. S. Nagaswamy Iyer.

III. T. A. to members of the Executive Committee, Board of Management and other Committees and for Propaganda tours.

Resolved that the question be referred to the Executive Committee for proposals.

The President then announced that there would be a meeting of the Executive Committee the next day and then the meeting dispersed.

(Sd.) V. RAMADAS,
President.

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Proceedings of the Meeting of the Executive Committee of the P. C. U. Held on 8th April 1928 in the Viresalingam High School Hall at Rajahmundry.

Present:—The Hon'ble Mr. V. Ramadas Pantulu (In the Chair). Messrs. Venkatasubbayya, S. Nagaswamy Iyer, Rao Bahadur M. K. Venkatachariar, G. Sriram Babu Naidu, L. Gangadhara Sastry and N. Satyanarayana were also present.

I. Appointment of Sub-Committees.

1. *Editorial Committee.*

1. The Hon'ble Mr V. Ramadas Pantulu
2. Mr. S. K. Yegnanarayana Iyer (Editor, Eng. Bln and Convener
3. Rao Saheb M. S. Seshachala Iyer (Editor, Tamil Bulletin)
4. Rao Saheb T. Srinivasa Rau
5. Mr. G. Sriram Babu Naidu
6. „ S. Nagaswamy Iyer
7. „ K. M Singaravelu Mudaliyar
8. „ E S. Sunda
9. Rao Bahadur V. Murugesa Mudaliyar.

2. *Non-credit Committee.*

1. The Hon'ble V. Ramadas Pantulu
2. Rao Saheb T. K. Hanumantha Rau
3. Mr K. L. Narasimha Rau (Convener)
4. „ A. Sivarama Menon
5. „ G. Sriram Babu Naidu
6. „ S. Nagaswamy Iyer
7. Prof. K. C. Ramakrishnan
8. Mr. E. S. Sunda
9. „ S. K. Yegnanarayana Iyer.

3. *Education Committee.*

1. The Hon'ble V. Ramadas Pantulu
2. Dewan Bahadur R. Ramachandra Rau
3. Mr. V. Venkatasubbayya (Convener)
4. Rao Bahadur A. Vedachala Iyer
5. Mr L. Gangadhara Sastry
6. „ N. Satyanarayana
7. Rao Saheb T. Srinivasa Rau
8. Rao Saheb T. K. Hanumantha Rau
9. The Registrar of C. S., Madras
10. Mr. V. C. Rangaswami
11. Rao Bahadur V. Murugesa Mudaliar.

4. *Rural Reconstruction Committee.*

1. The Hon'ble Mr V. Ramadas Pantulu
2. Dewan Bahadur R Ramachandra Rau
3. Mr. A. Ranganadha Mudaliyar
4. „ V. Venkatasubbayya (Convener)
5. Rao Bahadur M. K. Venkatachariar
6. Mr. N. Satyanarayana (Joint Convener)
7. Dewan Bahadur M. Ramachandra Rau
8. Mr. K. G. Sivaswamy
9. „ E. S. Sunda
10. Rao Saheb T. Srinivasa Rau.

(Sd.) V. RAMADAS,
President.

List of candidates who got through the Advanced Co-operative Examination held in January 1928.

Name.	Address.	Marks got for Max. 500.	Class in which passed.	Educational Qualifications.
1 S. R. Ananthanarayanan		236	III	S.S.L.C.
2 S. Aravamudhan ...	31, Iyengar St., Kumbakonam	233	„	Completed S. S. L. C.
3 G. N. Balakrishnan	13, South Mada St., Mylapore	209	„	Inter.
4 P.K. Bhujanga Rao	Maharashtra Mandir, Gopalapuram, Cathedral P.O., Madras.	293	II	B. A.
* 5 T. P. Francis ...	C/o Cochin Central C-op. Bank, Trichur	259	II	Inter Part II
* 6 M V. Ganapathi Iyer	Irinjalakkuda, Cochin	227	III	B. A. (incomplete)
7 D. Ganesan ...	84, Lloyd's Road, Cathedral P.O. Madras	268	II	B. A.
8 K. Gopalan ...	Noble Lodge, Royapettah,	230	III	„
* 9 S. Gopalan ...	C/o S. Krishnaswamy Iyer, Asst., N. M. School, Tiruppatur, Ramanad Dt	222	„	S.S.L.C.
*10 M. Kameswara Rao	C/o H. Lakshminarayana, Vakil, Chodavaram, Vizag. Dt.	215	„	„
11 P. Karunakara Menon	100, Thayar Sahib St., Mount Road P. O.	266	II	B. A.
*12 K. Kumara Menon.	Kunniseri House, Cheralayam, Kunnankulam P.O., Cochin.	250	II	S.S.L.C.
*13 C. J. Mathew ...	Cheruvathoor House, Southern Bazaar, Kunnankulam P. O., Cochin State	236	III	Inter.
*14 C. Nagesa Rao ...	Supervisor of C. S., Penukonda	181	„	V Form
*15 N. S. Parasurama Iyer	C/o Stamp Vendor, Nellayi, Pudukkad P O., Cochin	311	I	Inter.
16 G. Ponnusami	Nilambur, Sulur P. O. Coimbatore Dt.	221	III	Entrance Exam. Mysore.
17 K Raghavendra Rao	29, Reddi Choultry St., Tiruppapuliyur	234	„	S.S.L.C.
*18 J. Raghurama Rao	Ganapathi Temple St., Mangalore.	243	„	B. A.
*19 K. Ramacharlu ...	C/o Co-op. Union, Tadpatri	207	„	V Form
20 N. Ramakrishnan.	C/o N. Sami Iyer, Retired Excise Inspector, Walajapet P. O., N. Arcot Dt.	192	„	S.S.L.C.
*21 C. K. Ravivarma Thampan	Inspr. of C. S., Kottaram House, Ernakulam	207	„	One part in B.A.
*22 P. S. Sadasivan ...	Belukurichi P. O., Salem Dt.	230	„	S.S.L.C.
*23 T. Sambandam ...	3, Nambuliyar St., G. T. Madras	209	„	„ „

Name.	Address.	Marks got for Max. 500.	Class in which passed.	Educational Qualifications.
*24 K. Sheshagiri Rao.	C/o K Rama Rao, Senior Intermediate, C. D. College, Anantapur	239	III	S.S.L.C.
*25 G. Srinivasalu Naidu ...	Supr. of C. S., Vediyangadu, Chittoor District	250	II	" "
*26 N. Srinivasa Rao...	C/o Dt. Co-op. Banking Union, Vizianagaram	213	III	" "
27 R. Srinivasa Rao...	4, Muthumari Chetty St., Mannadi P. O., Madras	196	"	Inter.
*28 N. Subba Rao ...	C/o Cardamom Planters' Bank, Kombai, Madura Dt.	222	III	S.S.L.C.
29 S. Subramaniam...	303, Linga Chetti St., G.T. Madras	307	I	B. Com.
*30 O. S. Subramania Iyer	Supervisor of C. S., T. Palur ...	178	III	S.S.L.C.
*31 K. Subramania Reddi	Vediyangadu P.O., Chittoor Dt. ...	237	"	"
32 K. S Subbanarasimham	C/o N. Subbaroya Iyer, 5, Sami Iyer New St., Coimbatore	294	II	Appeared for B. A. Hons.
33 A. Thirumalai ...	82, Adiappa Naick St., G.T. Madras	182	III	S.S.L.C.
34 G. N. Venkataraman	S/o G. K. Narayana Iyer, Hanumar Koil St, Gobichettipalayam, Coimbatore Dt.	190	III	"
*35 S. Venkata Rao ...	Clerk, Govt. Servants' C. S. Cuddalore	206	"	"
*36 S. M. Yusuff ...	Clerk, Central Bank, Hospet, Bellary Dt.	221	"	"

Note.—Those marked * were candidates deputed or recommended by institutions.

2. Nos. 7, 15 and 29 have secured employment in the Co-operative Department.

(Sd.) V. VENKATASUBBAYYA,
Convener, Education Committee.

NOTES AND NEWS.

THE XVI MADRAS PROVINCIAL CO-OPERATIVE CONFERENCE

1. General.

The last Provincial Co-operative Conference held at Rajahmundry was a very important one from many points of view. It was the first Conference to be held after the publication of the Townsend Committee's Report. It was presided over by a distinguished economist of international reputation. Attendance was quite large and thoroughly representative.

The large number of delegates from Tamil districts who had gone there found that their comrades of the Andhra Desa had spared no pains to make their stay at Rajahmundry pleasant. Practically good Tamilian food was given to them and their comforts were well looked after. The arrangements made by the Reception Committee were fairly satisfactory and imperfections, if any there were, were soon forgotten in the genial presence of Dr. Gurumurthy or of Mr. N. Satyanarayana who was here, there and everywhere, now chiding some volunteer, now arranging for visitors' picnic, apologising for shortcomings and ever ready to oblige everybody.

In fact there was an impression in some quarters that the Conference was boycotted by the leaders of the Andhra Desa and that Dr. Gurumurthy and Mr. N. Satyanarayana were left severely alone to manage the Conference as best as they could. The presence of veterans like Messrs. Subba Rau, and Dewan Bahadur M. Ramachandra Rau and prominent Andhra Co-operators showed that the leaders did not all of them boycott the function, but one really did miss the popular leaders of the present day like Messrs. Prakasam, Sambamurty and Konda Venkatappayya.

The Conference was opened by Mr. A. Ranganadha Mudaliyar, M. L. C., (who we are glad to see has come back to the P. C. U. as its Vice-President) who in the course of his speech dwelt upon the nation-building aspect of the Co-operative Movement and appealed to all to take more interest in Rural Reconstruction.

2. The address of the Chairman of the Reception Committee

Dr. P. Gurumurthy's address was short and to the point. He started with the bold but correct statement that the "movement which is 24 years old in this presidency is still rickety because it is spoonfed and instead of the full bloom and vigour which it ought to have developed by now, it is still unable to stand on its legs. It has expanded but not grown." He went on to state that the credit side of the movement in spite of there being 13,357 societies with 8,30,522 members has just touched the fringe of the population of the Presidency as a whole consisting as it does of 35,000 villages sheltering 42 millions. He went on to examine the cases of overdues and attributed it among others to the fact that the movement itself was an exotic forced upon the people who did not catch its full significance, that there were not facilities by way of long term loans to wipe off prior indebtedness and to the fact that the agriculturist has no subsidiary occupation during the off-season. He appealed to ladies in particular to join the movement in larger numbers and appealed to young men as well who are now unemployed to throw themselves heart and soul in this activity and thus help themselves and help the movement. He pleaded for more of de-officialisation and suggested that the District Federation may be made responsible for all the co-operative activities in a district except financing and that the Assistant Registrar may be made its paid Executive Officer, an original idea that deserves to be given a fair trial in selected areas at least, especially because the Department has been every ready to help the Federations in all possible ways. He recommended the formation of non-official organisations on a linguistic basis which would enable us to do away with the awkward necessity we are put to, to use a foreign language, and envisaged the ideal of linking up our Provincial Organisation with an All-India one and that, in its turn, with an International Organisation. He pleaded for the appointment of only Indians as Registrars as their services after retirement would be available to the country as in the case of Dewan Bahadur R. Ramachandra Rau and Rao Bahadur A. Vedachala Iyer. Lastly he criticised the recommendations of the Townsend Committee and concluded by exhorting all to make use of the Co-operative Movement for the general uplift of the nation as Western countries have done.

3. The Presidential Address.

The election of Dr. Radhakamal Mukerjee to the exalted office of the President of the Conference aroused in all high expectations and we are glad to say that they were more than fulfilled by his perfomance. He began with a plea for the bridging of the gulf that very often exists unfortunately

between theory and practice in the study of Economics, a subject on which he is peculiarly entitled to speak as he has himself set the noble example of making the study of Economics real and related to the life around and not confined to the lecture-room. The Vice-Chancellor of the Lucknow University and the Educational Minister of U. P. both bore testimony to this aspect of the learned professor's work in their speeches at the last All-India Economics Conference held at Lucknow. He dealt with agricultural inefficiency as being the root cause of Indian poverty and showed how "the average size of the holding is much smaller than that of the subsistence holding, that the yield of the plots deducting the costs of agriculture, rent and interest on agricultnral capital sunk, and providing for some reserve against the effects of uncertain rainfall is inadequate for maintaining the peasant's standard of living." He pleaded for a detailed enquiry regarding agricultural cost "with a view to ascertain whether agriculture undertaken on an average-sized holding, under the conditions of the prevailing practice of crop-rotation, can pay the interest on land advanced by primary societies and permit the punctual repayment according to the instalments fixed."

He denounced the activities of many Central Banks as being "neither business nor co-operation" i.e., their getting deposits at high rates and lending them to societies more freely than is justifiable and their being "apt to consider that their duty is done when they are able to secure the loans to the societies by mortgages." He went on to add that "as regards the primary societies, the tendency to emphasise mortgage and material security in preference of mutual liability and responsibility undermines the very foundation of co-operation."

He denounced also in strong language the differences that exist between Banks and Federations and opined "that on the whole a hard and fast differentiation of the duties of supervision, inspection, administration or control and the allocation of responsibilities for the same to different bodies will not be conducive to practical efficiency of the primary society. He quoted the experience of Bengal and said that inspection by Central Banks has been found to be most effective. "Nothing", said he, "is more tantamount to lead to financial chaos at this stage than any scheme which, instead of bringing about a co-operation between the financing and supervising agencies, sows seeds of disharmony and dual administration. Nothing, again, is more calculated to kill the initiative which has developed in these years than to place greater reliance upon the official agencies for supervision and control." He rightly sounded a note of warning and added that "the two central institutions, the central banking establishment and the federation must be closely linked together and if they show discord, the currents that will be transmitted from these centres of energy to the farthest village will contradict one another making the whole movement futile."

All these are familiar ideas though they came with redoubled force when they were expressed by the learned Doctor in his own forcible way. His original contribution to the co-operative literature and thought was that, under the influence of the 19th century individualism, we have drifted farther and farther from the ancient ideal and practice of rural communalism, that cheap credit alone will not resuscitate our decadent villages, and that "the essential thing is to revive or arouse neighbourly friendliness and mutual service in agricultural tasks, as well as in general affairs of village life, to improve rural efficiency and the standard of rural living conditions. "He drew pointed attention to the fact that the old indigenous forms of rural co-operation have not been properly utilised and that many of the new institutions are foreign to the social tissue and hence remain unassimilated. He showed how Labour societies should have been grafted on indigenous forms as in the Russian artels and the Italian braccianti and the muratori and spoke appreciatingly of the Labour Contract Societies of our province. "It should be the duty", he added, "of municipal and local boards to direct the organisation of such societies among the inferior employees and to give all contracts to the labour societies." He pointed out how it is possible to make use of age-long traditions and usages and build co-operative societies for tackling the problem of irrigation and consolidation of holdings and held up for imitation the example of Germany.

He concluded with an eloquent plea for a spiritual democracy and for humanising and socialising economics. "If India is to keep alive her time-honoured humanistic and spiritual ideals, these must be rescued from the pages of the Manava-Dharma-Shastra and the Bhagavat Gita and embodied in her social and economic organisations. She must have to moralise her agricultural economy, where exploitation has now become the first law, introduce ethical obligations into business transactions, and instead of taking refuge in a facile doctrine of simple and plain living, build up a rich and abundant life on more spacious economic foundations, neither unethical at their base, nor cramped by a spirit of self-repression."

4. The Conference proper.

After the presidential address, various sub-committees were formed and members were allowed to go and join the Committees they liked. Committee No. I in charge of Rural Credit attracted, naturally enough, the largest number and its deliberations were quite lively and

sufficiently noisy. Committee No. II in charge of Central Banks and Committee No. III in charge of Urban Banks (hitherto given only a step-motherly treatment at these annual conferences) finished their deliberations the first day and handed over their draft resolutions to the secretaries of the Reception Committee. The Committees Nos. IV and V in charge of Rural Reconstruction and Non-Credit respectively did their work comparatively quietly. The various resolutions were taken up at the open Conference in the order in which the Reception Committee was able to give us printed copies and hence they would be found (as printed in pages 427-33 of the Bulletin) not following any particular order. They speak for themselves and comment upon them is not necessary. We should like however to draw the special attention of our readers to resolutions 3, 6, 8, 10, 11, 12 and 24 where the Conference expressed itself against the recommendations of the Townsend Committee. The debate on short and long term loans was exciting and animated. The first portion containing a strong condemnation of the Committee's Report was debated upon hotly and finally withdrawn. The non-credit side was, as usual, neglected. The resolutions about the suppressed classes and about Co-operative Education also deserve special mention. The Conference was keen upon development of Land Mortgage Banks (Resolution 27).

5. General Impressions and suggestions.

An impartial observer is constrained to note that very often much time was wasted on comparatively unimportant questions which necessitated the passing of many resolutions without adequate discussion. At times, there was little attempt at deliberation. When we say this, we mean no disparagement to any. This is exactly what happens in all similar conferences, political, social and even educational. We would take this opportunity to suggest some modifications in the procedure to be adopted in the matter of sending and receiving subjects for consideration.

(i) The Conference should first settle its constitution, define its membership to give representation to co-operative organisations like Urban Banks of a particular status, Unions, Dt. Banks and Federations. The members of the Board of Management of the Provincial Co-operative Union would be ex-officio delegates to the Conference.

(ii) The authorities of the Reception Committee should fix a time limit after which no resolutions should be accepted.

(iii) Within the time limit fixed, society members entitled to take part in the Conference should be advised to send up for consideration at the Conference subjects that have been discussed at their meetings, so that every subject may come up for discussion at the Subjects Committee with the authority of having been deliberated upon by a body of co-operators and not being the pet subject of an individual, however eminent he be, sprung upon the Committee at the nick of the moment.

(iv) All discussions are to be confined to the Subjects Committee and discussion in the open Conference to be confined to a few subjects only on which there happen to be differences of opinion.

(v) Members are to be advised to choose particular committees they would like to serve in and not allowed to go from one committee to another like the busy bee.

It is only when some such restrictions are imposed that our deliberations would be useful and have a right to be considered authoritative.

6. Resolutions not passed.

There were some important resolutions which were discussed at length and later on withdrawn. We feel it our duty to our readers to refer to one such, i.e., abolition of the Provincial Conference. The Chairman of the Reception Committee himself referred to this subject in his address, discussed the pros and cons and if we may permit ourselves the liberty of venturing a guess, he made it known that he was for its abolition giving way to conferences in each linguistic area. The enormous cost of money to the movement as a whole in organising such conferences, their ever increasing unwieldiness, the linguistic difficulties, the disporportionate attention given to subjects, the perfunctory manner in which omnibus resolutions are disposed of, all these are in favour of the abolitionists. The educative value of conferences, opportunities for meeting friends and exchanging notes and benefiting by mutual experience, the necessity for an all-province expression of non-official opinion, these are in favour of conservatives who want to continue the institution. We would like to invite more considered opinion of our readers on this important matter.

7. The Conference and the P. C. U.

In the opinion of some co-operators, some of the Editorial Notes in the Bulletin went against the opinion expressed in the resolutions of the XV Provincial Co-operative Conference held at Madura and the constitutional question was raised whether the P. C. U. which according to these objectors was the Executive of the Conference, was not bound by the decisions of the Conference and whether it was justified in expressing views in the editorial notes of the bulletin which go counter to the previous conference resolutions. The President of the P. C. U. (who we are glad to see has been re-elected to that exalted office for another term of 2 years) while contending that the Conference was only one of the activities of the P. C. U. and that the latter body could and should be independent of the Conference, agreed that in practice the Provincial Co-operative Union will be the recognised exponent of non-official opinion in the presidency and do its best to further the policy underlying the resolutions of the Conference. The objectors therefore thought of creating a Standing Committee of the Conference to take action upon the resolutions. Fortunately the scheme fell through, as Mr. V. Ramadas explained the real position. The P. C. U. continues to be in charge of the conference resolutions. All is well that ends well. The P. C. U. has vindicated its prestige and cleared up the issue which was unfortunately clouded by other considerations. We have no doubt the Executive Committee of the P. C. U. will not only give effect to the resolutions, but would publish quarterly reports of progress.

8. Prompt action taken already.

Our enthusiastic president (and may his enthusiasm be infectious) has with characteristic promptness, taken action on one of the most important resolutions of the Conference i.e., No. 28 on Rural Reconstruction. His note that appears in this number gives a clear-cut programme of work with its approximate cost. The plan is not to take up one village but a convenient group of villages and secondly not to give the villagers some benefit so much as to induce them to help themselves, to remove the silt of apathy, ignorance and indifference that blocks the progress of health-giving national energy along its time-honoured channels of expression and thus to work slowly but surely in laying "the sure foundation of a lasting Swaraj for India."

We are glad to know that the Madras Central Urban Bank has placed Rs. 6,000 at the disposal of the P. C. U. for this work. It is up to the Dt. Banks to come with their share and make the scheme an accomplished fact. May Bharatha Mata bless this genuine attempt at restoring her to her former glory.

* * *

11. The Panchayat Conference of the Andhra Desa.

Along with the Co-operative Conference, the Village Panchayat Conference of the Andhra Desa was also held in the Viresalingam High School Hall. It was presided over by the Hon'ble V. Ramadas Pantulu, the President of the P. C. U. and of the Madras Central Urban Bank, In his presidential address, he pointed out how the village panchayats constituted under the new Act were better than old village associations as centres of the new and expanded life of villages under altered world conditions. The Conference passed a number of resolutions requesting the Government to give them more liberal grants in the matter of salary to village teachers, village libraries, communications and water-works etc., and asking for the handing over of forests, temple administration and cattle pounds to Panchayats and for a permanent source of income by way of one anna contribution out of the land revenue collected within their respective jurisdiction. Other resolutions dealt with village sanitation, reduction of opium consumption etc. A Standing Committee was appointed to take charge of the resolutions passed with the Hon'ble V. Ramadas Pantulu as President and Mr. N. Satyanarayana of Alamuru as the Secretary. Co-operative societies have much in common with village panchayats as both of them aim ultimately at the resuscitation of healthy, vigorous and full village life and we are glad to note that many of the delegates for the co-operative conference took an active part in the other conference also.

* * *

III. Reports of Training Classes.

We have received reports of the training classes at Anantapur, Bezwada and Tanjore intended for Inspectors and Supervisors. For want of space, we are not able to publish extracts from the reports or the speeches delivered at the inauguration of the classes which otherwise, we should have liked to give. We shall publish them later on.

For the same reason, we are constrained to withhold the publication of the full report of the classes held at Alamuru to train rural workers. Now that the P. C. U. has taken definite steps in the matter of rural reconstruction, thanks to the generosity of the Madras Central Urban Bank, an account of the training giving at Alamuru is bound to be of great use to others who may think of starting similar centres. We hope to be able to publish it next month.

THE FIRST Andhra-Desa Village Panchayats Conference RAJAHMUNDRY.

PRESIDENTIAL ADDRESS

BY

THE HONOURABLE V. RAMADAS PANTULU

Brother Delegates and Friends,

Study of Village institutions.

"The last thing," says one of Bernard Shaw's Characters, "that an Englishman likes to be called is *intellectual*." But that is the first thing that a modern Indian likes to be called and with him the desire to be matter-of-fact is feeble. The result is that he often leaves the practical shaping of the institutions under which he lives to other hands and is himself content to subject them to acute intellectual study. Village Government in India is no exception to this rule. Indeed some prominent Indian and European witnesses who gave evidence before the Royal Commission on Agriculture definitely attributed the 'weakness' of village organisations and absence of organised life in rural areas to the supreme indifference of the educated sons of the soil to the practical aspects of the life of villagers who constitute the vast bulk of the population and of the producers of the national wealth. This statement is to a certain extent true for those problems do not begin to get solved until we are able to speak of rural reconstruction schemes not from "book learning" but from first hand knowledge of the present day economic and social conditions of the village; otherwise our schemes will be mere emanations of the political reformer's brains and not manifestations of living institutions for the expression of corporate life and civic responsibility.

Form of Village Government.

In evolving schemes of village self-government, it seems to me that any conscious attempt at reviving ancient forms of community government will not prove fruitful. True, certain traditions and institutions have survived political and social cataclysms and still continue to exercise some vague and indefinable influence over village life. But I am unable to agree with Dr. Radhakamal Mukerjee and some others of his way of thinking that those traditions and institutions furnish the "*enduring bedrock*" for building the new fabric of village self-government upon. In the first place, notwithstanding the illuminating works of Henry Maine, Baden

Powell and Vincent Smith, it is difficult to ascertain with reasonable precision, the incidents of those traditions and institutions to furnish us with a working basis. Secondly, whatever may have been the merits of community government, there was one factor in it which makes it unadaptable to modern conditions. In it there was scope only for the expression of communal but not individual conscience. There was no element of real democracy either in its conception or in its execution. There was no election but only selection by acclamation or lots. No evidence is forthcoming that there existed anything like a process of division at village meetings with a view to letting the majority decide. Lastly, the " individualism emanating from the legislator's anvil, the judge's rod or the settlement officer's compass ", whether it operated beneficially or prejudicially to Indian progress, certainly led to disintegration of communal government being carried to such an extent as not to admit of revival of " economic regionalism" by which agrarian groups will once again determine individual rights in property according to communal notions. The theory of State landlordism destroyed the foundations of the community right in waste lands, pasture grounds, service grants, charity inams, customary fees and the like which were once administered for common purposes, like the maintaining of village services and public works, or for education, irrigation, recreation, poor relief or economic management. To-day there are no local services or common properties which in legal theory or customary practice really appertain to village communities, which can be administered by them without control or interference by the Central or Provincial Governments or their agents in the districts. The Madras Village Panchayats Act of 1920 was largely the outcome of the recommendations of the Royal Commission on Decentralisation in 1915.The Scheme of Panchayats was generally outlined in paragraphs 37, 38 and 39 of the Resolution of the Government of India on Local Self-Government issued in May 1915 and a perusal of it will show that the Panchayat is conceived as an integral part of the present day administrative machinery of the country. The Panchayats not only derive all their powers from the Government but exercise them subject to minute and detailed control not only from the Government but even from other local bodies set up by the Government. The 7th principle enunciated by the India Government in the said resolution runs thus : " The relations of the Panchayats on the administrative side with other administrative bodies should be clearly defined. If they are financed by the district or sub-district boards, there can be no objection to some supervision by such boards ". It cannot be otherwise ; you cannot drive square plegs into round holes. Therefore the conjuring up of a picture of the revival of ancient tiny village " republics " is nothing more than a

flattering unction. Let us recognise this once for all in approaching the problems of our village government. The preamble of the Act read with its provisions makes it abundantly clear that the village self-government that is attempted is essentially of the modern democratic type buttressed by the ballot box and the majority vote. I for one will accept it and see no alternative but to improve on it.

Village Government and Political Parties.

The comparative neglect of rural organisations by the educated Indians is partly traceable to the circumstance that the constitutional struggle for *Swaraj* is almost exclusively concentrated on schemes for the reform of the Government which affects India as a whole. In fact, there is a school of Indian Politics holding the view that no nation-building programme—including village government—is possible or profitable until the larger question of emancipation from the foreign domination that afflicts India is accomplished and that energy spent in other directions is a waste of national effort. There is no doubt much to be said in favour of this view, for no plant can thrive in an uncongenial soil and local self-government cannot develop under foreign autocracy. At the same time the emancipation or Swaraj we desire presupposes organised national effort and such effort cannot be had unless the villages are organised in some way. One of the ways to do it is to improvise, even under foreign bureaucratic rule, some organisations which are calculated to stimulate corporate life. These organisations may at least be turned into auxiliaries to other national efforts. It must be remembered that even in the most advanced countries " by far the largest part of Government is now that which is not carried on in capital cities by departments of State at the bidding of Parliaments but that which is being administered locally in the village or the parish or the commune, in the municipality or county or district, by the direction and for the advantage of the people of those localities." Mr. Sydney Webb who is in full sympathy with Indian aspiration for Swaraj says that " if India is to advance, it seems probable that an analogous growth of Local Government, even to the extent of its doing more work, spending more money, employing more officials and making more laws than the Viceroy and his councils, will take place in India." To me it seems to be a true picture. The perception that they are really self-governing will have to come to our villagers more for the consciousness that they themselves run their village government than from the share they have in the central or provincial governments. How is this consciousness to be roused and on what lines ? There has been of late a distinct sign of activity on the part of the people in the sphere of their local government, as can be seen from the keen manner in which elections to local bodies—Village Panchayat to

District Board—are being contested. But these activities have brought to the forefront a question of vital importance on the right answer to which the destiny of local government in Madras Presidency seems to me to depend. The cleavage among politically-minded villagers is exhibited in communal and political factions and the decisions of the several party organisations to capture these local bodies by running party candidates have already resulted in certain localities in disastrous consequences and the evil appears to be spreading. Few will be disposed to deny that at present some of our urban and rural local boards are in a state of either actual deadlock or of utter demoralisation. I may be pardoned for stating that after much anxious deliberation, it appeared to me that the remedy for this growing danger lies in abandoning at least for the time being party fights in elections to local bodies. What the people served by these bodies want are beneficial municipal programmes and sound rural welfare schemes. In the present stage of our national reconstruction, we are not divided on the programmes or schemes, in fact we are evolving their rudiments. So we have no divergent schemes or programmes holding the field in village government which can be held aloft as party shibboleths in local body elections. In their absence the fight tends to become personal. Even when such divergences exist, the tendency now seems to be for parties to coalesce in promoting rural welfare schemes. Examples of such tendences are given by E. N. Bennett in his Problems of Village Life.* To quote only one, he says "The Nationalisation schemes of the Labour Party, the Protectionist policy of the Conservatives, the Small Holdings legislation of the Liberals—all alike take for granted the existence of rural evils and the justification offered for rural discontent. Scores of societies devote time and money to the attempted solution of rural problems, nor is this unselfish effort entirely confined to-day to one political party. One of the latest and sanest of those associations, the Land and Home Union, with a really advanced policy of rural reform, is presided over by a *Conservative* M. P. (Lord Henry Cavendish Bentinck) has a *Fabian* for its secretary and *Liberals* on its executive." This ideal appears to me to form the best model for rural India to copy at present; otherwise I fear that each little village, instead of developing into a tiny republic administering its own affairs for the common good of all its residents, will become the battlefield of political communal, and even personal strife.

The constitution of Panchayats.

The constitution of a Panchayat under the Act of 1920 is simple and easily understandable. The villagers elect a board called a Panchayat—the name has no numerical connotation—for the management of their local

*The Home University Library of Modern knowledge.

affairs. Every adult male resident of the age of 25 years and over can vote and stand as a candidate at elections to the Panchayat. I wonder why women who are 25 years of age and over are denied those privileges. There is as much that concerns the woman in the village life as the man, if not more. Literacy is not obviously the test and even in that matter in certain rural areas women do not compare unfavourably with men. The way to train our women to participate in national affairs is not to exclude them from the simplest of our institutions, in the running of which mother wit plays a greater part than book learning.

There is no provision for consulting the people of a village before a Panchayat is imposed on it but in practice it seems to be always done and the institutions are wholly voluntary as a matter of fact. The Registrar General complains that the Act provides only for the constitution or the abolition of a Panchayat but reserves no power to compel the functioning of an apathetic or recalcitrant body of Panchayatdars and desires an amendment of the Act in that direction. I consider it undesirable to have recourse to any coercive measures to make Panchayats function. It must be entirely by voluntary choice and effort that Panchayats should be constituted and kept alive. It is admitted that in places "a personal appeal to civic patriotism and emphasis on the need for reviving, in the interests of the future of the country, the re-establishment of village governing bodies entirely self-reliant, in matters of local concern, had their effect" in the past. It must continue to be the procedure in the future also, at least until the benefits of Panchayats are widely known and better appreciated. The procedure at elections as laid down in the rules appears on the whole to be smooth and satisfactory. They are conducted always by honorary non-officials. It is also gratifying to note that the regularity of no more than 5 per cent of the elections held in 1926-27—only 40 out of 793—was challenged and that only two of these forty elections were found irregular. We are assured that the elections gave general satisfaction in the past and that complaints of denial or inadequacy of representation of particular communities have been rare. That nearly 200 Panchayatdars of the Adi Dravida and Adi Andhra classes were returned—in some cases to more than one seat on a Panchayat—testifies to the developing of the right kind of democratic spirit in the constitution of the Panchayats.

Functions of Panchayats—conflict.

The enumeration of functions of Panchayats in the Act is thoroughly exhaustive of all those that could be desired and by way of abundance of caution, the Local Government is empowered by a residuary clause to confer any other powers which a Panchayat may ask for, if there is a likelihood of its capacity to discharge them. Indeed the very length of the list is embarrassing. But fortunately no function is obligatory on the Panchayat and it has absolute freedom to pick and choose such functions as it may feel confident of being able to attend to for the time being. Reports show that wide latitude obtains in practice and that some Panchayats are content to assume responsibility for only one or two easy functions, like clearance of Pricklypear, kudimaramat to irrigation sources, protection of drinking water and the maintaining of a village library, while a considerable number of Panchayats have taken upon themselves the discharge of several of the functions mentioned in section 15 of the Act. The functions of a Panchayt may be grouped under four heads, those which it can assume of its own accord[(a)], those which a local board may authorise it to exercise [(b)], those which the Local Government may confer on it [(c)], and those which any person or persons may entrust to it [(d)].

(a) (i) Construction and maintenance of village roads, culverts, bridges and buildings,
(ii) lighting of streets and public places;
(iii) construction of drains and disposal of drainage water and sullage;
(iv) cleansing of streets, removal of rubbish heaps, jungle growth and pricklypear, filling in of disused wells, insanitary ponds, pools, ditches, pits or hollows and other improvements of the sanitary condition of the village;
(v) provision of public latrines and arrangements to celanse latrines whether public or pravate;
(vi) opening and maintenance of burning ghauts and burial grounds;
(vii) sinking and repairing of wells, excavation, repair and maintenance of ponds or tanks for supply of waier for drinking, washing and bathing purposes, and construction of bathing ghauts;
(viii) control of cattle-stands threshing floors, topes and other communal porambokes;
(ix) control of chavadis, chatrams, rest-houses, and other property belonging to the villagers in common;
(x) extension of village-sites and regulation of bulding;
(xi) enforcement of vaccination;
(xii) registration of births and deaths;
(xiii) opening and maintenance of village libraries;
(xiv) control of pounds,
(xv) village protection, and
(xvi) other measures of public utility calculated to promote the safety, health, comfort or convenience of the villagers.

(b) (i) construction and control of markets, slaughter-houses and cart-stands;
(ii) sanitary arrangements for public festivals;
(iii) control of fairs;
(iv) control of fisheries;
(v) planting and preservation of trees on roads;
(vi) establishment and maintenance of elementary schools and other matters connected with elementary education.

(c) (i) the management protection and maintenance of village forests;
(ii) the protection and maintenance of any village irrigation work, the management of turns of irrigation and the enforcement of kudimaramat;
(iii) any other function which panchayat may desire and local Government may approve.

(d) Management of any institution or work made over it.

It must be patent to any one who glances at the list of those functions that almost all of them are now discharged by various departments of the State or by the Local Boards. A doubt naturally arises whether those who are in present enjoyment thereof will willingly allow the power to slip from their hands and heartily co-operate in effectively vesting them in the Panchayats and help the Panchayats to exercise them. It is evident that more than one member of the Royal Commission on agriculture entertains serious doubts on these questions. The following questions put by the Commissioners to Mr. K. T. Paul will serve to bring out my point.

Q. "There was a time when the centre of gravity, Political and administrative lay in the village. Now with the development of centralised forms of government, with the expansion of commercial and economic activities, is it possible to have that sort of orientation which you desire in these village Panchayats"?

Q. Let me make my point clear; in terms of scientific language two forces are working, one centrifugally and the other centripetally. Now the centrifugal force operating in the rural area has to be overcome by another force?

Q. Do you thank it possible under the present conditions, the twentieth century conditions?

Mr. Paul's cautious and thoughtful answer was "I do not think it it is entirely possible, but a great deal ought to be set right and it *can* be." I respectfully agree with Mr. Paul that a great deal can be done by the Panchayats even in this new 20th century orientation to help forward rural reconstruction. In dealing with the work of the Panchayats I shall attempt to show how this conflict of functions between departmental and village governments operated to the prejudice of the Panchayats and how it was sought to be overcome at least partially.

Finance

The financial position of the Panchayats is perhaps one of the weakest points of the whole scheme. Their resources are funds raised by taxation under section 26 of the Act, transferred sources and grants from local government, and local boards, customary communal income and voluntary contributions from Private individuals. While the Act specifically mentions 6 different kinds of taxes as leviable by Panchayats, it does not on the one hand cast any obligation on the Panchayat to levy any one or more of those taxes and on the other it does not preclude the Panchayat from levying any other kind of tax not specifically mentioned, the list being illustrative and not exhaustive. It is a matter for real gratification tnat people are not unwilling to tax themselves if they are assured of real benefit. The

Registrar General says in his latest report " Each additional year of experience in the work, I am in charge of, has only served to fortify the faith that I have in the readiness of our people in the rural areas to incur reasonable sacrifices if it is needed for subserving the common welfare and to furnish fresh evidence that it is not difficult to pursuade villagers to tax themselves provided it is made clear to them—(*a*) that the money raised will be spent in the villages; (*b*) that they will be left free to choose the form and rate of taxation subject to reasonable control and (*c*) that they will not be called upon to pay out of such taxes for services which the Government or the local boards are now bound to find money." It is therefore up to the Government to finance all national and semi-national services and to ask Panchayats to find funds for purely local services and supplement them when they could not be wholly raised by the Panchayats. It was distressing reading when the Registrar General said in his report for the year 1924-25 that " mention had first to be made of the fact that not a single rupee had up to the end of the year under report left the provincial exchequer in aid of the fund of any Panchayat." Things seem to be improving in later years. No reliable data are available about the financial conditions of the Panchayats for there is no machinery to ensure the submission of statistical returns from them. There is however an interesting statement of receipts and charges in 535 Panchayats (from whom alone figures have been received) appended to the report of 1926-27. It shows that these 535 Panchayats were in receipt of Rupees 2,14,171 and were left with a closing balance of Rs. 25,994 after usefully spending the rest. An educational subvention to Panchayats-managed schools at the rate of annual recurring grant of Rs 180 to every teacher and a non-recurring grant of Rs. 80 for initial expenditure to each school seems to have been sanctioned. About 1400 Panchayat schools are working under the scheme on the 31st March of this year. I understand that grants for roads and the water supply are being made on the basis of an equal contribution by the Government to the amount raised by a Panchayat, and that under the scheme a sum of 6 lakhs will be available for expenditure on these works in the coming year—3 lakhs coming from the Government and the other 3 lakhs from the Panchayats. There is still a large spirit of munificence in the villages and the voluntary contributions for expenditure on Tanks, temples and other institutions of common utility or charity aggregate to an appreciable sum if they are properly pooled and conserved and wisely spent by the panchayats. But unless Panchayats have an assured income which serves as a nucleus for their resources their financial position with continue to be weak and their progress will be unsatisfactory. In assuring this income no discrimination should be made between panchayat and panchayat and it should not be looked upon as an act of generosity. The Hon'ble Mr. C. V. S. Narashimharazu indeed took strong exception to the use of the expression " grants " and said " I do not call it giving them money; I call it returning the money which is raised in the villages". He in fact charges the Government with having broken their, promise to the panchayats in this matter. He said " When Government issued their order in 1916 regarding the formation of the Panchayats, they promised to give them a portion of the land cess raised in the village but that was not given effect to. If that is given effect to, you cannot for a moment say that you are making a contribution to the village which is their money. If you view the question in that light and return the money to them, I am sure they will spend it with greater efficiency". Whatever may have been the history of the question, it seems to me that no adequate provision can be made for Panchayats from out of the *land cess* collected in the villages. It now goes to the local boards which will be very unwilling to part with any substantial portion of it, for even their own needs are not fully satisfied. It will not, I hope, be too much to ask the Government to set apart one anna in the rupee, from the land revenue collected in the villages for the use of the Panchayats. The amount which this allotment will yield from the Ryotwari tracts of the Presidency will be approximately 43 lakhs per annum and will suffice to secure for each Panchayat in that tract an annual recurring income of about Rs. 250 or Rs. 300 to serve as a nucleus. The Zamindari tracts will present greater difficulty but the Government may make a beginning by setting apart 2 as. in the rupee of the Pescush levied from permanently settled estates for development of Panchayats in those areas. This modicum of land revenue cannot be put to better use for it really serves to rehabilitate the very agricultural classes from whom the land revenue is derived. Will the people's representatives in the Madras Legislative Council recognise this just claim of their electors and press for it? Let me assure them that it will be no small gain to the people who reposed their confidence in them when returning them to the council.

The work of the Panchayat.

The pace of Progress in the development of Panchayats is undoubtedly satisfactory having regard to the facilities available. A two-fold policy of scattering Panchayats to all over the Presidency and of intensely developing them in a few selected areas is being simultaneously pursued. The statement appended* shows a great divergence in the rate of progress in the different districts and we are told that the variations are to be attributed to the varying activity and capacity of

*** Statement Showing the Progress of Village Panchayats during the last three years in the several districts in Andhra Desa, Tamil Nadu and West Coast.**

Arranged in order of merit in numbers on 31-3-'28.

S. No.	Name of the Dt.		Number of Village Panchayats on 31-3-26	on 31-3-27	on 31-3-28
	ANDHRA DESA				
1.	Chittoor	...	47	143	180
2.	Anantapur	...	99	125	150
3.	Kistna	...	24	47	64
4.	West Godavery	...	16	34	54
5.	East Godavery	...	12	19	37
6.	Bellary	...	12	16	33
7.	Guntur	...	8	23	31
8.	Nellore	...	12	17	25
9.	Vizagapatam	...	6	15	23
10.	Kurnool	...	10	11	13
11.	Ganjam	...	1	4	5
12.	Cuddapah	...	2	2	2
			249	456	617
	TAMIL NADU AND WEST COAST				
1.	N. Arcot	...	276	564	699
2.	Salem	...	38	249	408
3.	Tanjore	...	75	175	222
4.	Ramnad	...	33	82	125
5.	Chingleput	...	37	53	120
6.	Coimbatore	...	25	87	101
7.	S. Arcot	...	59	76	101
8.	Trichinopoly	...	36	50	90
9.	Madura	...	58	71	73
10.	Tinnevelly	...	40	51	66
11.	S. Kanara	...	6	9	61
12.	Malabar	...	1	1	1
	Total	...	684	1468	2067
	Total for the Presidency	...	933	1924	2684

honorary workers. The Registrar-General pays a glowing compliment to the honorary workers who have been working without even their out-of-pocket expenses when travelling on Panchayat work being reimbursed to them. He says of them, " A considerable number there were who in spite of sacrifice of time and money involved did their work regularly and systematically. The work of some of these would not suffer in comparison with that of salaried officials. Theirs has been a labour of love; the immense faith they have in the Panchayat movement has been their sustenance; and they have looked to no other reward than that of enabling their fellow countrymen in the villages to stand on their own legs and to realise themselves by proper organisation and willing sacrifice for achieving common good". Under the auspices of the Chingleput District Board, an interesting and promising experiment was initiated. It is thus described in the latest administration report, " One firka in each taluk board area was selected for intensive development and placed in charge of a salaried supervisor. Every village in the firka is to have a panchayat which will be the instrument for the reconstruction work. That work will be based on a detailed survey of the conditions of village life in all its aspects in every panchayat area. The panchayat and the supervisor are to collaborate in the preparation of the survey. The Panchayat will then take the steps for improving the amenities of village life in all directions, with Government and Local Board help wherever this is necessary and can be obtained. " In pursuance of this experimental scheme, the supervisors appointed by the President of Chingleput District Board were given training in panchayat work in the Registrar-General's Office and after that they were given some co-operative training by the Madras Provincial Co-operative Union. The thanks of the Panchayats are due to Mr. Venkatasubbiah of the Servants of India Society, Joint Secretary of the P. C. U., for the keen interest he took in training these rural reconstruction supervisors. The experiment may profitably be tried in some of the Andhra Districts also. Why not East Godavery start it as a result of the interest created by this Conference ? In certain compact areas, Unions of Panchayats were also formed for purpose of co-ordination and helpful supervision, advice and assistance to Panchayats in their area. These unions correspond to the local supervising unions of co-operative societies. The taluk board areas of Cheyyur and Uttangarai seem to be chief centres of union and associational activity. Speaking of their utility, the Registrar-General, while stating that they served some small useful purposes, expresses the opinion that experience gained so far is that it is too much to expect panchayats in their infancy to tax themselves not only for their own needs but also for paying the cost of salaried supervisory staff without which a union or firka or circle association cannot effectively function. My experience of co-operative unions enables me to say that unions cannot and will not function unless they are adequately financed and staffed. Where funds and qualified paid supervising agency are not at present available, it is wise not to attempt unions and associations of Panchayat groups.

Coming to particular activities of the Panchayats, Section 17 of the Act relating to transfer to Panchayats of management of forests has practically remained a dead letter, for the requests from statutory Panchayats for the transfer of village forests to them on the usual conditions failed to enlist the support of the Forest Department. The forest panchayats, which are not statutory bodies and which are regulated by contracts with the forest department, receive more favourable treatment and are given more adequate staff. These forest Panchayats must be made statutory bodies and transferred from the Revenue to the Development Department. The anomaly of Panchayats being transferred subject and forests and irrigation reserved subjects is patent. Section 18 which provides for the transfer to Panchayats of the management of irrigation and kudimaramat is practically on the same footing. During 1926-27 only 3 panchayats have been invested with the power under conditions which make the power unexercisable. Headmen and nirganties shall have no responsibility for the work and Panchayats have no power to enforce kudimaramat. Naturally Panchayats have since then avoided making any more useless applications for power under section 18. Thanks however to the ingenuity and resourcefulness of the Registrar-General he availed himself of the provisions of section 19 which empower persons in enjoyment of rights to vest them in Panchayats by consent. Obligations in respect of customary Kudimaramat work and equitable field-war distribution of water rest by custom on the ayacutdars and they were rightly induced to vest the rights in the Panchayats which seem to be keen on the discharge of these very useful common functions. But this arrangement will come to an end even if one or two ayacutdars resile from it and nothing is easier than to bring about such disruption, to an unfriendly official or non-official. These facts are enough to show that the provisions of the Act are very defective and that the hopes held out of making the Panchayats little village republics are not fulfilled by the Act. In other matters however, panchayats have shown varied activity; of smaller activities, the protection and supply of good drinking water, repairs to tanks and wells, repairs of temples, performance of pujah and celebration of festivals, regular reading and expounding of epics, puranas and other religious works, employment of sweepers for the daily clearing of village streets, and public

places, clearing pricklypear, maintaining libraries and regulation of village services and control of labour are a few. By far the most important of the Panchayat activities is undoubtedly the management of schools. The ideal which is being rapidly worked up to is the estament of a Panchayat School in every village with 500 inhabitants, where a local board school or a good aided private school does not already exist. Abut 1400 such schools are already started. Keenness of the Panchayats' interest in the work is to be judged by their demand for making education free and and compulsory in the Panchayat schools. But the Registrar-General says that requests for the introduction of free and compulsory education had to be held over as the Government up to the end of the year 1926-27 came to no definite conclusions as regards their policy in regard to introducing it in individual villages. Since then they have permitted it in some villages. The scheme seems to be very promising. The following statement of the Registrar-General will be read with interest by all those who desire the spread of rural education. "Nearly all the Panchayats which have opened schools under this scheme have evinced keen interest in these developments and many have taken a pride in providing accommodation and amenities on a generous scale. The first year's experience of these schools has been more than encouraging and furnishes not a little justification for the hope entertained in some quarters that along the lines of Panchayat-schools scheme may probably lie the correct solution of the *twin problem* of the proper authority for managing Elementary Schools in villages and of the equitable distribution of the financial burden of elementary education.

Defects and remedies.

The scheme of decentralisation which is involved in the transference of many adminstrative powers to the tiny local self-governing republics set up in numerous villages largely depends upon the sympathy and goodwill of Departmental officers on whose prestige and power the panchayats undoubtedly trench and on the co-ordination between officers of the departments in helping the many-sided activity of the Panchayat. Departmentalism which has been sedulously developed to increase the efficiency of the separate branches of administration acts as a stumbling-block in the path of progress of village government. The Act should be so amended as to secure a real measure of autonomy to Panchayats and to free them from the unwilling patronage and irritating control of the departments, specially the Revenue Department. Again, to a revenue officer and to a revenue gathering government the prestige of the village headman is supreme and even a self-governing Panchayat must play second fiddle to him. If the taxes due to the Panchyat are not voluntarily paid, they can be collected by coercive processes only by the village headman. If he does not collect—and he often does not—there is no provision in the Act to compel him to do so. The remedy of complaining to the District Collector through the Registrar-General is a far cry indeed. This should be remedied. I have already dealt with the grave defects in the financial arrangements of the scheme and unless steps are taken to enable the Panchayats to stand on their own legs, the scheme will not work satisfactorily. There does not appear to be any alternative to making over a small faction, say 1/16 of the land revenue collected in the villages to the Panchayats. There is another grave defect in the whole scheme which needs immediate rectification. It is the need for an agency which can be relied on to keep itself in adequate touch with Panchayats and which can give them advice and guidance. The Registrar-General who has been carrying on the work hitherto says, "There is no salaried executive staff working under me in the district; nor is there any honorary worker provided with an office which could intercept the large mass of routine correspondence which has now to find its way to my office. The clerical establishment of my office, though sweated to the maximum limit possible, has been unequal to the impossible task imposed on it and not a few panchayats keen on their work have been dissatisfied with the delay that is inevitable in an under-staffed office." Surely this does not betoken of any genuine desire on the part of the Government to foster the Panchayats. If the Government is sincere in its professions, let it manifest it in action. It is incredible that it cannot find a few thousands of rupees to give a few more clerks and a small field staff to an officer who is engaged on a huge Presidency wide task. In this connection, a question may arise whether it would be possible to link up village Panchayats in some manner with the administrative staff of the local boards in the vicinity instead of developing a separate branch of departmental staff. After a careful consideration of the Pros and Cons of the question, I have come to the conclusion that it will be suicidal to subject the Panchayats to the supervision of the local boards. The latter are far from friendly to the former. It is desirable that the Registrar-General's office should be developed with the aid of adequate clerical, administrative and field staff to look after the Panchayats.

I cannot withhold my sincere admiration for the insight into rural psychology, initiative and driving power displayed by Dewan Bahadur N. Gopalaswami Iyengar, the Registrar-General of Panchayats, in the discharge of his arduous duties entirely single-handed. His suggestive and stimulating annual reports serve to remind all those who are engaged in nation-building activities, of the poet's words

" Thy soul must overflow if thou
Another soul, would reach ".

Morsel.

The Central Co-operative Printing Works, Ltd., Chintadripet, Madras.

ANNUAL REPORT

OF

The Madras Provincial Co-operative Union

For the Period from 1st April 1927 to 20th March 1928.

ELECTIONS.

At the meeting of the General Body held at Madura on the 19th of April '27, it was resolved to hold a Special Meeting at Madras on the 9th and 10th of July to consider the question of the Revision of the Constitution of the Union. The question of electing the Office-bearers and the other members of the Governing Body was also postponed for consideration at that meeting. But as the Vice-President's place had fallen vacant owing to the resignation of Mr. A. Ranganatha Mudaliar consequent on his becoming Minister, the General Body elected Rao Bahadur A. Vedachala Iyer as Vice-President.

At the Special Meeting held at Madras on the 9th and 10th of July '27, the following were elected to the Advisory Body :—

I. Representatives elected by the District Banks.

(1) Mr. T. Adinarayana Chettiar (Salem).
(2) Rao Bahadur V. Murugesa Mudaliar (Vellore).
(3) Mr. E. V. Gopalaswamy Iyer (Trichinopoly).
(4) „ V. Poornachandra Rao (Guntur).
(5) „ A. Rajabadar Mudaliar (Conjeevaram).

II. Representatives elected by the Non-Agricultural Limited Primaries.

(1) Mr. S. Nagaswamy Iyer (Sivaganga).
(2) „ M. K. Pattabhiram (Trichengode).

III. Representatives elected by Local Unions, Trading Unions and District Federations.

(1) Mr. P. V. Subba Rao (Alamuru C. U.)
(2) „ L. Gangadhara Sastry (Anantapur District Federation).
(3) „ T. V. S. S. Prakasa Rao (Narsapur C. U.)
(4) „ A. Natesa Mudaliar (Arni C. U.)
(5) „ H. Sankara Rao (Dharmavaram C. U.)

(6) „ G. Venkatarangachariar (Tirutturaipundy C. U.)
(7) „ V. Krishna Menon (Malabar District Federation).
(8) „ T. Srinivasa Mudaliar (Erode C. U.)
(9) „ E. S. Sunda (Madura City C. U.)
(10) „ K. M. Singaravelu Mudaliar (Kalavai C. U.)
(11) „ K. Sundararaja Iyengar (Tholasampatti C. U.)
(12) „ V. Chinnikrishna Naidu (Othakadai (C. U.)

General Body.

The General Body consisted during the year under review of 2 Provincial Societies, 23 Central Banks, 15 Dt. Federations, 174 Local Unions, 2 Audit Unions, 14 Trading Unions and 59 Urban Non-Agricultural Societies as against 2, 21, 14, 162, 0, 9, 48, the corresponding numbers of the previous year. As stated before, there were two meetings of the General Body during the year, one at Madura on the 19th April 1927 and the other at Madras on the 9th and 10th of July. The Madras meeting was held specially to consider the revised by-laws of the Union and hold the elections. The Hon'ble Mr. V. Ramadas Pantulu was re-elected as the President, and Mr. P. Ramanathan was elected as Vice-President. Messrs. G. Sriram Babu Naidu, V. Venkatasubbayya, N. Satyanarayana, and Rao Sahib T. Srinivasa Rao were elected as Secretaries, thus the number of the Secretaries being increased from 3 to 4. The draft by-laws of the Union, as revised and recommended by the Governing Body which met on the previous day, *i.e.*, on the 8th July, and considered by them in the light of various suggestions by members, were taken up one by one and passed finally in the form published in the English Bulletin, November-December issue. The by-laws as approved by the General Body were registered by the Department on 20-1-1928 and have come into force from that date; but the Office-bearers according to the old constitution continue in office till their successors are elected as per the new by-laws. At the next General Meeting, elections will be conducted as per the new constitution.

Advisory Body.

The Advisory Body met twice during the year. In its meeting on the 10th July '27, Messrs. E. S. Sunda, S. Nagaswamy Iyer, K. M. Singaravelu Mudaliar, and L. Gangadhara Sastry were elected to the Governing Body in addition to the President, Vice-President, and the Secretaries already elected by the General Body.

Another meeting of the Advisory Body was held on the 24th December '27 to make the necessary arrangements for the ensuing Provincial Conference and to offer suggestions, if any, to the Committee on Co-operation on important subjects affecting the Movement in general. (Please see pages 362—4 English Bln). It was resolved that as the Nellore Co-operators did not find it possible to hold the Conference during the Easter week owing to the after-effects of the recent Cyclone there, the Conference may be held at Nellore at a later date or at Rajahmundry to which place Mr. Satyanarayana, Secretary of the East Godaveri Dt. Federation, had renewed the invitation which he made last year at Madura. It was also resolved that the Conference should be held not later than the end of June, and that the election of the President and office-bearers of the Conference should be left to the Reception Committee of the place where the Conference was to be held. The Advisory Body offered their suggestions on three important questions, namely, the collection, centralisation and allotment of Supervision Fund, long and short term loans, and the audit of Primaries. (Please see pages 363—4 English Bln).

Governing Body.

The Governing Body met 5 times during the period. The proceedings have been published in the English Bulletin July and August' 27 and March '28.

ACTIVITIES.

The Governing Body in its meeting dated 11th July appointed 4 committees to conduct the various activities of the Union. They are 1. Editorial Committee consisting of 9 members with Mr. S. K. Yegnanarayana Iyer as the Editor and Convener, 2. Education Committee consisting of 10 members with Mr. V. Venkatasubbayya as Convener, 3. Non-credit Committee consisting of 5 members with Mr. K. L. Narasimha Rao as Convener, and 4. Rural Reconstruction Commitee consisting of 9 members with Mr. V. Venkatasubbayya as Convener. Rao Sahib T. Srinivasa Rao was in charge of Office.

1. *Publication of the Bulletins* :—The arrangement of the matter in the Bulletins took the same form as noted by the first meeting of the Governing Body in the previous year. The Editorial Committee consisted of the following members :—

(1) The Hon 'ble Mr. V. Ramadas Pantulu.
(2) Mr. P. Ramanathan.
(3) „ S.K. Yegnanaryana Iyer(Editor, Eng. Bln. & Convener)
(4) „ G. Sriram Babu Naidu.
(5) Rao Sahib M. S. Seshachala Iyer (Editor, Tamil Bulletin)
(6) Rao Sahib T. Srinivasa Rao.
7) Rao Bahadur A. Vedachala Iyer.

(8) Mr. K. M. Singaravelu Mudaliar.

(9) " E. S. Sunda.

2. *Pamphlets and other Publications.* There were two committees working in the previous year for English and Tamil publications other than the Bulletins. Nine pamphlets were issued then and 500 copies were printed in each. The price of each set of the nine pamphlets was fixed at Rs. 4 for subscribers and in the case of others a definite price was fixed per copy of each pamphlet. It was thought that the copies would find a ready sale but the result was not encouraging as the experiment proved not advantageous to the Union. There was no loss in Tamil leaflets last year as there were sufficient number of members contributing to the scheme. This year however there was not so much response forthcoming and a very few joined, so that it was not found fruitful to continue the publication of the leaflets. Hence the scheme was dropped. In regard to English pamphlets, a few copies of Dewan Bahadur R. Ramachandra Rao's article 'the Immediate Task before Us' were reprinted from the English Bulletin for being distributed to co-operators prominent in the field.

3. *The Library.* The library which is growing from year to year could not be made useful to the reading public for the same reason as given in the last year's report, namely, the insufficiency of the staff to maintain it and do the needful. The question of starting a circulating library has to be taken up along with that of increasing the staff of the Union. A list of fresh additions to the library is appended to this report. We gladly acknowledge the donation of Rs. 500 by the Madras Central Urban Bank for purchase of books for the Union Library. This money will be used to provide the necessary literature for the use of the teachers and students of the Training Class annually conducted by the Union.

4. *The Annual Provincial Co-operative Conference.* The XV Session of the Conference was held under the presidency of Sir Lallubhai Samaldas, Kt. C. I. E., at Madura during the Easter week in April '27, the first year when the Conference was held at a moffussil centre. The Report of action taken on the resolutions of the Conference will be separately issued. The XVI Session of the Conference was invited by the Co-operators of the Nellore Dt., in furtherance of the same scheme. But owing to unforeseen difficulties, Nellore had abandoned the idea and the East Godaveri Dt. has promptly and generously come to the rescue of the Conference by offering to hold it at Rajahmundry in Easter 1928.

5. *Propaganda Tours of Governing Body Members.* Several members of the Governing Body and of the Committees did propaganda work throughout the year. In this connection, it is our proud privilege to mention that the Hon'ble Mr. V. Ramadas Pantulu, our President, served as one of the members of the Townsend Committee and visited several districts in that connection and carried on Co-operative Propaganda.

6. *Educational Activities.* The Advanced Co-operative Training Class was opened on 12th October '27 by Mr. Townsend, President of the Committee on Co-operation. The period of the Class was three months as usual. The principles and methods formulated by the Governing Body at its first meeting in the previous year were followed. The following members constituted the Education Committee of the Union which had as its convener, Mr. V. Venkatasubbayya, who held the charge during the previous year also :—

(1) The Hon'ble Mr. V. Ramadas Pantulu.
(2) Dewan Bahadur R. Ramachandra Rao, C. S. I.
(3) Mr. V. Venkatasubbayya (Convener).
(4) Rao Bahadur A. Vedachala Iyer.
(5) Rao Sahib T. K. Hanumantha Rao.
(6) Mr. L. Gangadhara Sastri.
(7) Mr. N. Satyanarayana.
(8) " K. M. Singaravelu Mudaliar.
(9) " G. Srinivasaraghavachariar.
(10) The Registrar of C. S., Madras.

7. *The Non-Credit Committee.*—The Committee consisted of the following members :—

(1) Rao Sahib T. K. Hanumantha Rao.
(2) Mr. K. L. Narasimha Rao (Convener).
(3) " A. Sivarama Menon.
(4) " G. Sriram Babu Naidu.
(5) " S. Nagaswamy Iyer.

The Committee met four times during the year. In its last meeting on the 3rd March, it decided to issue a questionnaire soliciting replies from various non-credit societies of the Province for consideration at the ensuing Provincial Conference at Rajahmundry. The Committee did useful propaganda work.

8. *Rural Reconstruction Committee.*—The following members constituted the Committee :—

(1) Dewan Bahadur R. Ramachandra Rao.
(2) Mr. V. Venkatasubbayya (Convener).

(3) The Hon'ble Mr. V. Ramadas Pantulu.
(4) Rao Bahadur A. Vedachala Iyer.
(5) Mr. K. G. Sivaswamy.
(6) ,, N. Satyanarayana.
(7) ,, E. S. Sunda.
(8) ,, H. Shiva Rao.
(9) ,, K. M. Singaravelu Mudaliar.

Schemes on the subject have been received from various prominent co-operators and the Governing Body members have also been requested to communicate their views on the subject for being reported upon and placed before the coming Provincial Conference for consideration.

9. *Location of the Office* :—The question of providing a suitable building for the Office was considered by the Joint Meeting of the Advisory and Governing Bodies of the Union held on 24th December last. The meeting resolved to request the Servants of India Society to have a suitable building constructed for the Union in their premises on a guarantee of continued occupation of the same by the Union for a period of five years from 1st January '28 at a reasonable rent not exceeding Rs. 50 per mensem and that the Union do continue to occupy its present premises until then. It is hoped that the Society will at an early date find its way to have the building put up.

V. RAMADAS,
President.

APPENDIX.

List of Additions to the Library.

1. The Co-operative Organixation in British India.
   By B. G. Bhatnagar,
2. Studies in Co-operative Finance
   By Vaikunth L. Mehta
3. A Survey of Co-operative Legislation
   Published by the Horace Plunkett Foundation
4. The Woman with the Basket
   By Catherine West
5. The Road to Plenty
   By William Trufant Foster and Waddill Catchings
6. Labour and Capital in Alliance
   By W. Howard Hazell
7. The People's Year Book—The Annual of the English and Scottish Wholesale Societies for 1928
8. Year Book of Agriculture, U. S. A., for 1926.

AUDIT REVIEW

BY

M.R.Ry., S. P. Perumal Pillai Avl, B. A.,

Deputy Registrar of Co-operative Societies, Madras,

On the Accounts of the

Madras Provincial Co-operative Union Ltd. No. 1130

For the year ending 30th June 1927.

The report on the working of the Madras Provincial Co-operative Union Limited, 1130, for the co-operative year ending 30th June 1927 as prepared by M. R. Ry. P. Damodara Menon, B.A., City Inspector of Co-operative Societies, is accepted for review. Statements of (1) Receipts and Charges and (2) Assets and Liabilities as furnished by him are appended to this review.

2. MEMBERSHIP.

At the beginning of the year under review, there were 2 Provincial Societies, 18 Central Banks, 8 Trading Unions, 140 Local Supervising Unions, 9 District Federations and 29 Non-Agricultural Primary Societies. With the new admissions during the year, there were at the end of the year, 2 Provincial Societies, 22 Central Banks, 12 Trading Unions (excluding the Kambayanallore Trading Union whose registration was cancelled on 17-8-1926), 166 Local Supervising Unions, 15 District Federations and 52 Non-Agricultural Primary Societies with a working capital of Rs. 20,000 and above.

3. DEMAND, COLLECTION AND BALANCE OF REVENUE.

Out of a demand of Rs. 10,799-2-0 under current revenue a sum of Rs. 10,456-2-0 was collected leaving a balance of Rs. 343 on the last day of the year. And under arrear revenues on account of contributions from member societies since 1924 and of subscriptions for Bulletin prior to 30-6-1923, out of a net demand of Rs. 5154-2-0 only Rs. 380-2-0 was collected leaving a balance of Rs. 4774.

4. CONSTITUTION.

The General Body consisting of delegates of the member societies met during the Easter week in April 1927. The office-bearers were not elected then, since it was resolved to defer the election to a special

General Body meeting to be convened for the purpose of the revision of the Constitution of the Union. This Body accordingly met on the 9th and 10th July 1927, amended the bylaws and elected the officebearers. The amendments have since been registered.

Advisory Body.

This Body containing delegates of Provincial Societies and the representatives of other societies elected by the General Body met once in the year.

Governing Body.

This Body met 4 times during the year under review.

5. ACTIVITIES.

Bulletin. The Bulletin continued to be the chief item of activity for the year.

Financial Aspect of the Bulletin.

Out of a total contribution of Rs. 2,050-2-0 from unlimited primary societies and limited societies of less than Rs. 20,000 working capital respectively, a sum of Rs. 1,516-8-0 was set apart for the supply of bulletin to these societies. The amount similarly appropriated from the contribution of member societies amounted to Rs. 904-2-0. The amount realised under bulletin to persons other than members, advertisement charges, sale of old bulletins, V. P. and registration charges etc., was Rs. 4,064-14-0. Adding these together, the total income for bulletin was Rs. 6,485-8-0. Against this amount, the charges on account of the issue of bulletin during the year amounted to Rs. 5,777-14-0 inclusive of Rs. 270-10-0 pending payment on 30-6-1927 thus working out a surplus of Rs. 707-10-0 for the year as against Rs. 81-2-0 in the previous year.

Propaganda Work.

9 Pamphlets and 24 leaflets were issued by the Union during the year. The charges incurred on account of the issue of pamphlets and leaflets amounted to Rs. 2,012-1-0 inclusive of a sum of Rs. 404-7-0 pending payment on 30-6-27. The actual receipts on account of the sales of the pamphlets amounted to Rs. 1,090 besides a sum of Rs. 165-5-0 pending realisation leaving thus a difference of Rs. 756-12-0 to be realised out of the stock of these pamphlets on hand. The Union is requested to see that sales are effected and the difference made good during the current year.

Touring of Governing Body Members.

They attended as usual Taluk and District Conferences held in some of the districts, made joint tours and delivered lectures to the public as well as students on such subjects as Land Mortgage Banks, consolidation work relating to rural societies, responsibilities of Central Banks etc.

A sum of Rs. 1750-15-0 was available from contributions by societies under by-law VI. The amount spent in propaganda tours, meeting charges, etc., was Rs. 1483-11-0 thus working out a surplus of Rs. 267-4-0 as against Rs. 777-14-0 in the previous year.

Library.

During the year, there were 20 additions to the free list of periodicals received in the Union.

Conference.

The 15th Provincial Conference was held at Madura this year during the Easter Week in April 1927 under the presidency of Sir Lallubhai Samaldas Kt. C.I.E.

Training Class.

Government sanctioned a recurring grant of Rs. 1,200 to the Union for training classes. The class was opened by Rao Bahadur N. Gopalaswami Aiyangar B. A., B. L., Registrar-General of Panchayats and run for three months from October to December 1926. 19 candidates were selected for training. One candidate who had undergone the course in the previous year was allowed to sit for the examination. All the 20 candidates came out successful and were given diplomas by the Union.

S. P. PERUMAL PILLAI,

Deputy Registrar, 20-3-28.

STATEMENT OF RECEIPTS AND CHARGFS FROM JULY 1926 TO JUNE 1927.

RECEIPTS.

	Rs. A. P.	Rs. A. P.
I. Contributions Under By-Law VI.		
A. Provincial Societies	105 0 0	
(a) Central Banks	550 0 0	
(b) 1. Supervising Unions	645 0 0	
2. Trading Unions and Stores ...	37 8 0	
3. District Federations ...	65 0 0	
4. Audit Unions	10 0 0	
(c) Limited liability societies of more than Rs. 20,000 working capital ...	255 8 0	
(d) 1. Unlimited liability societies ...	1,908 14 0	
2. Limited liability societies of less than Rs. 20,000 working capital.	141 4 0	
	3,718 2 0	3,718 2 0
(e) Current overdues since 1924		
1. Provincial Societies	5 0 0	
2. Supervising Unions	55 0 0	
3. Trading Unions and Stores ...	4 0 0	
4. Unlimited liability societies ...	54 0 0	
5. Limited liability societies of less than Rs. 20,000 working capital.	4 8 0	
	122 8 0	122 8 0
B. Individual Subscriptions		
1. English Bulletin subscription ...	3,003 11 0	
2. Tamil do. ...	655 5 0	
	3,659 0 0	3,659 0 0
C. Miscellaneous		
1 Rebate	145 12 0	
2. Realisation of V. P. charges ...	157 7 0	
3. Sale of old bulletins	24 3 0	
4. Advertisement fees (including Rs. 30 for the previous year) ...	78 8 0	
	405 14 0	405 14 0
II. Publications—Sale of.		
(a) Sale of pamphlets	161 9 0	
Subscription for pamphlets... ...	117 0 0	
Realisation of postage ...	25 3 0	
(b) Sale of leaflets.	21 4 0	

	Rs. A. P.	Rs. A. P.
Contribution for leaflets	215 0 0	
Miscellaneous receipts	0 8 0	
(c) Sale of Training Class lectures ...	457 0 0	
Realisation of postage	52 0 0	
(d) Sale of conference notes and papers ...	24 0 0	
(e) Sale of Maclagan Committee report ...	16 8 0	
(f) Miscellaneous		
1. Dividend	88 3 0	
2. Interest on investment ...	332 14 0	
3. Miscellaneous sale of Homesafes, books, etc. ...	27 6 0	
	1,538 7 0	1,538 7 0
III. Arrears (Prior to 30-6-23).		
(a) Tamil Bulletin arrears ...	93 3 0	
(b) Telugu Bulletin arrears ...	63 12 0	
	156 15 0	156 15 0
IV. Suspenses and Advances.		
(a) 1. Tamil Bulletin contribution suspense	33 4 0	
2. English „ subscription „	748 10 0	
3. Tamil „ „ „	328 0 0	
(b) Individual suspenses	598 1 0	
(c) Suspense recovered	179 14 0	
(d) Advances recovered		
1. From the Provincial Conference Account	679 3 0	
2. Other individual advances ...	2,556 0 0	
	5,123 0 0	5,123 0 0
V. Withdrawal from Banks.		
1. From Savings Bank Account ...	1,250 0 0	
2. From Prudential Deposit Account ...	2,000 0 0	
3. From Current Account ...	5,930 3 0	
4. From Fixed Deposit Account for renewal	3,500 0 0	
5. From Reserve Fund for transfer ...	130 15 0	
	12,811 2 0	12,811 2 0
Total ...		27,535 0 0
Opening balance by cash ...		89 1 0
Opening balance by stamps ...		11 15 0
Grand Total ...		27,636 0 0

CHARGES.

I. Bulletin Account.

(a) Paper for Printing	770 13 0	
(b) Printing charges	1,708 6 0	
(c) Stamps for sending V.Ps' and despatch.	601 2 0	
	3,080 5 0	3,080 5 0
(d) Office charges.		
1 Contingencies	147 5 0	
2, Stationery	89 6 0	
3. Establishment	1,550 4 0	
4. Binding	5 8 0	
5. Books	23 9 0	
6. Rent	240 0 0	
7. Printing of circulars ...	69 15 0	
8. Stamps	210 11 0	
9. Miscellaneous	90 5 0	
	2,426 15 0	2,426 15 0

II. Publications other than the Bulletins

(a) Printing of pamphlets	628 14 0	
Stamps for sale	58 2 6	
Miscellaneous charges	58 15 6	
(b) Printing of leaflets	212 5 3	
Stamps for supply	78 3 6	
Miscellaneous charges	2 0 0	
(c) Printing charges of the previous year's Training class lectures	430 12 9	
Stamps for sale	42 2 6	
Miscellaneous	2 12 0	
(d) Miscellaneous charges of the XIV conference	93 6 0	
	1,607 10 0	1,607 10 0

II B. Tours and Propaganda.

1. Propaganda tours and mis. charges ...	652 3 0	
2. T. A and miscellaneous charges of Advisory body members ...	329 5 0	
3. T. A. of governing body members ...	433 0 0	
4. Charges for the General Body meeting such as printing annual report, audit order, etc	53 15 0	
5. Other miscellaneous charges such as railway freight, customs, etc. ...	15 4 0	
	1,483 11 0	1,483 11 0

III. Arrear Account.

(a) Stamps	1 6 0	
(b) Circulars	2 6 0	
(c) Repair of furniture	78 7 0	
(d) Refund of shares and dividend ...	29 12 0	
	111 15 0	111 15 0

IV. Suspenses and Advances.

(a) 1. Refund of Tamil bulletin contribution and suspense ...	44 6 0	
2. Refund of English bulletin subscriptions suspense	827 15 0	
3 do. do. ...	290 8 0	
(b) Refund of individual suspense ...	479 5 0	
(c) Payment of individual suspense ...	132 3 0	
(d) Payment of advances.		
1. To the XV Provincial Conference account	889 2 0	
2. Other individual advances ...	2,557 4 0	
	5,220 11 0	5,220 11 0

V. Remittances to Banks.

1. Into savings bank account ...	1,325 8 0	
2 Into prudential deposit account ...	1,853 4 0	
3. Into current account	6,815 0 0	
4. Fixed deposit as renewal	3,500 0 0	
5. As reserve fund by transfer ...	196 9 0	
	13,690 5 0	13,690 5 0
Total ...		27,621 8 0
Closing balance by cash ...		9 5 0
by stamps ...		5 3 0
Grand total ...		27,636 0 0

STATEMENT OF ASSETS AND LIABILITIES.

ASSETS.

I. Cash on hand and in Bank.

(a) Cash on hand	9 5 0	
Stamps on hand	5 3 0	
(b) In the Indian Bank	101 9 0	
In the M.C.U.B. Cur. Acct. ...	1,404 13 0	
	1,520 14 0	1,520 14 0

II. Investments.

(a) *Shares in other co-operative institutions.*—		
1. In the M. C. U. B.	100 0 0	
2. In the C. C. P. Works Ltd., ...	880 0 0	
3. In the Sadananda Printing Works...	25 0 0	
4. In the T. U. C. S.	5 0 0	
	1,010 0 0	1,010 0 0
(b) *Deposits.*		
1. In fixed deposit in the M. C. U. B...	1,500 0 0	
2. In the Chittoor District Bank ...	2,000 0 0	
	3 500 0 0	3,500 0 0
(c) *Reserve Fund.*		
In the Christian Central Bank ...	196 9 0	196 9 0

III. Stock.

(a) Books and furniture as they stood on 30—6—26	511 9 0	
Books purchased during the year excluding Rs. 9-7-0 paid as subscription for the International Co-operative Bulletin.	14 2 0	
	525 11 0	
Deduct depreciation 15 per cent ...	78 13 0	
	446 14 0	446 14 0
(b) Publications for sale.		
1. Summaries of training class lectures.	9 0 0	
2. Indian Co-operative Studies ...	205 0 0	
3. Maclagan Committee Report ...	3 12 0	
4. Notes and papers of the XII Conference	161 0 0	
5. do. do. XIII Confce...	13 0 0	
6. do. do. XV Confce. ...	106 0 0	
7. Report of the XIV Conference ...	195 0 0	
8. Pamphlets No. 1.	107 10 0	
" II	111 6 0	
" III	43 8 0	
" IV	141 0 0	
" V	114 6 0	
" VI	670 0 0	
" VII	39 10 0	
" VIII	99 8 0	
" IX	49 14 0	
	2,069 10 0	2,069 10 0
(c) Value of bicycle	85 15 8	
" Typewriter	170 3 4	
	256 3 0	
Deduct depreciation 15 per cent ...	38 7 0	
	217 12 0	217 12 0

IV. Outstandings Pending Realisation.

(a) Under by-law VI as annual contribution,		
1 For the year 1923-24 ...	33 0 0	
2. " 1924-25 ...	190 0 0	
3. " 1925-26 ...	110 0 0	
4. " 1926-27 ...	268 0 0	
5. Tamil Bulletin contribution 25-26.	12 0 0	
6. do 26-27.	2 0 0	
7. do 25-26 from limited liability societies ...	9 0 0	
	624 0 0	624 0 0
(b) Towards bulletin subscription prior to 30-6-23.		
1. For English bulletin subscription	247 13 0	
2. For Tamil	3,111 0 0	
3. For Telugu	893 0 0	
	4,251 13 0	4,251 13 0
(c) For Publications.		
1. Maclagan Committee report ...	18 8 0	
2. For training class lectures ...	92 5 0	
3 For leaflets contribution ...	67 0 0	
4. For sale of leaflets ...	6 0 0	
Total ...	183 13 0	183 13 0
(d) Advertisement charges of 1924-25... ...	54 0 0	54 0 0
(e) Suspense of 1925-26	16 14 0	
Advance of 1925-26	22 12 0	
Advances 1926-27	240 0 0	
	279 10 0	
		279 10 0
Total Assets ...		14,354 15 0

LIABILITIES.

I. Old shares and dividend to be refunded ...	385 11 0	
II. Share deposit of the Apex Bank to be refunded ...	15 0 0	
	400 11 0	400 11 0

III	The Madras Central Agricultural Committee Fund ...	1,453 11 0	1,453 11 0
VI.	Dues to be paid :—		
	(a) To the T. U. C. S.		
	As per the audit order of 25-26 ...	40 4 0	
	Out of colleotion in 1926—27 ...	3 0 0	43 4 0
	(b) To the C. C. P. Works.		
	For Printing Pamphlets No. VI ...	404 7 0	
	For Printing Tamil Bulletin (Excluding Rs. 31-10-0 under XV Conference Acct. for April to June) ...	270 10 0	
		675 1 0	675 1 0
	(c) Other items		
	1. Under propaganda account ...	9 0 0	
	2. Under T. A. to advisory body members ...	39 0 0	
		48 0 0	48 0 0
V.	Suspenses to be Refunded.		
	1. Suspenses of 1923—24 ...	69 6 0	
	2. ,, 24—25 ...	40 8 0	
	3. Tamil Bulletin Contribution suspense	38 12 0	
	4. English Bulletin subscription ...	748 9 0	
	6 Tamil ,, ,, ...	328 0 0	
	6. Individual suspenses of 1925—26 ...	3 4 0	
	7. ,, 1926—27 ...	161 13 0	
		1,390 4 0	1,390 4 0
	Total liabilities ...		4,010 15 0
	Excess assets over liabilities ...		10,344 0 0
	Total ...		14,354 15 0

CENTRAL CO-OPERATIVE PRINTING WORKS MADRAS.

ACTION TAKEN ON THE RESOLUTIONS

OF THE

XV Madras Provincial Co-operative Conference.

A. ACTION TAKEN BY THE P.C.U.

The most noteworthy among the resolutions of the Conference were those on the chief topic of the day, namely, 'Consolidation, Rectification and Expansion'. The Conference, besides fixing the quality of the higher and lower staff required for conducting supervision over societies efficiently and suggesting the means for securing the necessary funds to maintain the staff, decided as to who should carry on the work and control the staff. It stated that "the functions of supervision, rectification and expansion and the control of the higher staff be vested in the Dt. Federations, provided that the Dt. Bank is represented in the Federation, or in a Committee consisting of the Dt. Bank and Local Unions in places where there are no Federations, further provided that copies of the Reports of the above Inspection Staff be supplied by the Federation or by the Joint Committee to the Dt. Bank".

I. Supervision—Staff, Funds and Agency.

The three resolutions III, IV, & V were communicated to all Central Banks and Dt. Federations and their views and action taken on the resolutions were solicited. From the replies received from a few Central Banks and Federations, we find that a majority of them recognise the necessity for the entertainment of a higher staff for consolidation and rectification work and have already taken steps towards the same. The following is an abstract of the replies received so far :—

[The Ramachandrapuram Central Bank has recognised the necessity for the higher staff for conducting co-operative education and propaganda in the Taluk but does not wish to grant a higher rebate as perhaps it finds it could do without it.

The South Kanara Dt. Council and Central Bank have co-operated with each other in that the latter has granted a sum of Rs. 3,500 to the Council for the work.

III	The Madras Central Agricultural Committee Fund ...	1,453 11 0	1,453 11 0
VI.	Dues to be paid :—		
	(a) To the T. U. C. S.		
	As per the audit order of 25-26 ...	40 4 0	
	Out of colleotion in 1926—27 ...	3 0 0	43 4 0
	(b) To the C. C. P. Works.		
	For Printing Pamphlets No. VI ...	404 7 0	
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		675 1 0	675 1 0
	(c) Other items		
	1. Under propaganda account ...	9 0 0	
	2. Under T. A. to advisory body members ...	39 0 0	
		48 0 0	48 0 0
V.	Suspenses to be Refunded.		
	1. Suspenses of 1923—24 ...	69 6 0	
	2. „ 24—25 ...	40 8 0	
	3. Tamil Bulletin Contribution suspense	38 12 0	
	4. English Bulletin subscription ...	748 9 0	
	6 Tamil „ „ ...	328 0 0	
	6. Individual suspenses of 1925—26 ...	3 4 0	
	7. „ 1926—27 ...	161 13 0	
		1,390 4 0	1,390 4 0
	Total liabilities ...		4,010 15 0
	Excess assets over liabilities ...		10,344 0 0
	Total		14,354 15 0

CENTRAL CO-OPERATIVE PRINTING WORKS MADRAS.

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The South Kanara Dt. Council and Central Bank have co-operated with each other in that the latter has granted a sum of Rs. 3,500 to the Council for the work, The Salem Dt. Bank has already appointed a staff of 7 supervisors and 11 special hands, and 54 societies had been rectified by the 11th August last, the date of the Bank's letter addressed to the M.C.U.B., a copy of which was kindly sent to us.

Co-operation between the Bank and the Federation is visible also in Guntur, Coimbatore, Madura and Malabar Districts. A Joint Conference of the Directors of the Dt. Bank and the Dt. Federation in Guntur held on 18-9-27 resolved to set apart 8 annas for every Rs. 100 lent by the Bank, for consolidation work and also to appoint supervisors, at least one for each union and an Inspector 'for exercising intelligent supervision and carrying on co-operative propaganda'. The Secretary of the Coimbatore Dt. Bank informs us that the measures stipulated in the above resolutions had been adopted even before the Conference itself and that the Bank had contributed Rs. 10,000 to the Federation for the work. The Madura Bank has granted Rs. 2,000 and a rebate of 4 annas to the Federation which has control over the staff appointed. The Malabar Bank has contributed Rs. 1,200 and granted Rs. 2,000 as advance to the Federation for strengthening the staff.

The Nellore Dt. Banking Union has appointed from October last two special Inspectors and has full control over them. The Secretary of the Bank informed us in his letter dated 2nd February that the proposal to increase the Bank's rebate to 8 annas would be taken up at the meeting of the General Body on the 18th. Its decision is yet awaited.

The Ellore Co-operative Central Banking Union and the Srivilliputhur Banking Union have no opinions to offer. The latter would consider the question only after the publication of the Report of the Committee on Co-operation.

The Cuddappah Dt. Federation does not find conditions favourable and so has deferred the question until matters improve.

II. Agricultural Co-operation.

(1) *Joint purchase and loans on the pledge of produce.*—The two resolutions Nos. VI & IX deal with the above subjects. A circular was issued on 20th May last to all Unions, Dt. Federations and Central Banks communicating the resolutions and requesting the favour of early action and report. Later on, the resolution No. 16 of the Departmental Conference held in April '27 was communicated to all the institutions requesting them to consider the Conference resolutions

in the light of the Departmental resolution and report the action taken on them. From the replies received from a few Central Banks, Federations and Unions, we find there is a general appreciation of the objects contained in the resolution and the facilities contemplated therein are being made available to societies to the best possible extent.

(2) *Reduced rate of Interest to Loan and Sale Societies.*—Res. No. XXXVII recommends to the Central Banks to reduce the rate of interest charged by them on loans granted to Loan and Sale Societies by one per cent. A review of the replies received to our circular on the subject from a few Central Banks shows that this type of societies is not in existence in some districts and where they exist, some Banks like the Tinnevelly Dt. Banking Union are opposed to the reduction. Some Banks like Ramachandrapuram, Guntur and Nellore have no necessity for the same as there are no such societies in their areas. The South Kanara and South Arcot Banks have allowed the concession of 1 and ½ per cent respectively. The Kurnool Bank does not find the reduction necessary as the rate has been reduced to 7 per cent in the case of all societies generally. The Hospet Bank also says there is no need for it as it has provided for cash credit at 7 per cent. The Trichy and Amalapuram Banks have each a loan and sale society in its area which has not till now applied for loans and hence they do not find the necessity for the reduction.

III. Delegation of powers by the Department to non-official Bodies.

Res. No. XIV deals with the question of delegation of powers other than statutory to the non-official bodies. It has been communicated to the Governing Body members of the P. C. U. and on receipt of their views, a report on the question will be forwarded to Government.

IV. Rural Reconstruction

Res. No. XXXV requires that the best possible scheme of Rural Reconstruction through Co-operative and other agencies should be considered and reported on by the P. C. U. Governing Body. It has been communicated to the Governing Body members whose views are awaited.

V. Consumers' Co-operation.

Res. XXV deals with the question of the formation of a League or Federation of Stores and pending the formation of such, the P.C.U. has been requested to arrange for a sub-commitee for collecting and disseminating commercial information for the benefit of Stores societies, This resolution was communicated to Rao Sahib T. K. Hanumnatha Rao for taking the necessary action. Further, we may also state that a few pages of the Bulletin are being devoted for articles on the subject.

Res. No. XXVI recommends that the T. U. C. S. should be requested to undertake propaganda on consumers' co-operation in moffussil centres also. Both the resolutions were communicated to the Society which in reply communicated its resolution dated 15th October last stating that commercial information would be furnished to societies if applied for and authorising Mr. K. L. Narasimha Rao to conduct propaganda, beginning it with lectures in Madras.

VI. Sectional Conference of Urban Banks.

Res. No. XX states that 'in future, Sectional Conferences of Urban Societies be held along with the Provincial Conference'. All Urban Societies have been addressed with the request to communicate to the P. C. U. any subjects to be placed before the Conference. Replies are awaited.

VII. Railway Concession.

The Conference resolved to request as per resolution XIII the various Railway Companies in India to allow concession fares in all classes to delegates attending the various Provincial and Inter-Provincial Co-operative Conferences which take place in India. The request was communicated to the S. I. Ry. and M. S. M. Ry. Companies only to get a negative reply.

VIII. Land Mortgage Banks.

Res. XXI wishes that until a suitable scheme were evolved, more Land Mortgage Banks of the existing type should be started and that a Land Mortgage Central Financing Bank should be established at Madras on the lines indicated in the resolution itself. The Committee appointed at the conference consisting of the Hon'ble Mr. V. Ramadas Pantulu, Dewan Bahadur R. Ramachandra Rao and Rao Bahadur A. Vedachala Iyer was strengthened by the co-option to it of Sir M. C. T. Muthiah Chettiar, Dr. Pattabhi Seetharamiah and Mr. Vidyasagar Pandya. The Committee met twice and discussed the framework of the Land Mortgage Bank. The question of finally deciding upon a scheme was however deferred pending the issue of the Committee's Report.

B. ACTION TAKEN BY THE DEPARTMENT.

Extracts from the letter No. nil dated 18th March 1928 received from the Registrar of C. S., Madras, on the action taken on the resolutions.

Res. VII. A copy of the resolution has been communicated to the Director of Agriculture.

Res. VIII. So far 16 milk supply societies around the city of Madras have already started work and a union of these societies has been registered at Poonamallee.

Res X. Applications from persons holding degrees in Commerce and Agriculture are specially considered and as far as practicable persons with such qualifications have been appointed.

Res. XI. Copy of the resolution has been communicated to the Director of Agriculture, Madras, all Deputy Registrars and District Labour Officers. But the resolution cannot be acted upon until more agricultural lease societies for the depressed classes come into existence.

Res. XII. As you may be already aware, a Committee of enquiry has been appointed and their report published.

Res. XV and XVII. The matter is under consideration and reference is invited to the recommendation of the Committee.

Res. XIX. As already stated in my letter No. D. Dis. B. 2690-27 dated 20th July 1927, the question of State aid to Federations for holding training classes has already received the attention of the Government. A sum of Rs. 15,200 has been sanctioned by Government for grant of subsidies to the Provincial Co-operative Union, District Federations and Hood Institute during 1927-28 and the entire sum has been distributed.

Res. XXVII. Societies of the kinds mentioned in the resolution are being organised wherever there is the possibility of their working satisfactorily. The Special Officer appointed to examine the possibilities for the development of cottage industries has already published his reports for the districts of Cuddapah, Bellary and Kurnool and the suggestions made by him on co-operative matters are under scrutiny.

Res. XXVIII. The expert advice given by the Agricultural Department is always free of charge. General information and advice are given by the Industries Department free of charge so far as the information is available and advice is given without local inspection. Fees are charged when advice can be given only after local inspection. Under the rules, services rendered to Co-operative Societies are charged only at half the usual rates. In exceptional cases where the levy of fees is likely to fall too heavily on the slender resources of the societies, the Director of Industries has power to remit such fees.

Res. XXIX. What has been resolved upon is being done now vide G. O. No. 1564 dated 30—9—1927.

Res. XXX. Government have once declined to reduce the rate of interest on loans granted to Co-operative Building Societies.

Res. XXXI. Under Rule 5 of the rules for the grant of State loans to co-operative building societies the period of repayment of loans may in special cases be extended by Government to thirty years on the recommendation of the Registrar. No such cases have so far come to the Registrar's notice.

Res. XXXII. The question has not been considered as no building society has so far raised the point.

Res. XXXIII. The recommendation contained in the resolution is engaging my attention. Please see also G. O. No. 1098 L. V. M. Mis. L. S. G. Dept. dated 29-4-'24.

Res. XXXVI. Loans for long periods are being given to co-operative loan and sale societies for the construction of godowns at $5\frac{1}{4}$ per cent and the Government have declined to grant subsidies for the purpose.

Res. XXXVIII. As already stated in my letter No. D. Dis. 2693 B/27 dated 26-7-1927, financial aid is being given to depressed class societies in deserving cases for payment of remuneration to clerical work done and Rs. 3,000 has been sanctioned for the purpose by Government for 1927-28 and has been almost distributed to the deserving societies."

LIST OF SOCIETIES REGISTERED FROM JULY TO THE END OF FEBRUARY 1928.

Name of Circle.			*No. of Societies Registered.*
1. Madras	...	...	92
2. Trichinopoly	...	...	73
3. Bellary	...	...	72
4. Coimbatore	...	...	80
5. Vellore	...	...	89
6 Madura	...	...	157
7. Bezwada	...	...	165
8 Agency Division	...	...	4

LIST OF SOCIETIES CANCELLED FROM 1ST JULY TO 29th FEBRUARY 1928.

Serial No.	Name of the Society.	Presidency No.	District.	Taluk.	Date of Registration.	Date of Cancellation.
1	Baptist Co-operative Stores, Bezwada.	3766	Kistna.	Bezwada.	30-6-1919	4-7-1926
2	Budurcheri ...	9422	Chingleput.	Ponneri	2-1-1924	do.
3	Pandeswaramcheri ...	6602	do.	Saidapet.	19-9-1921	9-7-1926
4	Keelamangalam Panchama.	5826	Madura	Periakulam	20-1-1920	10-7-1926
5	Nandigama Government Servants.	7077	Kistna	Nandigama	16-1-1922	do.
6	Kosavampatti ...	3517	Salem.	Namakkal.	17-4-1919	13-7-1926
7	Paligadda ...	5905	Kistna	Divi.	28-2-1921	21-7-1926
8	Surveypalli ...	982	Nellore.	Nellore	10-12-1912	28-7-1926
9	Rasumbon ...	6379	Ramnad.	Mudukalathur.	17-6-1921	6-8-1926
10	Kadachanallur ...	9967	Salem.	Tiruchengode.	6-5-1924	10-8-1926
11	Kambainallore Trading Union Ltd.	4088	Do.	Uttangari.	7-11-1919	17-8-1926
12	Panidam ...	5436	Guntur.	Sattenapalli	9-12-1920	28-8-1926
13	Tiruvannamalai Conservancy Staff Co-operative Society	...	N. Arcot.	Tiruvannamalai.	26-3-1918	9-9-1926
14	The Nathalapadu Co-operative Society.	1819	Kistna.	Gudivada	4-4-1916	11-10-1926

Serial No	Name of the Society.	Presidency No.	District.	Taluk.	Date of Registration	Date of Cancellation
15	Thimmasamudram ...	8699	Cuddapah.	Rayachoti	18-6-1923	13-10-1926
16	The Nidamangalam South Indian Industrial Mill Hands Co-operative Society.	1803	Tanjore.	Mannargudi	15-3-1916	19-10-1926
17	The Thalipatti ...	4870	Madura.	Dindigul.	10-3-1920	29-10-1926
18	Palaveducheri ...	6519	Chingleput.	Saidapet.	1-8-1921	29-10-1926
19	R. Kombai ...	691	Madura.	Dindigul.	5-1-1912	1-11-1926
20	The Shiyali Agricultural and Industrial Society Ltd.	4072	Tanjore.	Shiyali.	31-10-1919	3-11-1926
21	Kinar ...	2169	Chingleput	Madurantakam.	3-3-1917	16-11-1926
22	Kilpauk ...	3701	Madras.	Madras	31-5-1919	18-11-1926
23	Mandipantla Vandlapalle	10749	Chittoor.	Vayalpad	25-12-1924	22-11-1926
24	Ammembal ...	1913	S Kanara	Mangalore.	29-9-1916	22-11-1926
25	Maruvada ...	1547	East Godavari.	Tuni.	1-5-1915	1-12,1926
26	Gorantalapalle ...	11263	Chittoor.	Vayalpad.	18-4-1925	5-12-1926
27	Keeranur ...	3599	Coimbatore.	Dharapuram.	14-5-1919	14-12-1926
28	Betlapalli ...	7359	Anantapur.	Gooty.	16-3-1922	21-12-1926
29	Kilkadapacheri ...	9223	Chingleput	Sriperumbudur.	5-12-1923	23-12-1926
30	The Attur Taluk Co-operative Stores	7752	Salem.	Attur.	7-6-1922	5-1-1927
31	The Chintaldevi Cattle farm Co-operative Stores Ltd	10089	Nellore.	Kavali.	June 1924	16-1-1927
32	The Masulipatam Y.M C.A. Stores	6577	Kistna.	Bandar.	24-9-1921	16-1-1927
33	Narasingapuram Kareem Mohiuddin Sahib St., Co-operative Society.	8957	Madras.	Madras.	13-10-1923	12-2-1927
34	Tsandole Co-operative Society.	3599	Guntur.	Repalle.	1-11-1911	15-2-1927
35	Sathanur Kakkayadi Co-operative Society	6160	Tanjore.	Mannargudy.	16-4-1921	16-2-1927
36	Vellore Basket makers Co-operative Society.	8059	N. Arcot.	Vellore.	5-1-1923	26-2-1927
37	Kumbakonam Taluk Village Officers' Co-operative Society.	4058	Tanjore.	Kumbakonam.	8-10-1919	26-2-1927

Serial No.	Name of the Society.	Presidency No.	District.	Taluk.	Date of Registration.	Date of Cancellation.
38	Katrichericheri ...	11365	Chingleput.	Madurantakam.	7- 5-1925	1- 3-1927
39	Masulipatam Kalasala Co-operative Stores.	3994	Kistna.	Bandar.	23-10-1919	7- 3-1927
40	Bezwada Muslim Co-operative Urban Bank Ltd.	9698	Do.	Bezwada.	25- 3-1924	12- 3-1927
41	Sholavalli Building Society Ltd.	10247	S. Arcot.	Cuddalore.	28- 7-1924	12- 3-1927
42	Akupamala ...	5893	Kistna.	Nandigama	10- 2-1921	12- 3-1927
43	Tenali Hand spinning and Hand loom weaving Co-operative Society.	7993	Guntur.	Tenali	7- 1-1923	16- 3-1927
44	Masulipatam Labour Co-operative Society	5269	Kistna.	Bandar.	16-11-1920	14- 3-1927
45	Yerunal mogus Co-operative Society.	6189	S. Kanara.	Udipi.	11- 4-1921	26- 3-1927
46	Puthurcheri Co-operative Society.	11329	Chingleput.	Conjeevaram.	21- 4-1925	1- 4-1927
47	Perumbair Co-operative Society.	744	Do.	Madurantakam.	21- 1-1912	3- 4-1927
48	Etoor Co-operative Society.	7688	Chittoor.	Punganoor.	8-10-1922	3- 4-1927
49	Nelvelicheri Co-operative Society.	9826	Chingleput.	Conjeevaram.	27- 3-1924	23- 4-1927
50	Srivilliputhur Weavers' Co-operative Society.	3130	Ramnad.	Srivilliputtur.	20-12-1918	2- 5-1927
51	Mangalore Guano Factory Owners' Co-operative Society	2715	S. Kanara.	Mangalore.	11- 4-1918	5- 5-1927
52	Devarkulam ...	7002	Tinnevelly.	Koilpatti.	5- 1-1922	19- 5-1927
53	Pudur Christian ...	6306	Do.	Do.	28- 5-1921	21- 5-1927
54	Madras Telugu Baptists'.	2089	Madras.	Madras.	13- 1-1917	28- 5-1927
55	Semmancheri ...	2193	Do.	Do.	31- 3-1917	28- 5-1927
56	Tuticorin St. George Barathars Co-operative Society.	6464	Tinnevelly.	Srivaikuntum.	10- 7-1921	29- 5-1927
57	Veppalipatti ...	824	Ramnad.	Sattur.	13- 2-1912	1- 6-1927
58	Uppur ...	A. 874	Do.	Tiruvadavai.	16- 5-1924	6- 6-1927

Serial No.	Name of the Society.	Presidency No.	District.	Taluk.	Date of Registration.	Date of Cancellation.
59	Musuravakkancheri...	11011	Chingleput.	Conjeevaram.	14- 2-1925	9- 6-1927
60	Patla ...	3376	S. Kanara.	Udipi.	4-11-1920	Do.
61	Kilkadipuncheri ...	G. 661	Chingleput.	Conjeevaram.	4- 2-1926	11- 6-1927
62	Machavaram ...	7975	Kistna.	Bandar.	23-12-1922	16- 6-1927
63	Navoycheri ...	10932	Chingleput.	Tiruvallur.	5- 2-1925	17- 6-1927
64	Vedupalayancheri ...	11015	Do.	Conjeevaram.	16- 2-1925	Do.
65	Andersonpet ...	A. 662	Madura.	Dindigul.	12- 2 1922	21- 6-1927
66	Kadambur Co-operative Stores.	10951	Tinnevelley.	Koilpatti.	8- 2-1925	25- 6-1927
67	Yerrabalam ...	4225	Guntur.	Guntur.	4-12-1919	25- 6-1927
68	Pidathalapudi ...	1926	Nellore	Gudur.	28- 9-1916	Do.
69	Palayakauri	1480	Madura.	Dindigul.	11- 3-1915	27- 6-1927
70	Duggamille Field Labourers' Co-operative Society.	7627	Kistna.	Gudivada.	1- 7-1922	20- 7-1927
71	Udiripikonda ..	3622	Anantapur.	Anantapur.	30- 4-1919	25- 7-1927
72	Uthukuli Zamin Co-operative Society.	8153	Coimbatore.	Pollachi.	9- 2 1923	25- 7-1927
73	Kudrepady Grain Bank Ltd	8567	S. Kanara.	Kasargod.	11- 5-1923	30- 7-1927
74	Farangipet ...	1360	Do.	Mangalore.	25- 9-1914	30- 7-1927
75	Jamalapalli Co-operative Society	4101	Cuddapah.	Cuddappah.	9-11-1919	1- 8-1927
76	Adhur Sri Krishna Vilas Co-operative Grain Bank.	7732	S. Kanara.	Kasargod.	25-10-1922	1- 8-1927
77	Bezwada Islampet Muslim Co-operative Society.	9788	Kistna.	Bezwada.	2- 4-1924	5- 8-1927
78	Veeravasaram Lace Weavers' Co-operative Society.	H. 745	West Godavary.	Bhimavaram.	8- 7-1926	11- 8-1927
79	Kilpalur Co-operative Society.	1231	N. Arcot.	Polur.	9-12-1914	12- 8-1927
80	Hosakopla Mogaveera Gnanadeva Co-operative Society	4891	S Kanara.	Mangalore.	12- 3-1920	17- 8-1927
81	Mylapore Nochikuppum Pattanavar Co-operative Society Ltd.	4120	Madras.	Madras.	8-11-1919	8- 9-1927
82	Ammanambakham Co-operative Society.	1698	Chingleput	Chingleput	17-12-1915	13- 9-1927
83	Ammapatti Co-operative Society.	1968	Madura.	Nilakottai.	10-11-1916	10- 9-1927

Serial No.	Name of the Society.	Provincial No.	District.	Taluk.	Date of Registration.	Date of Cancellation
84	Puliampatty ...	3998	Madura.	Tirumangalam.	12-10-1919	9-9-1927
85	Kottendal ...	7532	Ramnad,	Mudukalathur.	29-5-1922	10-9-1927
86	Punganoor Co-operative Stores.	3370	Chittoor.	Punganoor	15-3-1919	14-2-1927
87	Devarajaneri Adi Dravida Co-operative Society,	R. 211	Madura.	(Tiruvambur Post).	29-4-1926	12-9-1927
88	Viravidu ...	1450	Madura.	Nilakottai.	25-2-1915	18-9-1927
89	Vellore Trading Union Ltd.	2308	North Arcot.	Vellore.	30-8-1927	18-9-1927
90	Tanur Kadapuram Co-operative Society	1447	Malabar.	Ponnani	12-3-1915	13-9-1927
91	Kuttathupatty ...	753	Madura.	Dindigul.	21-1-1912	7-10-1927
92	Melur Christian Workers':	2345	do	Madura	11-12-1917	9-10-1927
93	Polur Danish Mission Agents.	9934	North Arcot.	Polur.	30-4-1924	10-10-1927
94	Chinalingula ...	2462	Kistna.	Gudivada.	21-12-1917	16-10-1927
95	Peddacherlopalli ...	5673	Nellore.	Kanigiri .	27-1-1921	do
96	Pedrapolu Sri Chunakesavasami.	6070	Kistna.	Divi.	20-3-1921	16-10-1927
97	Peria Ilandukulam.	3254	Madura.	Nilakottai.	7-2-1919	19-10-1927
98	Redapatti ...	692	do	Dindigul.	5-1-1912	do
99	Ambaturai ...	1206	do	do	19-1-1914	22-10-1927
100	Kukulapadu Apparaopeta Christian.	7270	Kistna	Gannavaram.	26-2-1922	do
101	Dindigul Sourashtra Weavers.	6368	Madura.	Dindigul.	7-6-1921	22-10-1927
102	Bunturmills Elementary Teachers.	5889	Kistna.	...	3-2-1921	2-12-1927
103	Talayanapattucheri ...	9462	Chingleput	...	2-1-1924	2-12-1927
104	Thousand Lights ...	2753	Madras.	...	10-5-1918	5-12-1927
105	Teynampet Cathedral	4122	Do	...	12 11-1919	13-12-1927
106	Pollakur ...	9494	Chittoor.	...	13-2-1924	Do
107	The Pakala Trading Union.	5001	Do	...	2-4-1920	Do
108	Marudamcheri ...	9823	Chingleput	...	16-3-1924	Do
109	Kallakurichi Karungudi.	864	South, Arcot	...	1-3-1912	15-12-1927
110	Tanuku Elementary School Teachers.	7482	Kistna.	...	28-4-1922	20-12-1927

Serial No.	Name of the Society.	Provincial No.	District.	Taluk	Date nf Registration.	Date of Cancellation.
111	Madanapalayam ...	4716	North Arcot.	...	24-2-1920	21-12-1927
112	Edinn Sri Jaganmohini	5654	Nellore.	...	16-1-1921	21-12-1927
113	Akkunnu Tea Estate Labourers	5576	Nilgiris	...	20-1-1921	Do
114	Kesavapalli Apparaopeta Christian.	8030	Kistna.	...	12-1-1923	Do
115	Adyar Narayanaswami Gardens	4197	Madras	...	4-12-1919	Do
116	Ganganeni Kinishnapuram.	7630	Kistna.	...	1-7-1922	Do
117	N e l l o r e Salvation Army Co-op. Society	4911	Nellore	...	7-3-1920	21-12-1927
118	Urapuli ...	3300	Ramnad.	...	19-2-1919	Do
119	Kosavapalayam ...	6399	Madura.	Madura.	24- 6-1921	14- 1-1928
120	Srumalanaickenpatti Paracheri.	5322	Do	Periakulam	23- 2-1921	18- 1-1928
121	Trichinopoly Reserve Police Staff Co-op. Society.	R. 226	Trichinopoly.	Do	25- 6-1926	27- 1-1928
122	Annavaram ...	1139	West Godavery.	Bhimavaram.	27-12-1923	27- 1-1928
123	Kanakavallipuram ...	7212	Chingleput.	Tiruvallur.	31- 1-1922	
124	Polichalurcheri ...	695	Do	Saidapet.	4- 9-1926	
125	Salemoor Co-operative Society	1009	The Nilgiris.	Coonoor.	15-2-1913	1-2-1928
126	Kavutaram Spinners & Weavers Co-eperative Society Ltd.	50'5	Kistna.	Gudivada.	28-5-1920	6-2-1928
127	Kinnikambala Co-operative Society.	2981	S. Kanara.	Mangalore.	21-11-1918	do
128	Suparigunta Co-operative Society	2253	M a d r a s City.	Madras.	1-6-1917	18-2-1928
129	Thannirpantha Co-operative Society.	4444	S Kanara.	Puthur.	20-5-23 (starting date)	do
130	Budamgunta Co-operative Society.	7851	Nellore.	Kavali.	20-5-1923	do
131	Pallavolu Co-operative Society.	4762	Cuddapah.	Prodattur.	9-3-1920	do
132	Markapur U n i o n Menial Employees' Co-operative Society.	11592	Kurnool.	Markapur.	30-6-1925	28-2-1928

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