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Editorial Notes.

EGYPTIAN SCHEME OF LOANS TO COTTON PRODUCERS.

The Indian Central Cotton Committee recently considered the scheme of the Egyptian Government to advance loans on the security of cotton to assist the small producer, and passed the following resolution :—

"That the Central Cotton Committee consider that the details of the Egyptian Government's scheme for the granting of loans on security of cotton in order to assist the small producer are of great interest and importance to India. The Committee feel that the information collected by the committee with regard to this scheme should be brought to the notice of the Government of India and Local Governments with a request that the details of the scheme be communicated to Co-operative Institutes, Central Co-operative Banks and similar institutions in each province interested in the finance and marketing of the cotton crop."

The scheme as summarised by the Cotton Committee is designed to be worked by the Egyptian Government in co-operation with the Banks in Egypt. A nucleus fund of a substantial sum of £. 15,000 is to be deposited by the Government with each Bank for the purpose of making advances against cotton deposited by cultivators in approved godowns, compounds etc. The grower may, on depositing his cotton at any of the several places nominated by Government, including bank compounds, warehouses and approved ginning factories, obtain advances on a fixed scale according to the quantity of cotton deposited, its variety and class. Interest at the rate of 4% per annum is required to be paid by cultivators taking advances, but all other charges *e.g.*, storage, packing, weighing, protection etc., are borne by Government. We find on calculating these various charges that they practically amount to 4%, the result being that the cotton growers get the loan practically free of interest, for the interest they pay, namely 4%, just covers the charges for storing etc., which is done on their behalf. Advances are sanctioned for a period of 4 months with the option of extension of 4 more. The necessary staff, cashiers, agents, warehouse keepers etc., are nominated by the Banks, but paid by Government. In India the process seems to be the other way round.

Further more, the Banks furnish sacks etc., at a reasonable cost to borrowers requiring these for the storage and packing of cotton, the expense in this connection being also met by Government. The borrowers have to agree to the Government taking charge of ginning of all cotton deposited and to accept the classification of their cotton made at the place of deposit or ginning factory. The borrowers further authorise the Government to sell the seed at a price considered reasonable and *may* authorise the Government further to effect the sale of their cotton after ginning. In default of payment at maturity of capital, interest and expenses which have been advanced by Government to borrowers, Government can proceed to sell the cotton deposited after 30 days' notification of sale. One per cent will be recovered from the proceeds of such sales for realising the security and from the net price obtained, the advance, principal and interest outstanding are deducted, and the balance is sent to the borrower.

The details of the scheme so far available do not give any indication whether the advances are confined to members of co-operative societies or whether they are extended to others. The Indian Central Cotton Committee requested the Minister of Agriculture, Cairo, for further details of the scheme. We have received some important documents bearing on the scheme. They are English translations of the Arabic and French documents supplied to the Indian Central Cotton Committee by the Egyptian Government. We shall deal with them in some detail in our next issue. In the meantime, we request the Provincial Co-operative Bank and the Central Banks to consider the scheme and find ways and means for financing the production, movement and marketing of the cotton crop which is of considerable importance to India.

A RECENT G. O. ON LOCAL FUND SERVANTS AND CO-OPERATION.

We have received some correspondence on a recent G. O. published in the Journal* according to which servants of Local Boards are prevented from taking part in the activities of Co-operative institutions except of those constituted purely of such members or constituted partly of such employees and partly of Government servants. That is to say, they are treated exactly as Government servants so far as their taking part in the co-operative movement is concerned.

It may not be much of a grievance from the point of view of the Local Fund employees. We know many of them have been taking keen interest in the co-operative movement and holding responsible posts in the movement; but as almost all of them happen to be honorary employees themselves, they do not suffer from a pecuniary point of view. But we are constrained to observe that the movement as a whole stands to lose by such restriction.

It is well known that the one drawback of the movement, at least in this province, is the lack of proper men to come in large numbers and take charge of the movement. In cities and towns, human material may be available; but in most of the out-of-the-way towns and in almost all villages the proper types of leaders are not to be had in adequate numbers. The teachers of Taluk and District Boards, to be found in different parts of the district specially in rural areas, have been the props of the movement and they have been doing, to the best of their ability, meritorious service to the movement as a whole both in the organisation of new societies and in the running of existing ones. If a ban is to be placed on the activities of this class of workers, the movement as a whole stands considerably to lose. The Government, therefore, will be pleased to see their way to modify this G. O. We are told that the Ministers act on the theory of joint responsibility. If it is true, then the Development Minister in charge of Co-operation should be able to induce his colleague the Local Self-Government Minister who is in charge of Education as well to withdraw the prenicious G. O.

It may be taken for granted that every one who takes part in co-operation is expected, to do so without prejudice to his normal duties, whether as Government servant or as employee in the local fund service or even under private service, and it is open to the master in any case to prevent his subordinate from taking part in this or any other movement, the moment he becomes convinced of the fact that the employee is not devoting legitimate attention to his duties but that he is sacrificing his official work for the sake of some other

*Vide page 149 of September number.

hobby of his own. That inherent right is always with them and, subject to that restriction, all employees may be given full liberty to take part in the Co-operative movement which is above all political parties.

THE NEED FOR CO-ORDINATION.

The last Provincial Conference passed only a few resolutions. Of them, the most important one, was that dealing with rectification and consolidation of primary societies. The Provincial Co-operative Union, we hope, will do its best to concentrate its attention upon this problem and help the district banks and federations to do their quota of work. This may be looked upon, therefore, as the work for this co operative year. In our attempt at ascertaining what work has been done in this connection, some peculiar difficulties which are experienced in certain districts are pressed on our attention. The district bank has got its administrative section and, through it, it tries to find out which societies require rectification and consolidation and gets ready plenty of notes about such societies. The district federation which is expected to take up actual work is then addressed upon the subject and, through its staff, it investigates and puts up notes on such societies. We get two sets of literature on societies that require immediate attention, one collected by the district bank from its office records and the other collected by the federation from its observation on the spot; but we are told these two are very seldom co-ordinated and that, beyond the gathering of information about the present condition of societies, little actual constructive work is being done. We hope this is only an exaggerated account. Now that the presidents of the district banks are at least in some districts also the presidents of the district federations, we hope that they will act as a sort of laisson officers and co-ordinate the activities of these two district institutions, utilise the resources of men and money available in both for the one object we have all in view, namely, the improvement of the movement, and thus take one step further in the attainment of the practical ideal we have set before us this year.

AS OTHERS SEE US.

We publish elsewhere certain portions of the report, which Rai Sahib Raj Prakash Narain of Bihar sent to the Bihar and Orissa Co-operative Federation, about his impression of our work which he gathered when he visited us in connection with the recent Provincial Conference. He has also given in the report, a copy of which he was pleased to send us, an account of the various institutions he was able to visit when he was here in our midst; but as these accounts of institutions are mainly descriptive and as we expect our readers will be familiar with the main features, we have not published the report in its entirety.

Thackeray has said somewhere that the *poorest* Irishman has got some *poorer* relation depending upon him and it is some satisfaction to us who live in this "benighted" province to be told that we are better in certain respects than some other provinces. The amount of money spent by the Government on the movement, the general equipment of the members in the movement, the great interest which the landholding class evinces in co-operation, the cordial relation that exists between officials and non-officials and the support given to the movement by the local bodies that have deposited large sums of money in District Banks are some of the features which elicited the admiration of our friend from Bihar. We only hope that we really deserve all these compliments, and if we are convinced we do not deserve them, let us at least try hereafter to deserve them. We are thankful to Rai Sahib Raj Prakash Narain for his very sympathetic account of the movement in our province.

OFFICIALS AND NON-OFFICIALS.

After the handsome encomium given to this province on the cordiality of relationship that exists between officials and non-officials by Raj Prakash Narain of Bihar and Orissa, it would not be in good grace if we refer to the strained relationship between these two classes of workers that exists at least in certain provinces. Two reports which are to hand just now, namely, "the proceedings of the 10th Conference of Registrars of Co-operative Societies in India" held at Simla last September, and "the proceedings of the 15th Session of the Co-operative Conference of the United Provinces" held in January last, make us think a little on this thorny subject. Mr. J. M. Mitra, who presided over the Registrars' Conference, is said to have expressed as follows in his concluding remarks:—

> "The second is the wrong use of the expressions 'officialisation of the movement' and 'non-officialisation of the movement.' I would ask you to remember that officials are here as co-operators, and I believe that most of the non-officials are here as co-operators also. As regards the future guidance of the movement, the question is not officialisation and non-officialisation of the movement, but the great question is the democratisation of the movement, that is to say, how to hand over the guidance of the movement to the very persons for whom the movement is intended. We often forget that. Some non-officials come and say 'we ought to de-officialise the movement.' But do they ever come and say, 'We want to develop village leadership and we want to hand over the movement to the people of the country itself for whom it is intended'? Non-officials are apt to look upon themselves as the trustees

of the movement and so far as surrender of power is concerned they often take up the same position as officials. It is as much difficult to wean away from officials an institution once entrusted to their care as it is from non-officials when they run a movement on behalf of others."

The readers of this Journal would recognise that the Honorable the Home Member of our province echoed almost the same sentiments in the brief speech with which he opened the last Madras Provincial Co-operative Conference. Probably Mr. Mitra had in mind the non-officials of his Province which he knew best. To the best of our knowledge, the non-officials of this Province are certainly not anxious to stick like leeches to the institutions which they serve by holding certain offices therein to which they are elected. They are ready to surrender the positions they hold to the the village leader when he is available. If Mr. Mitra had been present in any of our district conferences, he would have seen many a village leader in his rightful place talking freely and sensibly upon the resolutions at the conference unmindful of official or non-official outsiders. This rather strongly worded remark of Mr. Mitra naturally elicited from Sir Lalubhai Samaldas, who presided over the United Provinces Conference, an equally strong retort.*

We are glad to note that the veteran co-operator of Bombay has spoken not only for his province, but for Madras also, about the working of the co-operative movement in which he has some direct knowledge, as he presided over our Provincial Conference in the year 1927 and we echo his effective appeal to co-operative officials all over India "to forget for the time being that they are officials and as such are a class distinguished and different from non-officials." We are all workers in the common cause of service of the Motherland. Let us realise this fundamental point of agreement and forget the minor points of difference.

SIR LALLUBHAI'S ADDRESS.

The co-operators of United Provinces honoured themselves in honouring that veteran co-operator of Bombay, Sir Lallubhai Samaldas, whom they invited to preside over their Provincial Co-operative Conference last January. Our readers would find extracts from his illuminating address reproduced elsewhere in this issue. As a member of the Maclagan Committee and the President of the Mysore Co-operative Committee and in various other capacities as both official and non-official, Sir Lallubhai has had unique opportunities of studying the operative movement all over the country from various points of view.

*Extracts from his address is published elsewhere in this number. (See page 185.)

His address, therefore, was very instructive as could be expected. He has sounded a note of encouragement and hope in his address—the note that the United Provinces Co-operators stood in great need of. The report of the Oakden Committee and the reports of the Registrars of the Province lay more stress upon the weak spots in the movement than upon its good features, so much so that registration of new societies has become rare and efforts are restricted to consolidate the existing position. Sir Lallubhai, with his business instinct and with his full knowledge that in this world there is no standing still, advised them not to stop registration of new societies but to go on registering them where circumstances were favourable, cautiously but still pursuing the onward or upward march. He criticised in more strong terms the reference of certain officials about non-officials which we have already dealt with in the previous note. He pleaded for the formation of a provincial bank for the province and advocated the conversion of the existing small banks as branches of the provincial bank, a line of expansion more in consonance with the practice of Bombay which, as Sir Samaldas has observed, has worked satisfactorily in Bombay 'and whatever the theorists in Co-operation might say, it has rendered very great assistance to the members of societies under these by providing facilities for prompt finance.' He also put in an eloquent plea for the Provincial Institute and assured them that the task of training co-operative workers would be easy for them because they can count upon the co-operation of expert hands available in the five Universities of the province. He condemned that portion of the report of the Royal Commission on Agriculture which emphasises the importance of officials and claims for them greater competency than for the non-officials. He rightly laid stress on the need for primary education and until the scheme of compulsory primary education could be brought into force, he pleaded for a practical scheme of adult education being taken up by co-operators. He then went on to deal with land mortgage banks and laid emphasis on Government's duty to help the banks by guaranteeing interest and by purchasing some debentures themselves. He gave certain suggestions for increasing the usefulness of banks by making them serve as centres of distribution of things that agriculturists need such as improved seeds, manure, and improved implements and here again he quoted the example of Bombay where the branches of provincial banks have been catering to the needs of the ryot in these various ways. A great capitalist himself, he pleaded with almost the enthusiasm of a communist for the spread of a spirit of "divine discontent" among the masses of the land to stir them from the conditions of stupor and lethargy they are in and he advised the people not to be afraid of the consequences of mighty social disturbances. The address is a happy combination of the idealistic and practical elements and the extracts from the same reproduced elsewhere would be read with great interest by our readers. We offer our respectful congratulations to the old veteran and wish that India has more and more leaders *of that type, bold and absolutely independent, and actuated by the sole motive of service to the masses.*

THE XVth U. P. CO-OPERATIVE CONFERENCE.

The resolutions passed at the Provincial Conference of the United Provinces which we publish elsewhere would, we hope, be read with great interest by co-operators in this province. It offers an opportunity to compare the state of the movement in our province with what it is elsewhere. The reports of the Provincial Conferences and the administration reports of Registrars of various provinces together with the administrative reports of Provincial Institutes, wherever they exist, these form the general material that would enable us to gauge the progress of the movement in different provinces. It is a sorry state of affairs that the U. P. should depend upon its Registrar for the co-ordination of activities of the various central banks. It is he who obtains information about the finances of these banks and brings together the borrowing and the lending banks, the banks that stand in need of money, and banks that have a superfluity of it. The financial affair ought to be undertaken by a provincial bank and not by the Registrar's office. We hope, therefore, that this resolution about the formation of a provincial bank, which naturally occupied the premier place, would be given effect to by the Government and the non-official co-operators concerned. The resolution on Land Mortgage Banks showed how the need for this is felt in other provinces also. It has now become an All-India problem and it was the most important point discussed at the Conference of Registrars. Most of the other resolutions are in the form of prayers to the Government for this or that. This is an attitude which we cannot rid of entirely, as the movement remains spoonfed, but which we must try as far as possible to discourage. We are glad to note that our brethren in the U. P. have recognised the need for systematised co-operative marketing and as a preliminary measure they want the Government to appoint an officer to be in charge of that and they also make a legitimate request to have some well-trained agricultural officers attached to Co-operative service.

THE SCOUT JAMBOORI AT BIRKENHEAD AND THE CO-OPERATIVE MOVEMENT.

The assembling of about 50,000 young scouts from all over the world at Birkenhead in England was a thing of no mean importance to the future of international peace and progress. What concerns us as Co-operators was the fact that a good deal of catering of these young hopefuls was undertaken by the Co-operative Society at Birkenhead and also the fact that most of these scouts went to Manchester, the Mecca of Co-operation, to get themselves acquainted at first hand with the working of the Wholesale Society. The Wholesale Society had made arrangements to receive the young enthusiasts, and English Journals give us a detailed description of the reception of whole batches of scouts from France, Denmark and other countries of Europe.

We are glad to note that a small number of Indian scouts also went there, but details are not yet fully available. Rao Sahib T. S. Subramania Iyer, M. A. L. T., one of the original founders of the Triplicane Stores, is a member of the party and we hope to publish from his pen articles on English Co-operation as observed by him first-hand.

Some Thoughts on the Scheme of Land Mortgage Banks

BY THE HON'BLE V. RAMADAS PANTULU

I

As the scheme for the consolidation of primary land mortgage banks and the centralising of debenture issue develops, and the time for giving it a practical shape approaches, some new problems crop up. Some of them relate to fundamentals and others to details. In the hope that an examination of such of them as have already given rise to some difficulty will conduce to their proper solution and ensure the scheme being made to rest on sound foundations, I shall mention some of them, not in a connected form, but as mere stray thoughts, in this and the succeeding issues.

1. THE WAY TO CONSTITUTE THE BANK

There should, in my opinion, be no vascillation on the question that the primary and central Land Mortgage Banks should be constituted under the provisions of the Co-operative Societies' Act. The Linlithgow Commission laid some stress on the desirability of constituting Central Land Mortgage Banks under the existing provisions of the Law. An attempt, therefore, to impose a Land Mortgage Bank on the co-operators of the Province with a constitution framed and a Board of Management nominated by the Local Government, in contravention of the spirit of the Co-operative Societies' Act, will not evoke any enthusiasm and will, I am sure, largely fail to fulfill the expectations raised of it. The proper attitude for the Development Minister and the Registrar to adopt in this matter is clear. Representatives of the existing primary land mortgage banks, the signatories to the two pending applications for the registration of a Central Land Mortgage Bank, and such of the members of the Executive Committees of the Madras Central Urban Bank and the Madras Provincial Co-operative Union as do not come under the first two groups (I believe most of them do come) should be assembled, asked to adopt suitable bye-laws and a constitution, and to make the requisite application for the registration of a Provincial Land Mortgage Bank. The registration and the subsequent stages of convening the first meeting, starting the Bank and election of the Board and Officebearers, should follow the normal practice and procedure laid down by the Act and the Rules thereunder. The advantages of organising and running land mortgage banks under the normal

provisions of the Co-operative Societies' Act were discussed at the Registrars' Conference held in Simla in September 1928 and the consensus of opinion was in favour of that view.

2. DEBENTURES *VERSUS* DEPOSITS

An atmosphere for the promotion of land mortgage banks cannot be created unless the characteristics of a debenture, the peculiar advantages it offers as a means of borrowing, and the essential difference between deposit banking carried on by central banks and business of Co-operative farm mortgage credit done by land mortgage banks, are more widely understood by the rural Co-operators than they are at present. I feel certain that so long as the virtues of long term credit through existing credit societies even at enhanced rates of interest, if necessary, continue to be preached, and so long as central banks advocate raising of long term deposits by offering higher rates of interest for the purpose of dispensing such loans, the chances for the development of land mortgage banks are very slender. My plea for the discontinuance of long term loans through credit societies is mainly based on the economic fact that long term loans cannot, with any benefit to the ryot, bear such a high rate of interest as $9\frac{3}{8}$ per cent. One serious defect in our Co-operative finance is that no distinction is made in the price charged for temporary capital advanced to carry on agricultural operations and that charged for advancing permanent capital to effect improvements or liquidate chronic debts. The same unbusinesslike method is perpetuated by the Government also. There are two Acts in force in India to help agriculturists with finance. One is the Agricultural Loans Act or the Takkavi Act as it is popularly called and the other is the Land Improvements Loans Act. The Government charge the same rate of interest on both these loans. This is radically unsound. Kautilya's Arthasastra states that, in ancient days, State loans for land improvements were charged at very low nominal rates. It is so in Modern Germany. That is the right thing to do, and the economic reasons for it are obvious and require no elaboration. Nevertheless, neither the Co-operators nor the State in India have as yet made any effort to bring down considerably the rate of interest on credit dispensed for permanent capital purposes. Such reduction is ordinarily not possible so long as we derive our resources from deposit banking. An altogether new device is required to achieve this object. It is here that the peculiar advantages of debentures come into play. Land mortgage debenture is a device to make land, which is otherwise an immobile form of credit, a mobile form of security. By giving the debenture-holder a floating charge on the properties pledged, by making debentures trustee securities, by guaranteeing interest on them, and by similar methods, they are made easily marketable and negotiable. The consequence is, those who invest money in these debentures, unlike those who make fixed deposits for long terms, are assured of the prospect of converting their securities into liquid money when the occasion arises, and the investor is in need of money as it frequently happens.

In working out these principles, the rights of the borrowers should also be carefully safeguarded and the terms of the mortgage banks should not be made to operate harshly on the borrowers. The existing bye-laws of the primary land mortgage banks and the clauses of the Trust Deeds executed in favour of the Registrar, the conditions of the Indenture Bonds and the practice adopted in effecting transfers of these Indentures to the Trustee, and the release of properties of the borrowers from the claims of the Mortgage Bank and the Trustee on partial or full payment of the mortgage money, require revision in several particulars, so as to minimise the hardship of the borrowers, and I shall deal with them in the next instalment of my thoughts.

V. RAMADAS PANTULU.

(To be continued)

Recent Developments in Co-operative Marketing

BY MR. K. C. RAMAKRISHNAN, M. A.

The most striking feature of the Year-Books of Agricultural Co-operation for 1928 and 1929 issued by the Sir Horace Plunkett Foundation is the copious and critical account given of the attempts at Co-operative Marketing of agricultural produce in several parts of the British Empire and a few countries outside. The contributions are more than mere records of the years' events. They contain authoritative statements of opinion on matters which agitate the minds of co-operators in many climes, and are bound to be of great value in helping us to arrive at right conclusions when similar problems press for solution here—making due allowance for difference in conditions.

The attention of the readers may first be drawn to the brief, but bright, survey of recent literature on the Agricultural Co-operation and allied subjects appearing in the 1929 Year-Book. The overwhelming majority of publications reviewed are on the subject of agricultural marketing, which indicates the amount of attention it has received everywhere outside India.

RECENT LITERATURE ON MARKETING

The pride of place is rightly given to the series of 'Orange Books' on the marketing of various products, published by the English Ministry of Agriculture and Fisheries. Those who have gone through the series can alone fully appreciate the constructive suggestions they contain as well as their unique descriptive information on the marketing of potatoes, eggs, poultry, pigs, bacon, wool, milk and fruit. They should serve as excellent models for investigation and a source of inspiration for constructive work in countries having such products, though in ours we are more interested in the marketing of cereals and raw materials for industries, and their chief value must for the present be mainly academic.

The publications of the Empire Marketing Board constituted to handle sums granted by the British Parliament for the promotion of Imperial Trade are next taken up for review.

The Empire Marketing Board promotes its object not merely by publicity and advertisement of Imperial produce, but by grants towards the co-ordination of scientific research and economic investigation in collaboration with the Ministry of Agriculture and otherwise. The Board has also striven in a practical manner to secure grading and standardisation of English products, particularly fruits. Though the Board has extended its investigating work to some West India Islands and British Guiana, we in India have yet to feel its beneficent (?) activities.

A number of books of value to students of agricultural co-operation have been published by miscellaneous bodies in England, the most notable of which is the one on Milk Marketing by Mr. Prewett of the Oxford School of Rural Economy. His study of milk marketing in counties supplying Bristol and London has disclosed the disproportionate power of the wholesaler, which he ascribes to the perishable character of milk, and the supersession of rail by road transport, so that one who owns a fleet of lorries now controls the situation. Co-operation is said to have made small, though useful, beginnings, "enhancing the farmer's bargaining power rather than providing an outlet for his milk."

The report on the marketing of agricultural produce issued by the Government of Northern Ireland reveals the excessive cost of transport and the extent of producer to consumer price-spread, "caused more by the multiplicity of middlemen than their individual avarice."

The literature on the subject of Wheat Pools in Canada which is growing with the growth of the pools, and on big marketing schemes through compulsory co-operative agencies in other new countries like new Zealand and some States of Australia and the United States is reviewed at some length.

Reference is made finally to the accounts of the co-operative movement in interesting States like Soviet Russia, Poland, Finland and Greece.

A full bibliography of agricultural co-operation is a splendid accompaniment of every Year-Book, which ought to help our institutions in the selection of volumes for their library.

FAILURE OF CO-OPERATIVE SALE IN ENGLAND

Now to contributions proper. Mr. Prewett has, in his article on the Co-operative situation in England (in the 1928 Year-Book), made some striking observations worthy of wider application. He states that co-operation has succeeded most in those countries where the stimulus and the need were great, where trade in produce had centred in the hands of a few monopolists who abused their position and there were no alternative channels of trade; so that there existed a 'bottle-neck' where 'the farmer could with comparative ease get control of the whole distributive service.' In England the existing market service does not place the farmer at the same disadvantage. The market surrounds the producer. Nor are there in England any but limited opportunities to create or expand a market for homegrown produce, as there were for the citrus fruit growers of California.

It is true that, in spite of easy accessibility of bank credit for English farmers, less desirable channels are resorted to by them. The habit of paying for the purchase of seeds, manures and feeding stuff by a share of the harvest is not peculiar to India. The English farmer 'while not bound in law is bound in fact to sell his harvest where he owes for his requisites, since any other course might jeopardise the chances of securing credit during the next season.' The dealer does differentiate in price between free and tied farmers; but 'he does not appear to use his advantage extortionately.' Mr. Prewett is not convinced that the existing machinery for distribution of agricultural produce is inadequate or exploitative to a degree that should stimulate Co-operation. Here is a golden rule that he lays down for all enthusiasts :

> "Besides setting up a co-operative society, even of a local nature, for processing, for sale or for purchase of commodities, a careful enquiry should be made into the existing services to discover whether, having in view the difficulties farmers are bound to encounter, particularly in breaking into an already established distributive scheme, any substantial economies can be counted upon."

Mr. Prewett illustrates his view in the case of milk. In England distribution has been already organised on very efficient lines by urban capital and management. The farmer has lost the opportunity to introduce orderly marketing and secure its financial benefits. There is no use duplicating the distributive machinery which has been built up on a large scale by the private distributor. But negotiations are being carried on (according to the 1929 Year-Book) between the National Farmers' Union, representing the producers, and the milk distributors. He would like the small co-operative societies of farmers to equip themselves with machinery for cheese manufacture, with a view to use up the surplus milk, and in the event of disagreement with distributors, to dispose of the full bulk of members' supplies.

The case of corn is even worse. It represents only 10 per cent of the value of English agricultural output; home-grown corn is but a small fraction of the total corn consumed and prices are therefore dictated by imports. The corn merchants are said to work on a very reasonable margin; they are closely limited in their bidding by world prices, and so, one does not find among them the 'rings' so common among livestock dealers. Still, if long credit could be given to farmers united in co-operative trading societies, there would be less dependence on the merchants on whom many of them now rely for credit.

The position of livestock is different, as livestock and its derivatives represent 70 per cent of the English agricultural output. The opportunity for effective co-operation appears to be nowhere so great as in the marketing and slaughtering of stock. Still there are only a small number of societies and they have also signally failed on account of the temptation of temporary high prices offered to members by local dealers and butchers. "This rather obvious manœuvre, so frequently practised upon the farmer, appears always to be successful." Three conditions are prescribed for the success of co-operative societies in this field:

(1) the institution of a credit fund, as much of the influence of local dealers and auctioneers is due to the inability of the farmer to pay cash for his stock;

(2) the construction of well-equipped markets near railways, influencing local bodies to scrap existing congested markets, in spite of market charters and resistance by tradesmen; and

(3) maintenance of a common sale service which will be in touch with an assured market like the Co-operative Wholesale Society.

The sale of eggs and poultry is said to be a 'local and rather haphazard affair of the individual.' The English farmer does not take much interest in this 'side line', but leaves it to his women-folk who keep a non-descript breed and are far behind the Danes and the Dutch in attention to cleanliness and freshness and to grading. Unless there is a revolution in the methods of production, there is not much hope of success of the Egg Marketing Scheme recently launched for the sale of eggs under a national mark through duly accredited packers.

Wool societies on the other hand show signs of success though only 6 per cent of the English clip was handled co-operatively in 1927—28. For wool, unlike milk or meat, is non-perishable; the choice of alternative channels of trade is not open to the produce and the field is not sufficiently covered by the distributor.

Co-operative marketing of hops has shown better results. The English Hop Growers Ltd. has definite binding contracts with its members for the sale of all their hops and enforces the contract where necessary. There is a scheme for the sale of apples and pears under a national grade mark, with the grower's name added. Arrangements are made by the Empire Marketing Board for getting the latest news regarding prices and supply of competitive foreign fruits.

Thus, on the whole, sale societies have not fared well in England. But we have not less lessons to learn from their failure than from successful societies elsewhere. The main moral is the necessity to curb excessive zeal and advocate caution in the early stages of organization. A careful investigation of existing conditions of marketing might often obviate the need for any such check.

LINKING PRODUCERS' AND CONSUMERS' SOCIETIES

Mr. Prewett and Miss Digby plead for an extension of trade relationship between the producers' societies and the consumers' wholesales, for "it might prepare the way to the re-organisation of the whole of agricultural distribution on the most direct and comprehensive lines, particularly since (in England) the total agricultural output could be consumed by the industrial Co-operatives thereby ruling out automatically one of the chief expenses and problems of distribution—the finding of a market". The wholesale's motors could take out a load of groceries and provisions, feeding stuffs, manures etc. to villages around, and on their return journey bring a load of all kinds of agricultural produce. The consumers' societies have besides accumulated more than enough capital for their own transactions and can therefore afford the much needed financial assistance to the farmers' societies and render them independent of outside capital. Such an interlocking of commercial interests of the two sides of a big movement has naturally had a number of advocates among the delegates in the recent International Co-operative Congresses and the League of Nations Conferences.

While there is much to commend in the ideal enunciated above, it will be far from practicable in many countries which are very unevenly developed in respect of their urban and rural societies, reflecting more or less the uneven distribution of population in industrial and agricultural pursuits. There is no prospect of two sides becoming 'mutually self-sufficing on the economic plane'. Take India and England for example. Many of our products have a poor market in our own country and have to be exported abroad in the absence of industries here, and even if finished here, they may not all be consumed here, The stores are very ill developed in the few urban centres we have. We have a supply of produce which far exceeds co-operative demand. In England, on the other hand, the demand of consumers' societies cannot ever be satisfied by national supply. Even after a well-proportioned development of agriculture and industries in all countries of the world, geographical differences will not permit the attainment of national self-sufficiency or even co-operative self-sufficiency within a nation; and the problem is therefore eminently fit to be worked out by international adjustments. This does not absolve us from the immediate task of exploring the possibilities of mutual assistance between producers' and consumers' societies in our own area—a task set to us by the recent Provincial Conference held at Madras.

STATE AID & CO-OPERATIVE CONVERSION IN IRELAND

Ireland, having been ahead of England in agricultural co-operation, boasts of a number of primary societies, particularly dairies whose trade roughly constitutes four-fifths of the total trading activities of all societies. But the great defect was their inefficient marketing. Societies competed against each other; there was no uniformity in the quality of Irish makes unlike in the case of Denmark. "Irish creamery butter", writes Mr. H. F. Norman, "was in the minds of merchants an uncertain product of second grade quality, having no distinctive, authoritative qualification to assure for it a price equivalent with its merits".

Thanks to the Irish Free State Government, the way is being cleared for 'conjoint marketing on a Federal scale'. The Irish Free State has taken an important step in purchasing through State credits (with proper safeguards for repayment) certain proprietary creameries and handing them over on certain conditions to old co operative creameries or converting them into new co-operative concerns. This transfer has increased co-operative handling of milk to the extent of 24 million gallons. An equal quantity is expected to be added in 1929. New societies are being formed under the aegis of the Irish Agricultural Organization Society.

The process of transfer of proprietary concerns into co-operative hands is worth noting: Civil Servants of the Irish Free State were deputed to undertake the work, under the name of Dairy Disposa- Company, of purchasing concerns from retiring proprietors. Co-operative societies, old or new, which wish to purchase the concerns must issue £ 1 shares to members who should take up 3 such shaers

for each of their cows. Each member is bound to supply his surplus milk only to his creamery, and no other creamery can take the milk of such members without the consent of the Minister of Agriculture.

For joint marketing on a Federal scale, a new body by name 'the Irish Associated Creameries Ltd.,' has been formed and it has already handled 80 per cent of co-operative output. Irish Creamery Butter is soon expected to come into its own. Mr. Norman acknowledges indebtedness to the I. A. O. S. which "planned, advised, directed and organised the new groups into new societies or shepherded them into existing folds." Without such aid the great co-operative conversion would have been well nigh impossible.

SELLING AGENCIES IN SCOTLAND

In Scotland, the most noticeable feature is the growth of a Central Selling Agency for the milk produced by the associations of dairy farmers and 1,500 individual producers who have all signed the Agency's contract under which they have to sell the milk through it for three years. It is not always that the agency itself collects and sells the milk; individuals are permitted by the agency to sell to dealers as before, but the negotiations as to price etc., are all carried through by the Agency for the farmers. Similarly, the Scottish Wool Growers Ltd., acts as a selling agency, but it has also taken some trouble to train its members to consign their wool in a condition acceptable to manufacturers and to be careful at the earlier stages of dipping and shearing. There is no compulsory contract, but an extra profit is given for continuous loyalty for three years.

CANADIAN WHEAT POOLS

It is in new countries that co-operative sale has assumed large dimensions and shown unprecedented successes—particularly in respect of grain sales. Mr. Hull gives a lucid account of the rapid and romantic growth of the wheat pools in Canada in the 1928 Year Book, and further developments are dealt with in the 1929 Year Book. The idea of wheat pools originated from the compulsory organisation initiated by the Canadian Government. The Wheat Board that was appointed in 1919 was given a complete monopoly of the marketable crop of the year and it had to arrange its distribution. The grain grower received a good price for his wheat and he was relieved of the bother of studying markets or delivering his goods to middlemen and speculators. But the Board was abolished next year, as war time legislation expired, and the open market was re-established. The farmers tried hard to have the Wheat Board again but it was declared 'a project constitutionally incompetent to the Parliament of

Canada'. After vain endeavours in the Provincial Legislatures to surmount constitutional difficulties by concurrent legislation, the idea of re-establishing the Wheat Board was given up. And the farmers turned to the idea of voluntary co-operative marketing association, seeking all the advantages of controlled marketing without the disadvantages of government interference.

The main features of the working of a wheat pool may be noted. The members of the pool are bound together by an *iron clad five years' contract*. The farmer-member is bound to deliver all the wheat grown by him except registered seed wheat. The pool is appointed sole agent for receiving and selling such wheat and it has to make all arrangements for handling and selling. From the proceeds of the sale of wheat the pool may deduct two cents per bushel for the purchase of elevators and facilities for handling the grain. It provides for an initial payment to the grower on the delivery of wheat and a proportionate distribution of funds remaining after all the expenses have been paid. If the grower violates the contract, particularly as to delivery, or markets any wheat other than through the pool, he will pay the sum of 25 cents per bushel as liquidated damages and the pool shall be entitled to an injunction to prevent further breach of contract. This contract has stood the test of courts and is legally enforceable.

The local grain growers' societies are united in a provincial federation or pool. Each province is divided into districts and each district is represented by a Director in the Provincial Board. The locals elect delegates to represent members at the annual meeting and the delegates from each district elect the Director for that district. The annual meeting of shareholders is the supreme governing body of the Provincial pools. They are autonomous bodies and have exclusive authority within their territory and and control the physical handling of the grain.

The three provincial pools of Western Canada have set up a Central Selling Agency whose Board is composed of 3 representatives from each of the Provincial Boards. The actual handling and selling of wheat is in the hands of men trained and experienced in the grain business. The Selling Agency has full control of the marketing orgainsation as distinguished from grain collecting machinery in the Provinces. It has agents in all the importing countries, in almost all Western European cities.

The grain pool has been recently (1927) set up in Ontario which also entrusts the business of sale to the Selling Agency of the western pools. The financing of the vast volume of grain handled

by the Canadian pools—it was 53 per cent of the total output in 1927—is done through the Chartered Banks of Canada, to which some provincial governments gave guarantees in the early stages.

'COMPULSORY CO-OPERATION' IN THE SOUTHERN HEMISPHERE

The idea of pool has found favour in Australia and New Zealand and one-third of the total marketable quantity in the former country was handled by the pools in 1928. Indeed the grain growers are prepared to go a step further and organise compulsory pools by which if a defined majority of growers agree to pool their produce, the rest might be compelled to sell theirs also through the pool. Special legislation setting up Control Boards for various kinds of produce, empowered to coerce an obstinate minority into delivering their produce for sale through the Boards' agencies has been enacted in Queensland, New South Wales and Zealand. The excuse offered by the supporters of such 'compulsory co-operation' is that "in the past, promising co-operative movements have been rendered ineffective in price stabilisation as a result of the action of non-co-operating minorities". The Boards are not set up in New Zealand unless 60 per cent of those entitled to vote, and in Queensland unless two-thirds of the votes cast, were in favour of such control. A cess on produce may be levied by the Boards to rise enough capital for storage, treatment, etc. Some Boards have set up their own distributing organisation and some have utilised existing channels under agreement. The Government has given guarantees to banks financing the Boards, which offer to members 50 to 70 per cent of the market value of produce on delivery.

South Africa has also adopted compulsory co-operation in respect of two luxury products—tobacco and wine. The maize growers have been organising a campaign to get 75 per cent of producers consent to controlled marketing of that produce also; but the Ministry does not favour the extension of control to an article of necessity. Producers themselves are not likely to come together owing to the great lack of stability in market prices of maize and the temptations speculative prices always offer. Another fillip given to co-operative marketing in South Africa is the credit extended to farmers through Loan Companies by the Agricultural Credits Act of 1926, on the security of produce lodged in the public or co-operative warehouses or Government grain elevators, on condition that the produce shall be sold through a co-operative marketing association.

Not merely grain but products like sugar, butter, cheese, eggs, cotton and fruits have been sought to be brought under control in Australia and New Zealand. Such a collossal experiment in compulsory co-operation, if it succeeds, is bound to lead to the revision of some pet ideals and principles of co-operation, while some limitations imposed on it will tend to vanish. The scheme is not without detractors and bitter opponents—particularly among commercial interests—but hopes of complete success are entertained, though 'there will be the inevitable ebb and flow.'

Rural Propaganda.

By Mr. G. V. Subramaniam,

(*Propagandist, The Coimbatore Dt. Federation*).

"The only remedy for these unsatisfactory conditions, which appears to offer any sure prospect of success, is the patient and persistent education, in the principles and meaning of Co-operation, of the members of the primary societies by teachers competent to perform the task efficiently under adequate supervision" is the conclusion of the Royal Commission on Agriculture. (Vide Para 374).

The monumental success of the Co-operative Movement in the Western Countries and Japan, is undoubtedly due to the various methods of education of the members in the Co-operative character and methods of business. But unfortunately in our country, although the movement was started as late as 1904 and the Silver Jubilee of the same has already been celebrated this year, the movement has not advanced comparatively and the major portion of the members of our rural societies are yet steeped in woeful ignorance. An eminent Co-operator once expressed that those who have the interest of the villagers in their hearts will have to fight against *Illiteracy, Indifference and Ignorance*".

Some critics would say that unless the rural people become literate, it is not possible to give them the maximum benefit through these institutions. But if we carefully study the History of Co-operation in foreign countries, we are driven to the conclusion that, when Co-operation as an organised movement was inaugurated in Germany and Italy, the rural people were as illiterate—if not more—as they are now in our country and the successful working of the Co-operative Societies has brought education to the doors of the villagers. Hence, education need not be a fore-runner of Co-operation, but Co-operation in the right spirit may be made the foundation of a true education of the villagers not only in the three R's but also in the Art of Agriculture, Cottage Industries, Marketing and ultimately in the practice of Economic Self-Government. It was through persistent education by competent men in foreign countries, ideas about Co-operation both in its moral and business aspects were instilled in their brains and today the testimony of their higher economic status and purchasing power stands as a proof of the success of the

movement beyond the early expectations of the original organisers of the movement. Hence, the illiteracy of our rural population need not stand in the way of bettering their economic status if they are only made to apply their combined forces in a true Co operative spirit.

An enterprising author compares our agriculturists with those of Denmark regarding their character. The profession of agriculture is such, with the variations of monsoons and sometimes failures, that the ryot is by nature an indifferent being created out of his environment. But when once a sense of dissatisfaction with their present economic condition is created, there is more of real Co-operative spirit in them than in urban population. In Denmark the pioneers have happily exploited this spirit and have turned the Danes from an indolent race into the foremost nation of scientific and economic agriculturists. If this is possible in a portion of this world, why should we not also follow the same idea? What is wanted as expressed by an eminent Co-operator is a batch of "Missionaries of Co-operation" whose ideal should be that of the Gita, "work for work's sake" and not for their own selfish material emoluments. Even now in such parts of our land where true types of Raiffeisens have risen, the people have been truly educated in Co-operation and their areas are comparatively better.

The villagers must be made to get discontented with their present lot in the economic sphere, by infusing into them how through organisation and scientific methods the agriculturists in progressive countries get more yield and have a better purchasing power.

Secondly the present wrong notion of the members of a village society, that the society belongs to somebody else but is being used by them purely as a borrowing institution, should be expelled as early as possible. Some are of opinion that if the members come to know that the society is their own, for better or for worse, and not a Sirkar Bank, Co-operation will come to a standstill. In other words they would run the societies on unlimited liability basis leaving the members in complete ignorance of their obligations and making Co-operation—the democratic institution—a shame. If the members after completely understanding the principles wish to dissociate themselves from the society, it is far better to leave them to their choice and not impose on them anything in the dark. They must be made to understand that the present Co-operative

Society is only another form of the old village Panchayat which flourished during the days of our ancient Rajas and Nawabs. So, the present village society should be conducted in such an ideal state as to be made the foundation for the rural reconstruction of the whole village within a specified period of say 30 years.

Thirdly the ordinary working of the Society on the business aspect should be explained, especially the duties of the members and the panchayat, loans, productive purposes, repaying capacity, honesty, self-help, thrift etc., in such a way that the most illiterate members could understand, by giving illustrations of the failures of societies and their causes. In short, their sense of responsibility must be evoked in such a manner as to make them feel that the prosperity or the downfall of the village unit remains in their own hands.

Lastly they must be made to feel that their economic status will not be appreciably raised unless the whole village—the money-lender, the needy. the rich man, the cooly, the retail dealer, the consumer and the producer—combine as one man and apply their force through the village society.

The above work will be further facilitated with the help of a magic lantern and suitable slides prepared locally on the above principles. It would be but proper to close this small article with a quotation from the report of the Townsend Committee on Co-operation (page 95). " We suggest that, if funds permit, a small fleet of demonstration motor vans should be organised, which should tour the Presidency in charge of an Officer with special propagandistic abilities and give ocular demonstrations to the ryots of the practical value of Co-operation. "

Co-operative Movement in Madras Presidency

IMPRESSIONS (*EXTRACTS*)

By Rai Saheb Raj Prakash Narain

(Ex-Councillor-in-charge, Bihar and Orissa Co-operative Federation)

There is a vast difference between our work and theirs. The reasons which are favourable to them are the following :—

1. The educated community has taken up co-operation in right earnest.

2. Those who are engaged in this laudable movement are well-versed with the principle and ideas, and in consequence all their efforts are sincere.

3. They realise the importance of publication of journals and pamphlets with the result that even some of the Unions issue pamphlets and periodicals for education of their members.

4. The co-ordination of all other institutions such as District Boards, Local Boards and Municipalities with the movement, coupled with honest, sincere devotion of workers, is an important factor.

5, Paternal care of Government not only in the matter of guidance but allowing them free chance to conduct their business according to their own considered schemes.

6. There is no rule for granting license by any one to the employees. Consequently every institution is free to appoint suitable men for running the business. In no way the department interferes with the pay and prospects of the employees. Of course it is their outlook to appoint trained hands to conduct the business well.

7. Government pay the entire cost of audit and training institutes which are in a few centres. Thereby the institutions are much relieved of their financial burden.

8. Government maintain a big staff to supervise the work of the institutions with the result that in the headquarters I saw with the Registrar one Joint Registrar, one Deputy Registrar and one Personal Assistant to the Registrar.

9. Government maintain 15 Deputy Registrars from the cadre of provincial service who are equal to our Assistant Registrars. And now the appointment of one Deputy Registrar in each district

is under contemplation. There are 31 Assistant Registrars, and a lot of Inspectors doing field work. Their duties are distributed viz., Inspector of Audit, Inspector of Administration, Inspector of Non-credit societies, Inspector of miscellaneous works. Even the Assistant Registrars have got 4 clerks and the Deputy Registrars 7 in their offices. Apart from these, Government contributes Rs. 1,000 to the P. C. U., Rs. 3,000 to assist in the development of societies among depressed classes, and Rs. 37,000 as subsidies to Federations. The total allotment was Rs. 10,83,303. The Registrar got also some money at his disposal, out of which he made grants to libraries etc. In addition to all these staffs, there are still 21 Honorary Assistant Registrars.

10. I was told by the Hon'ble Mr. Ramadas Pantulu as well as other eminent co-operators that, whatever differences may exist between non-officials and officials, in working they are all one. They approach for any concession or grant with one voice. This view was also supported by Mr. Hood, the Registrar of C. S., who said that, in spite of differences among officials and non-officials, there is no difference between them in improving the economic condition of the people by their joint efforts. This seems to me a healthy sign and basic point of success.

11. From the above fact, it is evident that the Government has rendered full facility to co-operators to prove their ability to undertake responsibility with the result that hypocrits have no place and neither *Jeehajurbalas* have access.

12. The District Boards, Local Boards, Municipalities, Court of Wards and other institutions have accounts with the Central Banks concerned where they get interest on current account at 2½ per cent on a minimum balance of Rs. 50 and on fixed deposits at 4 per cent.

13. All security monies of contractors, employees etc., either under Government or local bodies are deposited in the Central Banks with the result that there is an overflow of money in every institution. Still anxiety on the part of Co-operators to float debentures and start land mortgage sections in every Central Bank is evidence of their business capacity.

14. Here, after struggle of several years by non-officials, Local Government authorised the employees of local bodies to invest their provident fund in Central Banks but I am afraid still it is in abeyance.

15. There is no doubt about the predominance of the land-holder class in every walk of life in the Province as well, but their advance study of Co-operation has expelled from their mind the misgivings of the movement and have become sincere Co-operators whereas in our Province it is just the reverse with a few exceptions indeed.

Recent Utterances.

I

SIR LALLUBHAI SAMALDAS.

Extracts from Presidential Address at the XVth U. P. Co-operative Conference, 26 & 27-1-1929.

During recent years, a note of dissatisfaction with the existing condition of the co-operative movement is noticeable in many provinces, both in the reports of the Registrars and of special Committees appointed for the purposes of general inquiry. This note takes, in certain cases, the form of pessimism and almost of despair and hoplessness. So long as this dissatisfaction is based on correct information and is expressed with the idea of removing whatever defects there may be within the movement for the sake of strengthening it and increasing its usefulness, such dissatisfaction is always welcome. In this mundane world of ours one cannot expect perfection, and if perfection was attained it might perhaps mean stagnation. The co-operative movement is no exception to the general rule. Even in countries where co-operation has achieved great success, reforms and improvments in methods of work and in details of policy are found necessary. In our country where the movement is comparatively of recent growth, steps will have to be taken at various stages to keep pace with the progress in the social and economic condition of the people. I would be the last to resent any criticism so long as it is made by men who have not lost faith in the movement, who criticize to help and not to destory or even to retard the progress. That in your province, perhaps, there is greater pessimism than in others appears to have attracted the notice even of your Ex-Governor, Sir William Marris: for in his speech at the opening of the XIIIth session of your Conference, he said, " Do not let us make the great mistake of jumping to the conclusion that because co-operation has not yet had the success which was hoped for it, it is an ideal unsuited to the practical needs and conditions of the United Provinces."

It is not easy to believe that a movement that was sponsored by Simpson and carried on by Freemantle, Willoughby, Sir Atul Chatterjee, Maqbul Hussain and Rai Bahadur Misra could be based on unsound foundations or was being worked on unsound lines. Very often, when we examine the growth of a movement and are dissatisfied with it we seldom try to go very deep to find out the real reasons why the movemen was based on lines which seem at present unsound to us. We are unusually satisfied with the superficial causes and, not having diagnosed the disease correctly, suggest remedies which are not really curative, but are ameliorative and affect the symptoms only. * * * *

Having been accustomed to see agriculturists as owners of the land in Rayatwari tracts, it occurs to me that one of the reasons why your primary societies are not as strong as those for instance in the Punjab, Bombay and Madras, or have not proved as successful as the Oakden Committee wanted them to be, may be due to the land revenue system of the province, to its effects on the economic, social and educational conditions of the agriculturists, and on their mental outlook. I do not propose to enter into a dissertation on land tenures, and their influence on rural prosperity. But I cannot help observing that it would be against human nature to expect tenants to show the same interest in farming as peasant proprietors. Then, the ultimate security for co-operative credit societies being poorer, rates of interest are higher, while the provision of adequate finance or long term credit presents a problem of serious difficulty. Lastly, the educational level and the spirit of freedom of action are bound to be less prominent than in areas where agriculturists are proprietors of their lands. * * * *

There is undoubtedly awakened the latent spirit of social service in the country amongst the educated people. Young men of the present day, in all parts of the country, are anxious to be of use to their countrymen. They need guidance. That guidance can come either from sympathetic officials or from trained non-official workers, and better still from both working for the common cause. But the non-official workers either in the field of social service or in the field of co-operation will join hands with officials only on terms of equality. They now resent being spoken to in a patronising spirit and until the official mind recognises this fact and is prepared to accept their help as equals, it is very difficult to secure co-operation between these two different classes of workers. Unfortunately, the bureaucratic mind is the same all over the world. Men, who have got power become so enamoured of it—and I speak with personal experience of many years as an official in an Indian State—that they do not like to part with it, and if others ask for their share in that power and responsibility even with the idea of helping them in good work, such demands are often resented by the official mind. I feel justified in making this remark on account of what the President of the last Registrars' Conference said in his closing speech with regard to the constant demand of non-officials for the de-officialization of the movement. He practically challenged them to show if they had gone to the villages and actually worked for the improvement of the conditions of the villagers as officials had done. The first answer to that challenge would be that officials are paid to do their duty and if they work amidst the villagers in the real missionary spirit as a few of them certainly do, they ought not to ask for gratitude in return. If, on the contrary, they do not move about in the villages

and talk to the agriculturists as equals, we have every right to criticise their slackness or want of sympathy. Nor have they the right to criticise others who, after toiling to earn their daily bread, find both time and means to help their poorer brethren. There are not lacking, at least in the provinces of Madras and Bombay, and in other parts of India as well, Co-operative workers representing Co-operative organisations and responsible to them who are as closely in touch with primary societies in rural areas as the officials of the Co-operative Department. A few of these may be drawing some remuneration from Co-operative banks and unions. But, there is a large number of voluntary workers who dedicate all their spare time to Co-operative work and enjoy in large measure the confidence and support of Co-operative institutions of all types who are proud to recognize these workers as their spokesmen and leaders. And it pains me very much to find a veteran Co-operative officer belittling the place of such non-official workers in the evolution of a truly national, popular movement. It is not in this spirit of criticism and resentment that officials can seek for co-operation from non-officials. Co-operation between these two classes of workers can only come, as it has come in my province, where officials of the Department are not only anxious to work with non-official Co-operators in a spirit of equality but are not ashamed to seek their advice on questions of general policy and even on other questions relating to the details of administration. As one who has worked in a friendly spirit with officials and seldom found trouble of this kind in his own Province, may I appeal to the officials present here and through this audience to officials all over India, of the Co-operative Departments specially, to forget for the time being that they are officials and as such are a class distinct and different from non-officials ? * * *

As your central banks are situated far away from the centre of the financial world and as their resources are limited, the management cannot come in direct touch with the financial and commercial movements even in your own province and cannot attract sufficient deposits at favourable rates. While fully justified in starting such a large number of banks in the early stages of the movement, it is time for you and the Department to consider whether these should not now either be amalgamated into large district banks with branches or affiliated to a provincial bank, to establish which recommendations have been made both by your Co-operative Conferences and by the Oakden Committee. If a provincial bank is to be started, let it not be a bank only in name to be under official control and to be managed practically by the officials of the Department. I believe there are some provincial banks where either the office of the bank is in the same building as the office of the Registrar or where the administration is conducted practically under his direction, the function of the boards of directors being mainly confined to general supervision and the control of the policy. And if it is made a deliberate part of the policy to avoid contact with men in the leading ranks of business or public life, we find that Government have to come to the help of the banks by giving them the services of highly paid financial experts. This type of provincial bank will never grow into a strong financial institution to be managed by non-officials if not now at some future date. Spoon-fed institutions never attain the requisite strength. Nor will such institutions attract the services of capable financiers or strong business-men as directors. In some rare cases, where such a business-man has full confidence in the capacity of the Registrar, he allows his name to be used as a director to give a sort of strength to the movement, making it clear at the same time that he has no time to spare for this kind of work. If you decide to start a provincial bank, do it on business principles only. If the directors of the smaller existing banks are prepared to accept a scheme of amalgamation, it will be best that the assets and liabilities of these banks as settled by a capable auditor be taken over by the proposed provincial bank. In that case, the apex bank may keep branches at the headquarters of these banks with some of the present directors as members of local advisory boards. The branch system has worked very satisfactorily in Bombay and whatever the theorists in Co-operation might say, it has rendered very great assistance to the members of the societies under these by providing facilities for prompt finance as has been testified by successive Registrars in Bombay. I throw out this suggestion merely for your consideration so that you may decide for yourselves as regards its suitably to local conditions. * * * *

The Royal Commission on Agriculture in India have given in their chapter on Co-operation a table showing the extent to which the rural population in the different provinces have been reached by the Co-operative movement. It is seen from that table that the United Provinces stand last as regards the proportion of members of agricultural societies to families in rural areas. This percentage is as low as 1·8. If we take the agricultural population as 70 per cent (which is not a high estimate) of the rural population, the percentage will work out to about 2·6. This shows that the movement has not even touched the fringe in your province, and the correct attitude in such a case would be to organise new societies side by side with carrying on the work of improving the old societies that are not up to the mark and dissolving those which are so bad that it is hopeless to expect to improve them. To say that, "we want not new organisations but re-organisation" is almost tantamount to declaring the co-operative movement in the United Provinces to have been a failure. * * * *

The main object of the Department and the non-official workers should be to strengthen the primary societies and to start new societies only in areas where preliminary propagandist work has been done to train up agriculturists in the principles of Co-operation, and where it is possible to get one or two men to keep accounts and to write down the proceedings of the Panchayats. * * * *

But we cannot afford to give up the idea of further progress of the movement till we have imparted education to the rural population. We

in this country are so backward as regards education and as some education is absolutely necessary as a foundation for all our social and economic activities, the only solution possible that naturally suggests itself is compulsory primary education of the masses. * * * *

I personally believe that it is the duty of the Government as the supreme landlord to see that the raiyats in the villages get all the advantages that the urban population gets in towns and cities. The agriculturist pays a greater percentage of his income as tax (in the form of land revenue) to Government than a resident in urban areas does, and it is the duty of those of us who want to raise the economic condition of our agriculturists to press Government to do their duty towards the agriculturists. * * * *

It is the duty of those who believe in the necessity of the introduction of this system in this country, specially in the villages, to din it into the ears of Government whenever such an opportunity offers itself. As it might take years to introduce this system all over the country, even if Government make up their mind to do so now, we must as practical men find out the best way of carrying on the work of education and co-operation in the meanwhile. Adult literary education, chiefly for members of the co-operative societies in selected areas, will prove useful especially now when education is neither compulsory nor universal. * * * *

But till that is done, do not please stop the further progress of the movement merely because there exist within the movement some hopelessly bad and many imperfect societies.

If we recognize the necessity of providing training for secretaries of village societies, for managers of banks, for supervisors and inspectors, we must try to find out the best way of carrying on this work. The Royal Commission suggest that Government should do this work and pay for the same. But they also suggest that if the present financial conditions do not allow Government to finance both training and audit work, the former should be given preference. * * * *

Bombay and Madras are strongly in favour of the audit of primary societies being conducted and paid for by the Government. The only *via media* would be that a non-official body, by whatever name it is called, should be created to take charge of the training and propaganda work and also of advising the officials as regards the general policy to be followed by the movement. Bombay, Madras, Bihar and Bengal have such institutions and there is no reason why the Provincial Union you have recently started in your province should not develop into a strong federal agency, interesting itself particularly in the work of Co-operative propaganda and training. If it does its work properly, I am quite sure your Government will be the first to give a grant-in-aid larger than what is allowed under the grant-in-aid rules. Here also officials and non-officials can join hands. As regards higher training to be given to bank managers, the professors of the colleges of arts can render valuable help in giving lectures in economics and banking, and bankers and chartered and incorporated accountants in the province can deliver lectures in banking and accounts. If we non-officials want to share in the work of the administration, we must be prepared to share the responsibility also; and I am confident that if an appeal is made to the leading non-official citizens in your province and attempts made to get them interested in our movement, you, who have splendid resources in your five Universities, will be able to carry on this work much better perhaps than in other provinces.

The co-operative movement till now has mainly tried to provide to the agriculturists facilities for their annual agricultural operations and even in this direction very little systematic work is done in some provinces. This, however, is not the main work of even rural credit societies. The complete programme must include the liquidation of the existing debts of the agriculturists with the idea of bringing them fully within the field of the co-operative movement. For this kind of work, the existing ordinary co-operative societies or the central banks will not suffice. We must have special institutions such as land mortgage banks for that purpose. The Royal Agricultural Commission have laid down a definite policy for the establishment of such banks. The Registrars' Conference has gone a step further and has passed a resolution asking Government to proceed with this work and suggesting not only a guarantee of interest on the debentures but in certain cases also the purchase of debentures. * * * *

We do not want Government to find all the money nor do we want them to do the banking work, but we want them to do their bit by guaranteeing interest or purchasing some debentures and by helping the new institutions administratively and, if need be, by suitable legislation also. * * * *

His Excellency Sir Malcolm Hailey, in his foreword to Mr. Brayne's Book on the work done by him and his helpers at Gurgaon, gives reasons why similar attempts have not been made till now in the Punjab. With his perspicacity of intellect and capacity of seeing through men's minds and with his intimate knowledge of the official work, Sir Malcolm Hailey says: "There were many who not unreasonably feared the result of preaching to the villager that discontent with his own conditions of life which was necessary to his improvement." To those who have been watching the poor economic, educational, social and hygienic conditions of people living in the villages and the manner in which they carry on their almost miserable life with contentment, Sir Malcolm Hailey's remarks will appear to be perfectly true. It is a fact that both officials and non-officials have not yet the courage to shake the people out of their contentment and teach them to aspire for a better, cleaner and healthier life—a life of human beings and not of animals—and more human living. There is no doubt that there is a fear in the minds of most officials and some non-official workers also that if once this hydra-headed giant, the

peasantry of India, was awakened to the evils from which it has so long been suffering, things might look bad both for Government and for those upper classes that do not suffer from similar evils. The world can now be divided into two classes, the "Haves" and the "Have-nots." Society as at present constituted consists primarily of the "Have-nots" and if this majority decide to obtain their share from the "Haves" even by force, one wonders what the result of such an upheaval would be. At the same time, it is not possible to keep down the vast masses of the people in their present low state of living for all time to come. The awakening is bound to come sooner or later, and it will be better for both if those amongst us who understand this situation undertake to guide them in this awakening and lead them on to the right path of progress. Not only shall we help to preserve society, but we shall be doing a real service to our weaker brethren who need such help and guidance. I think the co-operative movement is the only movement that can solve this problem of the struggle between the two classes of people, and when I talk of the co-operative movement, I do not mean co-operation in its narrow and technical sense but co-operation on its moral side which infuses a spirit of brotherliness and mutual trust amongst its workers. If we put co-operation on a higher level and do not confine our views to the narrow field of rural and urban, or credit and non-credit societies, we can serve our country by keeping off revolutionary influences and by helping our brothers to lead happy and healthy lives full of peace and goodwill towards their brothers. The question is whether we and our younger generation will rise to this ideal. I still have sufficient spirit of hopefulness left in me and I pray that we all may be able to carry on the work which we have already begun in our own humble manner.

ETERNITY.

I would love you
Through all things.........
When your favours fall on me
I love you;
When you hurt and wound me
I love you;
Tear away my lips and eyes
I will love you;
Tear away my ears
I will love you;
Tear my heart from out of my breast
I will still love you;
Take my life—then I should have
A soul you cannot steal
To love thee for eternity.

LELAND J. BERRY.

II

Mr. A. RAMASWAMI MUDALIAR, B.A., B.L.,

(President, Corporation of Madras)

Summary of a lecture on Co-operation

On the invitation of Mr. E, S. Ganapathy Iyer, Mr. A. Ramaswami Mudaliar delivered a public lecture at the Hall of the Erode Urban Co-operative Bank on "Co-operation". The lecture was well attended by those interested in the co-operative movement. Mr. E. V. Ramaswamy Naicker was in the chair.

Mr. A. Ramaswamy Mudaliar began his address by saying that he was just an outsider who had very little to do with the intricate system of co-operation and what he was going to say was only in that capacity and not as an expert on the subject. Anyhow it was good that outsiders also should come and address them on the subject so that they might listen to what an outsider thinks of the movement. It was only from this point of view as an outsider who wished to be frank in his criticism that he ventured to appear before them that afternoon.

The subject of Co-operation was a subject which had attracted immense attention during the last 25 years. For nearly a generation now, India in general and this Presidency in particular had various phases of the co-operative movement before it and the movement had spread to a great extent. Whether it was due to the habits of the people, to the old village system, or whether it was due to the personal hand of the Director of the movement, whatever the reason might be, it was certainly a forceful movement and it could not be gainsaid that, so far as this Presidency was concerned, co-operation was essentially a successful movement. It has spread from village to village and from District to District and though they might bear ramblings of discordant notes here and there as a matter of fact, the movement as a whole has done immense good.

With reference to the activities of the movement in this presidency the learned lecturer said that the movement had taken the form of loan societies and it aimed at taking out village indebtedness and freeing the agriculturists from the grip of the usurer. This was how the movement began. Granting of loans was the most fundamental part of most of the co-operative societies and he asked himself how far it had displaced the village money-lender and contributed to the prosperity of the villager. Whatever might be the experience in Coimbatore, he might say this from his knowledge of the working of the societies in Madras and the neighbouring districts that wherever he had gone he had found this phenomenon that loans were given out to villagers; but their indebtedness

continued the same as before, and this aspect had struck him forcibly. The habit of thrift was expected to be developed by the societies, and that alone would bring them accumulated prosperity. He then referred to the sufferings which the villager had to encounter at the hands of the usurers who, taking advantage of the villager's poverty fell upon him for what was due to them and tried to destroy him. Instead of following this principle, he would ask the co-operators to be always on the watch on their creditors, get from them money in what little sums they could and not to press upon the debtor at a stretch for repayment in one lump sum. As regards the proposal recently gaining ground that the middlemen should be eschewed altogether, he was of the opinion that the principle was the direct negation of the whole system of the movement. There was not one country in the whole world which wanted to step in and cut every middleman away from his vocation. The spirit of co-operation was the spirit of "love they neighbour as thyself" and bearing that spirit in mind he asked what the idea of eschewing the middleman meant? Was it not a direct negation of the idea and ideals of the movement? The movement was not started with a view to eschew the middleman but, as he marked in at the beginning of his address, it was meant to redeem the villager of his indebtedness.

Adverting to the recently developed tendency of modernising the movement and its offices, he pointed out what a great merchant who had done business worth millons had told him, and he appealed to them all not to lift themselves up out of the carpet and the pillow to the table and crockery, because as he said the very fundamental basis of the movement was to foster a spirit of thrift. The society was meant primarily for the poor villager and he need not be threatened with great styles and ideal office rooms.

There were other phases of the movement, continued the lecturer. If only the departmental enthusiasm towards weeding out middlemen with reference to the trade was diverted to help the agriculturist, he felt that a great deal of good could be done. At present land was very much cut up. Every generation was inclined to the view of partition being effected in the family so much so that the land was further cut up. In other provinces similar difficulties did not arise. The perpetual division that was going on by leaps and bounds owing to the system of joint family breaking up and dividing of the family made it necessary that some agency must step in, in order to get away that cutting. A former Minsister of Development had promised some steps to be taken in this direction, but what had happened to that proposal, whether it had been scrutinised by any officer in Secretariat or by the Departmental head, was a matter of which he was not in a position to say anything. The force that was working for individualism was such that some agency must hasten to stop the cutting up of the land and thus save the people. He felt even non-official agencies could work in this direction.

Concluding his lecture, Mr. Mudaliar said that quite recently a great deal had been said about education in co-operation, about schools being started for the future workers of the movement. He was entirely in sympathy with any education which might be offered for the proper equipment of the work. But he felt first and foremost that the spirit of the co-operative movement ought to be there, the spirit of "love thy neighbour as thyself." He felt strongly that they should manage such institutions themselves and they should not depend for a moment on the Government. The blending of the official and the non-official in the management of the school or its working was not conducive to the interests of the institution and he would protest against any such dyarchical system being introduced therein. For taking this view he had been severely criticised in the past; but all the same, he stood yet to be converted to the other side. He thanked them in conclusion for the patient hearing they gave him.

Mr. E. S. Ganapathy Iyer, President of the Bank, translated the lecture into Tamil and he added that Mr. Mudaliar's lecture was not like one of an onlooker as he would have them believe, but it was a masterly and thought provoking address. He was in entire agreement with what Mr. Mudaliar had said and he felt sure that if all the Congressmen who were working, with what fruitful results he did not know, for the country, had only diverted their energies and time to the working of the co-operative system, he could guarantee them that they would get Swaraj within a period earlier than they would otherwise have.

III

THE HON'BLE V. RAMADAS PANTULU.

Summary of a Lecture on 'Agricultural Economics.'

Addressing an audience of students on the 29th August at the Loyola College, Mr. Ramadas dealt with the problems connected with the land revenue reform and exhorted the students to take a keen interest in matters relating to agricultural economics.

He said :— Agricultural economics has been neglected by economists both in colleges and legislatures. Agricultural economics is practically unknown in India. In this country, Agriculture is not so much a business. It is a mode of living. The large amount of capital which is invested is land itself. There is no capital or labour applied in the true sense of the word. The farms in India are absolutely dissimilar to the farms of the other countries. Most of them in India are uneconomic holdings in the sense that they leave just enough by way of produce for the man's sustenance. Capitalistic business and capitalistic investment in farming are practically unknown to India. Lastly, there is no form of accountancy for farm budgetting. On account of these handicaps, it has not been able to collect either for the State or for the profit of Research agencies any reliable statistics about agricultural economics in the sense it is understood in other countries.

NECESSITY FOR OVER-HAULING.—But the time has now come when it could no longer be neglected, because Agriculture, which was being pursued as a hereditary occupation without competition, is a thing of the past. There is a serious competition from the other countries. Therefore, unless people came forward to make it a more paying concern, it would not be possible for them to live any longer. The administrator is purely interested in the fiscal aspect of land tenure. Ultimately the landlord in this country is the State which received the land revenue. In between these two, there are various middlemen to whom a portion of the produce goes. While the Government goes on changing the holdings to ensure easy and safe collection of revenue, the jurist is always looking at the historical side of the relationship between landlord and tenant.

Sooner or later a through overhauling of the land revenue as between the State and the subject and also the holding of the tenure has to be made.

EVILS OF FRAGMENTATION.—There are difficulties in the establishment of land mortgage banks or co-operative credit because there is absolutely no hope of getting any security from the tenant. The problems of rural indebtedness and agricultural finance could not quite easily be solved without solving the question of tenure. Therefore, we have to see what revenue has got to be incorporated into law regulating the tenures in order to improve the economic condition of the ryots. They should carry on the reform in such a manner that the cultivator enjoys economic freedom. That is the aspect to which legislators must devote more time and attention when they legislate on land tenures. The appalling rate at which fragmentation of holdings is going on has adversely affected agriculture from an economic point of view. The Royal Commission has said that the Hindu and Muhammedan laws are responsible for the evil. That might to some extent be true, but not entirely. The law has been there for many hundreds of centuries and yet the evil had not been removed.

The trouble arose with the British administrative policy. The policy of the British Government is to collect revenue from each individual holder. When one pattadar sells land to another, the man who purchases the land is given a separate pattah and the land is divided into a separate sub-division. In the olden days cultivation of holdings was carried on jointly. The system of community of life was in existence till recently till the ryotwari revenue settlement and pattah were introduced. The Government should see whether they could not prohibit sub-division beyond a particular extent in order to put a stop to excessive fragmentation which would not at all be remunerative.

DETERIORATION OF CATTLE.—There is another illustration to show how an uneconomic form of tenure had a great deal to do with production. The Agricultural Commission has said that cattle had deteriorated and it has to be improved if agriculture should be improved. It was perfectly a good observation. But nobody has yet investigated why cattle had deteriorated. In olden days, in every village there was a common pasture or grazing ground. It was the common property of the villagers. When the cattle was not wanted in the field, they were sent to those waste lands. But now all those waste lands have been assigned as pattah lands and converted into arable lands. If we have a system of village pastures and grazing ground, the cattle would not deteriorate. An irrigation law defining the rights in water as between the landlord, tenant and the Government is absolutely necessary.

There is a necessity for having an agricultural research bureau on the lines of the Bureau of the United States of America, where they had tackled the question of the effect of tenure on productivity and the relation of crop produce to the way in which a man held his land. Questions like these require careful investigation. The recent events have shown that India's productivity is going down. Compared with other countries, India is producing far less and this is due to uneconomic tenures. We are unable to compete with other countries, because there the soil is very fertile.

The lecturer in conclusion said that unless the ryots in villages got economically better, no Swaraj was possible.

REV. BASENACH'S REMARKS.

Rev. Father Basenach, who presided over the meeting, said that they were fortunate in having as their lecturer a person who was both an economist and a lawyer. While he agreed with the lecturer in almost all the points, he doubted whether the conservation of forests and the conversion of waste lands into arable lands would not be more beneficial and remunerative to the ryots than allowing them to have access to forests for fodder and fuel and to the waste land for the grazing of cattle.

Mr. L. Govindarajan proposed a vote of thanks and the meeting then terminated.

(Swarajya, 30th August.)

The XVth United Provinces Co-operative Conference.

Jaunpur, 26 & 27-1-1929.

RESOLUTIONS.

1. "This Conference recommends to Government that early steps be taken to give co-operative finance a provincial status by organising a Provincial Co-operative Bank."

2. "This Conference recommends to Government that steps be taken to establish land mortgage banks in the province at an early date."

3. "This Conference recommends to Government that a board of economic enquiry should be established in this province at an early date in accordance with the recommendations of the Agricultural Commission and attached, if possible, to the Co-operative department."

4. "This Conference recommends to Government that a marketing officer be appointed at an early date to make a detailed inquiry into the conditions of marketing agricultural produce and suggest the best practical methods for the Co-operative organization of marketing and that open markets be started thereafter in suitable places as recommended by the Agricultural Commission."

5. "This Conference recommends to Government that suitable officers of the Agricultural Department be attached to the Co-operative Department for purposes of propaganda and helping and guiding the co-operative staff in technical agricultural matters."

6. "This Conference recommends to Government that a suitable office building be constructed at an early date for the Registrar, Co-operative Societies, with sufficient accommodation for the office of the United Provinces Co-operative Union, Limited."

7. "This Conference recommends to Government that it may charge interest at the rate of 5½ per cent per annum for the sum that it places at the disposal of Central Co-operative Banks for being advanced to Industrial Co-operative Societies, and the Central Banks may charge 7½ per cent from the Societies, which may charge the members up to 9 per cent."

8. "This Conference recommends to Government that (a) loans be advanced at 5½ per cent to Co-operative Housing Societies repayable in 20 years, and (b) that land be also acquired under the Land Acquisition

Act for the use of Co-operative Housing Soeieties if and when a request is made to that effect in case of necessity."

9. "This Conference recommends to Government that it should expedite the framing of a rule exempting Co-operative Societies from local taxation by municipal and district boards."

10. "This Conference recommends that municipal and district boards may kindly help in the organization of Societies for their employees, particularly for scavangers and sweepers working under them."

11. "This Conference recommends that intensive propaganda should be undertaken in a selected area to enable a Society to be started for the sale of agricultural produce."

12. "This Conference recommends that special audit officers should be entertained for the audit of societies whose working capital is more than one lakh and that such special officers be authorised by the Registrar to carry out the audit under the Statute."

13. "This Conference recommends that a regular training class be started for bank accountants and office managers, and persons who do not possess certificates of training should not, in future, be appointed to these posts."

14. "This Conference suggests to Co-operative Societies to ask their members to maintain, as far as possible, detailed accounts of all their income and expenditure in connection with their farms and place them at the disposal of those deputed to make inquiries into such matters."

Consumers' Co-operation

TWO SUCCESSFUL STORES IN OUR PROVINCE

BY, PROF. S. K. YEGNANARAYANA IYER, M. A.,

GENERAL

There is a general belief that the co-operative store does not thrive on the Indian soil. It is certainly an inherent defect in the country; but it can directly be traced to the absence of congenial circumstances for the growth of such an institution. Given a locality where you have a large floating population able and willing to pay cash for their requirements and intelligent enough to understand and appreciate the advantages of combined action, a co-operative store is sure to succeed as in the city of Madras.

There are other places in our Province where stores have been conducted successfully though not to the extent that Madras has been fortunate enough to accomplish. We shall attempt to study the working of two such stores situated wide apart from each other.

(1) THE KODAIKANAL STORE

The Co-operative store at Kodaikanal, the pleasant hill station of the Palni hills, has been in existence for 10 years. Its Tenth Annual Report was adopted at a meeting of the general body held on Monday the 20th of May 1929. It has a membership of over 200 and a paid up share capital of Rs. 30,000. It has put up a fine building of its own costing about Rs. 15,000. Its members are mostly the English and the American inhabitants of the hill station with a handful of Indians. The following peculiar features of the working of the institution deserve particular attention :—

(1) Its official year closes with the 31st of December so that its annual report and audit order may be considered at a general body meeting in May when members are expected to be present in large numbers. Formerly it ended with the 31st of March and, this change having been brought about last year, the report adopted at the recently held meeting was for 9 months and not for the full year.

(2) It sells freely to non-members. Out of its whole sales of over a lakh of rupees during the last year (9 months) the purchase by members amounted to Rs. 57 thousands and by non-members to 46 thousands. But the non-members get no rebate upon purchase and that amount is added to the Reserve Fund.

(3) There are 3 Departments, one an oilman store intended mostly for the foreign population, a cloth department containing woollen stuff greatly in demand and a provisions store for Indians, selling rice, pulses, sugar and other articles. Each has its own staff and there is a Manager to Superintend the whole.

(4) The buying and selling is not always for cash. The store gets its requirements mostly direct from England or America and money is remitted to the supplier on the receipt of goods. Sometimes advances are given to suppliers and accounts adjusted later. Members generally keep trading deposits with the store and every time a purchase is made the amount is debited to that account; but they are allowed to overdraw at times.

(5) The Directors (five in number) who are ultimately in charge of the working of the store and who take stock once a quarter and meet also once a quarter are paid some remuneration. The Secretary who is elected from among the directors and who is in direct charge of the day-to-day working is also paid and it would interest the readers of this Journal to note that the 5 directors got Rs. 505-4-0 and the Secretary got for himself another Rs. 505-4-0 out of a net profit of Rs. 5,052-9-0. It means that the Directors take away 20 per cent of the net profit. This of course is in keeping with the English practice. In India, however, people look upon co-operation as a philanthropic activity and not as business and hence the practice of paying for work done has not yet been accepted. The famous T. U. C. S. which does business to the extent of over 12 lakhs of rupees a year has only recently accepted the principle of paying conveyance charges to its directors when they come to attend the directors' meeting at the Headquarters.

This matter of remuneration to Directors is not quite approved by the department and the Deputy Registrar has been recommending the deletion of the bye-laws allowing this; but even at the last general body meeting where the question was considered, the Deputy Registrar's recommendation was turned down and the existing bye-laws were allowed to stand. That shows the practical mentality of the members.

(6) On account of these items of expenditure rebate on purchase comparatively low. Last year it was only one pie in the rupee, and it has never gone higher.

(7) The store is not affiliated to any other Co-operative organisation. It has a portion of its Reserve fund invested in the Madura-Ramnad District Bank; but it has taken no shares there and is not a constituent member of the Bank. It has not affiliated itself to any supervising union or the District Federation of Madura or the P. C. U. It subscribes for no Co-operative journal and it has dealings with the Co-operative Movement of the country at large only through the Department.

On the whole it seems to be serving a useful purpose and is popular. I am credibly informed that it has brought down the prices of many articles which were formerly being sold at a high price in the branches of the Madras capitalistic firms like Messrs. Spencer & Co., Wrenn Bennet & Co.

(2) THE CO-OPERATIVE STORE AT PERINTALMANNA

This small store situated in a portion of the Malabar District which was very much affected by the Moplah Rebellion deserves special praise. It is said that with the Russian Revolution almost all the old institutions went under but the Co-operative stores alone were able to stand and have been growing after the restoration of peace and order. This little store has a similar record. Most of the credit societies in the neighbourhood have been terribly affected. Many members have been shot or hanged or deported or are in jail or have absconded. But the store's flag has been kept flying all the years. Its transactions do not run to big sums; but it is run on very good sound lines. It sells its article at the market rate. "Good articles, correct weights and measures, moderate price" is the motto of the management. It used its small share capital of Rs. 1,653 twenty times over during the last year and did business to the extent of over Rs. 34,000 and distributed as bonus on purchases the comparatively magnificent sum of Rs. 1,048-12-7. After paying a dividend of $7\frac{1}{2}$ per cent on the paid up share capital, it was able to declare a rebate of 6 pies in the rupee, a unique record in the store line in India. The secretary gets an honorarium and the staff got last year one month's pay as bonus. It has got a Reserve Fund amounting to Rs. 1,384-11-5. When we remember that last year's addition to the reserve fund was over than Rs. 340, we can easily foresee that next year the reserve fund would exceed its capital!

Well done! Perintalmanna!!

Go ahead along the same lines and goad many a languishing store into activity.

Correspondence.

I

SUBJECT :—LOCAL FUND EMPLOYEES AND CO-OPERATIVE SOCIETIES.

To,

THE EDITOR

Dear Sir,

G. O. No. 3368 L and M. dated 18-7-1929 is, I fear, a surprise on the Local Fund Employees, especially teachers, to whose earnest and sincere efforts, the present position of the co-operative movement is, at least, in some decent measure due. Bnt the Local Fund Employees who have dedicated their lives to the sacred cause of promoting the movement will, I assure you, suffer nothing personally by this G. O. Yet, it would create in their lives a void which it would be hard to fill with any other work equally seifless. It must be remembered that greater is the suffering of the movement and the societies that work under its auspices. The G. O. removes, from the co-operative field, a band of enthusiastic workers whom it would be hard to replace at once. It denies to the movement the rich experience of a host of selfless workers who have come forward even at the risk of their health to promote Co-operation. The G. O., it is clear, is simply an extension to the Local Fund Employees of the limitations to which Government servants are subject. But, I fear that this step is calculated to retard the progress of the movement which is still in its infancy. Almost all rural societies and many urban ones have on their directorate and various committees Local Fund Employees, mostly teachers, and I am sure that this G. O. would affect their (societies) progress and position most adversely. If the Government is earnest that the co-operative movement is to do any tangible work and believes that it should form a vital factor in the nation reconsstruction scheme, the G. O. must be immediately cancelled. This elaborate plea is not so much on behalf of Local Fund Employees as in support of the movement which owes its present position to the efforts of the Local Fund Employees who guide it ; for the Local Fund Servants who may temporarily feel the loss of the hobby will easily reconcile themselves to their idleness forced upon them by the G. O.

K. S. CHENGALROYAN.

II

SUBJECT :—CO-OPERATIVE SOCIETIES AND THE FISHERIES DEPARTMENT.

To,

THE EDITOR

Dear Sir,

Public opinion among the Arayans and Mogers of the coast is very much excited on the question of the Fisheries Department exercising control over the Arayajana and Mogers Co-operative Societies. One fails to understand why the Assistant Director of Fisheries at Calicut is very anxious to get these Co-operative Societies (especially which are quite independent of the Fisheries) under the departmental control of the fish-curing yard officers. Dyarchy is condemned everywhere now in India ; but strange as it may seem, the Arayans and Mogers appear to have the misfortune of their societies being forced to accept the dyarchic control of the Co-operative and Fisheries Departments ! At the recent meeting of the District Co-operative Federation a resolution has been adopted to the effect that the officers of the Fisheries Department should be authorised to inspect and control the Arayajana and Mogers Societies which have nothing to do with the Fisheries Department. This dual control will hinder the cause of the Arayans and Mogers. It is very doubtful whether the staff of the Fisheries Department has had co-operative training and whether any useful purpose will be served by investing them with authority to supervise the societies and to inspect their accounts. Such work is now done by the co-operative officials. In the absence of a complaint regarding the inability or inefficiency of co-operative officials, there can be no reason for co-opting the authority of the Fisheries Department.

Now the cry is for handing over power and responsibility to the non-officials. Co-operative Movement is essentially a democratic movement. 'Representation' and 'Responsibility' are the watchwords of democracy. Do not officialise popular movements. Invoke the aid of public-spirited and well-informed persons of the communities. Let them do propaganda work. Let them be provided with a decent travelling allowance. Their services are honorary. Let these co-operators safeguard the interests of the Arayajana and Mogers co-operative societies with the help of the Local Unions and District Federation to which they have been affiliated.

Will the Fisheries Department make a kind note of this suggestion ?

PRO BONO PUBLICO.

III

SUBJECT:—INTEREST CALCULATION IN UNLIMITED PRIMARY SOCIETIES.

To

THE EDITOR

Dear Sir,

In the 9th resolution passed at the 9th Nellore District Co-operative Conference, the Registrar has been requested to amend the model byelaw 49 of unlimited primary societies in such a way that any amount remitted by a member before the due date is credited towards the principal only. This 'unjust inconvenience' is common to all the primary societies dealing in credit whether their liability is unlimited or limited. Neverthless the byelaw itself is, in my opinion, quite alright and requires no modification to attain the desired relief.

The byelaw 49 *of these societies is framed thus*: -"When a member *from whom money is due* pays any sum, it shall be appropriated. The qualifying clause 'from whom money is due' is generally overlooked and hence the trouble. When will money be due from a member? It will be due on the date of repayment fixed at the time of issuing the loan, or when the society demands the repayment of a loan for any obvious reason stated in its byelaws.

As such any amount remitted before the due date cannot be money due from him but only an advance collection. According to the byelaw, only when dues are collected the amount should be credited to interets first which will be just and reasonable. On the other hand all advance collections must be credited towards the principal and principal only.

Mr. Hemingway has clearly stated this fact in his footnote to the model loan ledger of unlimited liability societies (please see page 239 of the third edition of the Madras co-operative manual). There he has written plainly that 'all sums received before the due date should be credited to the principal, while sums received after the due date should be credited to interest, the balance, if any, being credited to principal.

So I hope that the panchayats, supervisors and inspectors of these societies will take due note of this fact and see that the above method of calculating interest is followed in these primary societies to remove their members from this unjust inconvenience.

KARA VENKATESWARA RAO,

Sreekakulam, Kistna District.

Extracts.

MUTUALITY CLUB AND ITS ADVANTAGES

I

CLUB TRADE—WHAT ABOUT IT?

BY JAMES MYLLES.

Grant Allen showed a shrewed knowledge of his fellow-men when he uttered the advice: "If you can't be a prophet yourself, don't be one of those who stone them."

Some of the sharpest stones strike the pioneer in the back, and all he can do is to plod on in the knowledge that the blows from behind will gradually become more feeble as his pace increases. He lives on in the hope that one day all his attention can be given to the difficuties and opposition ahead.

To those who believe that the co-operative system of trade will ultimately replace private competitive trade (and for what other reason does the Co-operative Movement exist?) the rate of progress is sadly slow. Every town can show the progress made by the trade of private enterprise year by year. The shops get bigger, the business greater, the facilities better, the buildings finer, and the official statistics reveal new companies with new capital increasing at a record-breaking speed.

The co-operative position was summed up by Mr. W. J. McGuffin, J. P., at the Belfast Congress in 1926, when he said:. "We are trading with mechanical regularity a highway well worn by the fact of our predecessors, but the pathfinders are blazing no new trail."

The estimated potential retail co-operative trade in the country is round about £2,000,000,000 per year, while the actual trade is about £ 2,00,000,000. So the co-operative enthusiast has plenty of material on which to nourish a conquering, creative policy of aggression.

Some six years ago the London Society decided to experiment with a system of weekly payment clubs in connection with the dry goods departments. Commenced first in one section of the area, it was extended to the whole area of the society after a six months' trial. While not a "new trail" so far as a method of trade is concerned (the system of weekly payment club has been a feature of private trade for many years), the adoption of this method was new to the Co-operative Movement.

It would be too depressing to recall the reception accorded to the mutuality club of the London Society when its existence became widely known. Articles in the Co-operative Press, speeches at conferences, and letters from all quarters contained statements that are best forgotten, but there were very few to offer a word of encouragement to those prepared to venture forth in the conquest of more trade for co-operative societies and more employment for co-operative factories. The management committee of the London Society pursued their course without fear, and the growing success of the club method, together with the inquiries received from other societies, brought its own reward to those who had pioneered the idea.

As the club developed, the theoretical objector was answered by the practical demonstrator, and it is an interesting study to watch the attitude of mind adopted by the average individual who comes to find out the workings of the club. One would expect the eager inquirer to ask: "What aggressive policy do you adopt to capture the perfectly sound club business now being done by private traders' clubs?" or "What definite percentage of increase in club trade do you budget for each half-year," but *instead* of these creative questions, the inquiry usually is, "What *about* your losses?" (the student of the history of co-operative progress will find an answer to most of his problems in that paragraph).

Those who worked out the details of the mutuality club assumed, while adopting the usual business precautions, that co-operators were at least as honest as any other section of the community. That attitude has been abundantly justified, and it has been put on record more than once that, so far as the London Society is concerned, its bad debts do not exceed 1sh. 4d. per £100 of sales. That figure will be still further reduced as the club proceeds, and one society in the Southern Section has achieved the magnificent result of £150,000 of club trade without the loss of a single penny.

The opponents of the mutuality club have taken their opportunity to protest against the Co-operative Movement encouraging credit trading, and the pioneers of 1844 are brought out to justify their opposition. We yield ground to no one in our respect and veneration for the pioneers of 1844, but we frankly confess that we are not amongst those whose mental development is limited to the discoveries made up to that date. Will the cash trade exponents kindly tell us (quoting Co-operative Union figures and dates) just when the Co-operative Movement was an exclusively cash trading Movement? There is a section of the Union statistics headed, "Owing to the Societies for Goods," which appears to have been overlooked over a very long series of years before mutuality clubs were introduced. What has happened is that credit is now organised and regularised through the clubs which hitherto has been incurred by haphazard and surreptitious methods.

Many people still have curious notions about "debt" and "credit". The modern world could not exist without both. They are only terms used to denote ordinary business life. A debt is only a danger when it is an obligation you cannot meet, and not when it is an expenditure you

need not meet until a certain time has elapsed. To have the use of "credit" is a sign that the individual has the respect and trust of the business world, and is therefore a testimony to integrity of character, and not a disgrace. To argue that "debt" and "credit" are dishonourable is as foolish as to prohibit gas in private houses because some people have been known to use the gas for purposes of suicide.

But, of course, there is also the type of mind which objects to the working class having the same facilities for a full life as is the common experience of the other classes. Those who argue against credit trading in co-operative societies may, of course, only be using platitudinous platform perorations, as we have not heard of any refusal to accept educational grants from those societies who have departed from the strictly cash trade attitude. So the "crime" may not be so serious after all.

There is, however, a humorous side to the discussion. After a severe reprimand for daring to extend credit to working class families, our critics turn round on us and say that, if credit is right, then no limitation should be imposed! The C. W. S. bank has as part of its its policy the granting of money on loan. They should therefore grant anyone the loan of £1,000,000, if applied for! We might regard the absurd suggestion of "no limitation" as a mental aberration produced by an exciting discussion if the equally absurd suggestion was not made that the cost of collecting the weekly payment was added to the cost of the goods. Those who run the mutuality club on the same lines as the London Society will appreciate the joke, although our opponents may be very thankful to use that inaccurate information provided by co-operators to injure their own Movement.

The arguments (!) become more feeble each time opposition is raised. We believe that the mutuality club is definitely established as an integral part of our co-operative organisation and is one of the ways by which the gulf between actual and potential trade may be lessened.

We nearly forgot to mention that the mutuality club trade of the London Society for the year ended March 2nd 1929 totalled £1,000,000.

Perhaps our critics can quote some method of trade which they have inaugurated and which has produced the same addition to co-operative trade in twelve months!

II

Mr. H. J. MAY

Secretary, International Co-operative Alliance

(Extracts on "Mutuality Clubs" from his presidential address at the Torquay Co-operative Congress held in May last.)

In this connection there is a matter which at the present time is giving the co-operators of other countries some concern and that is, the practice of credit trading which is creeping into the movement under the title of 'mutuality'. At the Stockholm Congress, cash trading was placed in the first line of a strong resolution calling for strict adherence to our ideals. The Swedish Co-operative Movement insists upon the practice of cash payments not only in the sales of the society but also in its purchases. This is the Rochdale principle in its integrity. It may be worth nothing that the Alliance had already decided that this question shall be the subject of a special report to the International Congress which is to be held at Vienna next year.

Amongst our own kith and kin in Canada, the Distributive Movement makes slow progress. It is faced with the competition of mail order business of a highly organised kind, amounting in the case of one firm alone to tens of millions of dollars per annum, all of which is paid by cash with order, that is, days before the goods are delivered. What is the moral value of co-operative credit trading besides such an organisation? The use of the word 'mutuality' in such a connection is a gross abuse of the term which, in reality, connotes not only a fundamental instinct of humanity, but the spirit of co-operation itself. Considered economically, this new method of credit trading places a premium on thriftlessness and puts the loyal co-operator at a discount. Members of our societies are slowly discovering that the so-called 'mutuality' means in practice that those who pay cash are subsidising to the extent of not less than 6¼ per cent—and often more—those who mortgage the future to supply the perishable needs of to-day. 'Mutuality' clubs correspond to no true principle of Co-operation, but are rather a device to increase trade.

Change your business organisation, by all means, scrap out-of-date methods, adopt all the devices known to science and good business in order to increase your economic force and the success of your business. But, as co-operators, remain loyal to fundamental principles which can never become out-of-date.

III

MR. HENRY W. WOLFF ON MUTUALITY CLUBS.

A reply to Mr. H. J. May.

I want to thank you for putting your foot down with such determination against the deadly gangrene which seems eating its way into our consumers' societies in the shape of 'Mutuality'. I have received the last number of the 'I.C. Review', in which, to my great satisfaction and relief, I find you repeating before a wider audience your most timely fulmination against this specious devil in saint's clothing who, if not expelled, threatens hopelessly to corrupt one great branch of the great Co-operative Movement which is to reform the world. There is no anathema too strong against this invasion of the good co-operative principle. The prize that it holds out in the shape of filthy lucre is, as some of your supporters show, wholly deceptive. In any case I devoutly trust that in your fight against the foe you will prove successful.

Provincial and District News.

BOMBAY CONFERENCE OF CO-OPERATIVE INSTITUTES.—The adjourned session of the conference held in September last at Simla of all the apex co-operative institutes in the various provinces of India and Indian states was held in Sir Vitaldas Thackersay Memorial Buildings at Bombay on the 14th and 15th of this month, with Sir Lallubhai Samaldas as Chairman. At the meeting held at Simla it was agreed to have the All India Institute and a committee was appointed to draft bye-laws for the same. The draft bye-laws were sent to various institutes for their opinion and another draft was put up by the Hon'ble Mr. V. Ramadas, the convener of the Conference, in the light of suggestions received from the various institutions. The discussion of this draft constitution was the main business of the conference. It was agreed that the All India Institute be called All India Co-operative Institutes' Association. It was understood that its function would be mainly educative and advisory and that it would in no way interfere with the autonomy of member-Institutes. The membership would be thrown open to all apex institutions in the provinces of British India and Indian States and almost all of them have expressed their willingness to join the Association. Among the major provinces, only the Punjab has been keeping aloof and it is hoped it would also, ere long, join the Association. The Conference consisted of representatives from the Provincial Co-operative Institutes of Madras, Bengal, Bihar & Orissa, U. P., Central Provinces, Hyderabad, Baroda and Indore.

Sir Lallubhai Samaldas was unanimously elected as President of the newly-constituted All India Association, and the Hon'ble Mr. Ramadas and Rao Bahadur N. C. Kelkar (ex-Minister, C. P.) were elected Vice-Presidents. Professor H. L. Kaji of Bombay and Mr. S. K. Lahiri of Bengal were elected Joint Secretaries.

It was also resolved to publish a Co-operative Year Book for India more or less on the lines of the People's Year Book published by the Manchester Co-operative Union or the Year Book on Agricultural Co-operation in British Dominions published by the Horace Plunkett Foundation, London.

The invitation of the Bengal representative to hold the first All India Co-operative Congress at Calcutta was accepted and consequently the Congress will be held before the end of the current official year of the Association, (i.e.) from the first of October to the 30th of September. The next meeting of the standing committee in charge of executive matters of the Association will be held early in December at Nagpur and the standing committee will consist of office bearers already elected and the representatives of each member Institute at the rate of two members for bigger institutes having 4,000 or more societies affiliated to them and one for those institutes that have less than 4,000 affiliated societies.

THE GUJARAT PEOPLES' BANKS CONFERENCE.—The Conference was held on 30th June last under the distinguished presidency of Sir Lallubhai Samaldas and Diwan Bahadur Ambhashanker Uttamaram Malji was Chariman of the Reception Committee. About 100 co-operators were present and among the important resolutions passed was the emphatic affirmation of the need for Supervising Unions of Urban Societies and then a Federation of all the supervising unions after the latter are formed. The resolution regarding the organisation of co-operative societies for artisans and industrial classes had to be dropped as there was no unanimity of opinion as to whether the District Central Banks or the Local Peoples' Banks should to take an initiative in the matter

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A CO-OPERATIVE PRESS FOR THE ANDHRA DESA.—We understand from a recent telegram that the Directors of the Andhra Sahakara Sammelanam, at Bezwada, are taking active steps for starting immediately a Co-operative Printing Press, this being one of its chief objccts as per its bye-law No. 3.

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MADURA CO-OPERATORS' CONVERSAZIONE.—The members of the Association met in their premises at Naick New Street, Madura, on the 7th of August at 6. p. m. when Mr. P. Ramanathan, Advocate, Madras, was present. Many prominent co-operators of the Town took part.

Mr. Ramanathan traced the causes of infant mortality and the heavy death rate among Indians and said that a good supply of pure milk to the children and of nutricious vitaminous food to adults would solve the problem. He then gave an account of the origin and working of the milk supply unions in and around Madras, and also of the Vitamins Co-operative Society in that City. He deplored the non-existence of non-credit activities on any appreciable scale in our country and assured that when we establish consumers' co-operative societies everywhere in this country, then we can take up many other activities such as Building Societies etc. He exhorted the members present to work vigorously towards the establishment of vitamins societies and milk supply societies in Madura and the surrounding villages. The meeting then dispersed at 8 p. m. after a light social.

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THE MADRAS CITY CO-OPERATIVE PANCHAYATDARS' CLASSES.—In accordance with the resolutions of the Education Committee of the Madras Provincial Co-operative Union, in their meeting held on 1st August, the City Panchayatdars Classes were opened by the Hon'ble V. Ramadas Pantulu on Monday the 19th August at the P. C. U. premises, Royapettah. Four centres have been fixed and the classes are being held for five days a week in every centre every month in turn. Much enthusiasm is evinced by the panchayatdars of the several societies in the City, especially the depressed classes. Besides the ordinary lessons in accordance with the syllabus prescribed (vide supplement to this issue), special lectures are also arranged occasionally by prominent co-operators. During the past one month since the inauguration of the classes, lectures were delivered by Prof. S. K. Yegnanarayana Iyer on "Lives of Eminent "Co-operators" in all the four centres, by Mr. K. Parthasarathy Iyengar on "Co-operation in Slums" in two centres namely Royapettah and Mount Road, and Mr. V. Manicka Mudaliar at the Pachayappas' College on "Benefits of Co-operation". The 2nd month's course has been going on. The first special lecture on "the Management of a Co-operative Society" has been already delivered by Rao Sahib T. Srinivasa Rao and an occasional lecture on "Co-operation and citizenship" was also delivered by Mr. N. Satyanarayana of Alamuru in Purasawalkam and Abbas Alikhanpet. It is hoped that the members and panchayatars of societies in the city will evince continued interest in these classes which are intended for their uplift.

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THE RAMNAD DT. FEDERATION:—A Co-operative Federation has been registered and started by the Deputy Registrar of co-operative societies, Madura, for the Srivilliputtur Co-operative Banking Union area which comprises Sattur and Srivilliputtur Taluks alone. But it was named as Ramnad District Federation. It is objected to by the Registrar of Co-operative Societies as the other Unions in the District about 7 or 8 more have not been consulted. The element of co-option of individuals who are experienced co-operators, was cut away from the bye-laws, when registered; and this also is objected to by the Registrar of Co-operative Societies.

The Federationwas organised, registered and started on 23-5-29 and ushered into existence with such post haste that no breathing time was given to the Unions and the Bank to elect delegates for the Federation. Not only that; on 30-5-29, the first meeting of the Board of Management was called, in which the Deputy Registrar was present and had a resolution passed appointing the Head Clerk of the Deputy Registrar's Office, who was the Inspector of Co-operative Societies, as the Executive Officer on Rs. 75 per mensem with pensionary contribution etc., coming to Rs. 100 per mensum besides T. A., batta, etc., On the same date, in the Board of Management of the Banking Union, Rs. 1,500 was got sanctioned for the Federation. Again in June, the Federation Board met in which also the Deputy Registrar was present and another Inspector of Societies who is the Head Clerk of the Assistant Registrar's Office was appointed as propaganda Inspector for the Federation, and establishment also was sanctioned for about Rs. 30 or 35 per mensem. All these have been done without any budget for Federation passed which is necessary according to its bye-laws. On the other hand, the budgets of unions were taken and discussed without figures from the Unions. As it was impossible to do anything without figures, the meeting stood adjourned to 7-7-29. This shows the anxiety of the Department in the matter of Federation.

CENTRAL BANK:—The half-yearly general body meeting was held on 29-6-29 in the premises of the Bank, when 2 directors were re-elected one of whom is the sitting President af the Bank, Mr. P. S. Kumarasami Raja of Rajapalayam. Some bye-laws were amended with slight modifications from model bye-laws proposed by the Department. The Honorary Secretary was retained as the existing manager was considered to be efficient and as such the Townsend Committee's recommendation also is followed. The bye-laws regarding pooling of Supervision Fund was also passed, but the rebate to the Federation was fixed at 8 annas on every sum of Rs. 100 of interest realised and not on accrued interest as in the model bye-law. The Deputy Registrar was also present in the meeting. He took leave of the President to speak and began by saying that he had no notice or knowledge of the hour of the meeting and the meeting ought not to have been called on at the fag end of the year when members were expected to be busy wtth collections and he then touched upon the merits of the resolution on rebate in which he said that the Federation being the prop of the Bank, it cannot work unless sufficient payment is made by the Bank. The President very aptly and patiently replied that the meeting had to be called once in every half-year and this was being postponed in review of the Taluk Conference, which then stood adjourned to July and hence this meeting had to be called. He also added that the Deputy Registrar having issued circulars and orders to his inspectors for collection work had convened the Inspectors' Conference at Madura for 2 or 3 days from 26th June and asked whether that was justified. As regards the rebate also, he replied that the Federation was not justified in having a costly establishment even at the start when it had no idea of its own finance and budget, and having done so, there was no justification for asking the Bank to pay for all the expenses of the Federation. The Deputy Registrar in his reply could not convince the members who began to say that they had brought with them collections from societies for which the General Body on this date was a good opportunity. The collection on this day was Rs. 16, 000 and odd. The manner in which he addressed the General Body was very unique and disclosed a mentality not conducive to bring about a real concord and co-operation between the Executive of the Bank and the General Body Members. The Secretary of the Bank exhorted the General Body Members to work more vigorously and ardently next year with a special attention to revision of instalments of loans in societies and expressed a general satisfaction that only about Rs. 700/- remained as arrears of interest which was more than Rs. 6,000/- in the beginning of this month.

RAJAPALAYAM SUPERVISING UNION:—A training class of panchayatdars of co-operative societies of this Union was held on 30-6-29 from 10 to 5 p.m. It was opened by M. R. Ry. V. T. S. Sevuga Pandia Thevar Avergal, M. L. C., Zemindar of Seithur and President, Sivakasi Taluk Board, and lectures were delivered on co-operative topics by M. R. Ry. S. Krishna Iyenger Avergal, Headmaster, Hindu High School, Srivilliputtur, R. G. Nallakuttalam Pillai, Secretary, Dt. Federation, and A. Srinivasa Chariar, Secretary, Srivilliputtur Co-operative Bank. The evening function was presided over by Mr. P.S. Kumaraswamy Raja, President of the Co-operative Bank as it was inconvenient for the Zemindar. The function was brought to a close at 5 p.m. with a general exhortation to panchayatdars to pull up and work vigorously in the coming co-operative year and the president made a fervent appeal to them to act up to the ideals set forth before them by the speaker.

'A CO-OPERATOR'.

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THE SILVER JUBILEE of the Co-operative Agricultural Bank at No. 2, Bank Buildings, Kilacheri, was celebrated on the 4th instant at 3-30. p.m.

The Hon. Ministers Messrs Muthia Mudaliar and Seturatnan Iyer, Mr. H. M. Hood, the Registrar of Co-operative Societies, Rao Bahadur K. Deivasikamani Mudaliar, Joint Registrar, Rao Bahadur M. K. Reddy, President, District Board, T. G. Damodara Mudaliar, Secretary, Egmore Benefit Society, Rev. A. Maclozie of the Kilacheri Roman Catholic Church, Ramanatha Mudaliar, Advocate, Jeevarathnam Pillai, President, Co-operative Union, Trivellore, and others were present.

The Welcome Address was read by Mr. K. Chandrasekara Mudaliar, President of the Agricultural Bank, to the Hon. Ministers. Mr. Pappiah Naidu read an address to Mr. H. M. Hood.

The Hon. Mr. Muthia Mudaliar spoke on Co-operation with much appreciation. Mr. H. M. Hood, the Registrar, spoke extensively on the Land Mortgage Bank scheme in the Presidency. Mr. M. K. Reddy in a short and sweet speech promised to locate the Local Fund Dispensary and also arrange for water supply with the kind sanction of the Hon. Minister of Public Health.

The Hon. Mr. Seturatnam Iyer, who presided on the occasion, said in his concluding remarks that he was ever ready to work for national uplift.

The proceedings of the evening closed at 5-30 with the usual National Anthem.

THE CHRISTIAN CENTRAL CO-OPERATIVE BANK LTD, MADRAS.—The 13th Annual General Body meeting of the above Bank was held on 21st September 1929 at 4 P. M. in the Memorial Hall Buildings, Madras. There was a large gathering of representatives, three or four with a large number of proxies, with had 31 proxies, two others 25 each, and three others about 15 each, as far as it could be ascertained.

The Board of Management consists of 9 Directors, 5 representing individual shareholders who number only 139, and 4 representing the society shareholders who number 1355, which is nearly 10 times the number of individual members. Out of the four representing the co-operative societies, two were by convention, hitherto elected from the City societies by the City members only on account of several reasons, one being that the major portion of the funds of the Bank is derived from the City, specially from the City societies which also act as feeders to the Bank.

This year, of the six vacancies that occurred on the Board, three had to be filled in by the individual shareholders, two from the mofussil and one from the City as could be seen from the annual report. The convention hitherto observed was ignored and all the society representatives were taken from the mofussil members holding proxies. The City thus lost its seat, the proxies outvoting the members present on the spot. Thus the essential principle of co-operation namely, one man one vote, was set at nought. The other subjects of importance, such as the reduction in the rate of interest etc., were also lost owing to a combination of three or four proxy holders defying the united effort of all others present on the spot.

Madras, 24-9-29. 'A CITY CO-OPERATOR'

SUPPLEMENT TO THIS ISSUE.

The Madras Provincial Co-operative Union

The City Co-operative Panchayatdars' Classes

THE SCHEME

The Provincial Co-operative Union having decided to open the City Co-operative Panchayatdars' Classes at four centres in different parts of the City of Madras and to give instruction of 2 hours daily continuously on 5 days in a month at each centre and to run such classes in two sessions of four months' duration each, the whole course of instruction is divided into forty classes at the rate of 20 per session. Of the twenty classes in the each session ten are ordinary, four special lectures, by eminent co-operators, four classes of practical instruction in the actual working of societies, one magic lantern lecture and one co-operative drama.

In the first session, the aims and ideals of co-operation, urban credit co-operation in general, the consideration and explanation of unlimited liability, bye-laws, supervision, audit, supervising and financing agencies are taught in ordinary classes. In special classes lectures on the lives of eminent co-operators, the management of a co-operative society, Co-operative finance and supervising agencies are to be delivered by eminent co-operators. Practical lessons relate to granting of receipts, taking of vouchers, writing cash book, posting ledgers, preparation of loan applications with full financial particulars, issuing of notices, filing of suits, preparation of execution applications and the preparation and submission of the annual statement.

In the second session, the co-operative act, the law relating to sureties, mortgages, procedure and limitation, urban non-credit co-operation in general, housing, consumers' etc., are taught in ordinary classes. In special classes, lectures on 'History of Co-operation' Co-operative aims and ideals, the store movement and non-credit co-operation are to be delivered by eminent co-operators. The practical lessons relate to the business side of co-operation. The order of aforesaid classes is given below.

G. SRIRAM BABU,
Hon. Joint Secretary.

COURSES OF INSTRUCTION

AT EACH CENTRE

(Ist SESSION)

No. of Classes.	Ist Month.	No. of Ordinary Lessons.
1.	Aims and Ideals of Co-operation	1
2.	Urban Credit Co-operation in General	2
3.	Do. do.	3
4.	Special Lecture on "Lives of Eminent Co-operators"	
5.	Kinds of societies, objects, members—bye-laws (1 to 13)	4
	IInd Month.	
6.	General Body and Management (19—37) ...	5
7.	Practical: granting of receipts, vouchers, etc., posting of cash book, ledgers etc.	
8	Funds and Loans (38—54)	6
9.	Special Lecture on "The Management of a Co-operative Society" ...	
10.	Practical: Preparation of Loan applications.	
	IIIrd Month.	
11.	Profits, Reserve Fund, Liquidation (55—62)	7
12.	Practical: issuing of notices, filing of suits, and execution	
13.	Special Lecture on "Co-operative Finance"	
14.	Supervision and Audit	8
15.	Magic Lantern Lecture	
	IVth Month.	
16.	Supervising Agencies	9
17.	Special Lecture on "Supervising Agencies"	
18.	Practical: Preparation of Annual Statements	
19.	Financing Agencies	10
20.	Co-operative Drama	

No. of Classes.	(IIND SESSION.)	No. of Ordinary Lessons.
	IST MONTH.	
1.	Co-operative Act—Secs. 1--34 ...	1
2.	Special Lecture on "History of Co-operation in India"	
3.	Practical: granting of receipts, vouchers etc., posting of cash books, ledgers etc.	
4.	Co-operative Act—Sec. 35 to the end	2
5.	Law relating to suretyship and mortgages.	3
	IIND MONTH.	
6.	Procedure	4
7.	Practical: preparation of loan applications, issuing of notices, filing of suits and execution	
8.	Special Lecture on "Co-operative Aims and Ideals"	
9.	Limitation Act	5
10.	Magic Lantern Lecture	
	IIIRD MONTH.	
11.	Urban Non-Credit Co-operation in general.	6
12.	Practical: Preparation of Annual Statements	
13.	Consumers' Co-operation	
14.	Special Lecture on "The Store Movement".	
15	Urban Non-Credit Co-operation in general	7
	IVTH MONTH.	
16.	Housing Societies	8
17.	Special Lecture "Non-Credit Co-operation"	
18.	Revision Class	9
19.	Co-operative Drama	
20.	Co-operation, a method of Nation-Building	10

The Madras City Co-operative Panchayatdars' Classes.

SYLLABUS.

LESSON I.

AIMS AND IDEALS OF CO-OPERATION.

1. Three kinds of services—(1) Paid, (2) Mutual, (3) Free. Give examples of each. Co-operation is of the 2nd kind.

2. Co-operation aims at (1) *Improvement of Economic Condition*—the average Indian illiterate, conservative, and hopelessly indebted—tries to remove the above by thrift, self-reliance and mutual help; (2) *equality*—days of intense competition—the strong getting stronger and the weak going to the wall—unequal contest between the strong and the weak—the rich exploiting the poor—the intelligent exploiting the ignorant. Give examples of exploitation: (i) by the landlord of his tenants, (ii) by the usurer of his borrower, (iii) by the contractor of his labourer, (iv) by the retailer of his customer, (v) by the employer of his employee. Co-operation stands for Equity; 'Sweets to those who sweat'—opposed to personal or class aggrandisement—a protest against exploitation; (3) *the Brotherhood of Man*: Compare a well organised society with a wise parent—how maimed and crippled offspring are not neglected but better provided for—'the protection of the poor' and not the 'survival of the fittest'—" All for Each and Each for All". Explain the idea.

3. Co-operation *essentially Moral*—mutual help—self-reliance—opposed to tyranny of all kinds—protection of the weak—distributive justice—making of nobler citizens.

LESSONS 2 AND 3.

URBAN CO-OPERATION—GENERAL.

1. Classes of Societies in Urban Areas—(i) Credit; (2) Distribution; (3) Housing; (4) Cottage Industries.—Give examples.

2. Urban Credit Societies—most important in view of membership and working capital—generally of two kinds: (i) Unlimited Liability, (ii) Limited Liability. *Unlimited Liability Societies* formed generally for the depressed classes in urban areas—

Give examples and explain their present condition. Their present condition due to illiteracy of the members—heavy indebtedness to sowcars—unemployment—indifference of panchayatdars—want of proper inspection and supervision and guidance—want of education —want of proper credit accommodation in times of need. *Limited Liability Societies* may be sub-divided into (i) those for Salary-earners, (ii) Communal, (iii) Territorial.

(i) *Salary-earners Societies.* Generally quite sound—higher level of culture and intelligence of members—good disciplinary training—loans recovered from pay-sheets—therefore no possibility of accumulation of overdues—sufficient reserves—handsome dividends. Improvements to be made in the following directions: compulsory subscriptions—provident funds—death benefit funds—Give examples.

(ii) *Communal Societies.* In theory very strong—communal bond—mutual knowledge; but in practice very weak, owing to the very mutual knowledge—considerations alien to the business of the societies creeping in—factious spirit—personalities and sentiments. Give examples.

(iii) *Territorial Societies. Urban banks:* A few big co-operative banks and many small ones—Urban Banks differ from Joint Stock Banks and Nidhis—Joint Stock Companies try to make individuals rich—Union of Capital—Share values generally very high—Votes in proportion to the number of shares owned—the chief aim being payment of fat dividends. Co-operative Banks—Union of Persons—low share value—one man, one vote—chief aim being character building. The dangers are:—(1) big banks adopting the methods of joint stock companies and refusing accommodation except on mortgages—small ones owing to the small scale of business becoming inefficient and unbusinesslike. Backstairs influence—ability to produce rarely measured—ability to save completely ignored—deposits from members conspicuously absent—sanction of loans for unproductive purposes—queer notions—attracting only a pack of needy persons with no credit-worthiness.

Improvements to be effected—attempts to encourage the habit of saving—elimination of unthrifty improvident persons. The societies should cease to be the refuge for unbelievers in thrift, self-reliance and mutual help—mere loan-hunters should not be allowed. Co-operation is not charity but it is banking on co-operative lines.

LESSON NO. 4.

KINDS OF SOCIETIES, OBJECTS AND MEMBERSHIP.

Bye-laws 1—13.

The difference between limited and unlimited liability. What classes of people form limited and unlimited liability societies? Raiffeisen principle—helping the poor man provided he has real earningcapacity and honesty of purpose—feeling of solidarity—watchfulness—loans for genuine productive purposes. Meaning of unlimited liability—members jointly and severally responsible for the common debts of the society—conditions necessary for the success of an unlimited liability society—admission strictly limited to persons who are honest, reliable and hardworking.

Objects:—(1) to borrow funds for giving loans to members for useful purposes, (2) to act as agents in the purchase of domestic and other requirements of the members and (3) generally to encourage thrift, self-help and co-operation among the members. Explain in detail the meaning of the objects.

Selection of members:—Character and repaying capacity but not ownership of property is the chief consideration—persons hopelessly involved have no place—honesty, hard-working nature, good character, good repaying capacity—no objection for admitting ladies—minors not admitted.

Explain entrance fees—withdrawal of shares—fixed minimum period—admission of nominees—the liability of the past and deceased members—transfer of shares—and the minimum shares to be held by a member.

LESSON NO. 5.

THE GENERAL BODY AND THE MANAGEMENT.

Bye-laws 19—37.

Rights of members: A member acquires his right on payment of share capital—attendance at the General Body meetings—votes—election and removal of panchayatdars--consideration of the Annual Report and passing and adopting the Registrar's Annual Audit Order—amendment and approval of bye-laws—expulsion of a member—consideration of complaints against panchayatdars—granting of loans to panchayatdars and to their relations and dependents—election of delegates to other institutions—right to requisition for meetings.

Management. Panchayat subject to the control of the General Body—only right persons who take real interest in the affairs of the society to be chosen as panchayatdars—the actions of the panchayat binding the general body. Dangers of leaving the societys affairs in the hands of one or two individuals—the manner in which the President, the Secretary and the Assistant Secretary should carry on their duties—the necessity for meeting often—the need for enforcing the removal of absentee panchayatdars—defaulting panchayatdars to be removed from the society's board—the limitations of the Panchayat and the Secretary in incurring expenditure—why the panchayatdars work gratuitously—in what cases the panchayat may debit any expenses incurred by them.

Lesson No. 6.

SOURCES OF INCOME AND WAYS OF GRANTING LOANS.

Bye-laws 14 to 18 and 38—54.

Sources of Income. Deposits from members—preference to them—classes of deposits—the utility of recurring deposits—how Re. 1 paid monthly would fetch Rs. 1,000 at the end of thirty years—chit funds—difference between the co-operative chit fund and the chit funds conducted outside—the absence of exploitation of the needy in the society's chit fund—other borrowings how fixed—the need for conditions and precautions.

THE WAYS OF GRANTING LOANS.

Differences between Money-lenders' Credit and Co-operative Credit.

Money-lenders' Credit.	*Co-operative Credit.*
(i) Purpose of the loan not scrutinised and its application not watched.	(i) Loans only for useful purposes—to be recalled if misapplied—Byelaws 40 & 50.
(ii) Basis of credit is property.	(ii) Repaying capacity (Bye-law No. 47).
(iii) Repayment in lump and laxity in repayment promptly.	(iii) Repayments by instalments and punctuality in repayments (bye-laws 46 & 47).
(iv) May drive the lender to court.	(iv) But such a member will be expelled (byelaw 36) because the right of the member to receive a loan carries with it the automatic duty of repayment. A member having overdues stops the free current of credit and his average sense of responsibility should be so sharpened as to instinctively question such an action similar to the indignation felt when a ryot stops the free flow of water by damming it for his own field. An overdue member affects the working of other societies and the central bank. A member should understand that he belongs to a large co-masonry and his ways affect the working of the whole movement. Hence bye-law 47 says 'Defaults shall not in any case be permitted for more than 3 successive months without extension, renewal or closing of the account.'
(v) The lender and the borrower are two different entities.	(v) The member collectively lends and individually borrows (bye-law 31).
(vi) Interest deducted in advance.	(vi) No advance payment of interest.
(vii) Varying rates of interest.	(vii) Uniform rate of interest enforced.

Long and short term loans—explain—loans for only useful purposes—explain in detail the bye-law No. 40—preparation of loan applications and recovery of loans—security for loans—what is meant by surety and the liability of sureties—fixing of periods of each loan—how to credit the repayments—action to be taken after the death of a member or after he leaves the society—joint loans and loans for joint purchases and sales—explain.

Lesson No. 7.

PROFIT, RESERVE FUND, DISPUTES, AND LIQUIDATION.

Bye-laws 55 to 62.

Profits.—What are profits—why half set apart for reserve fund in unlimited and quarter in limited—the need for the creation of common good fund—the fixing of dividend from $6\frac{1}{4}$ % to 9%.

Reserve Fund.—The need for it—its creation—where and how to invest it.

Disputes.—What is a dispute—who can be parties to it—how to refer—the meaning of an award—the need for speedy action after passing the award—how the awards are to be executed—the necessity for removing the persons against whom awards are passed.

Liquidation.—When is a society liquidated?—the risks of an unlimited liability society—how debts are collected by the liquidator—the expenses of liquidation—utilisation of reserve fund—submission of quarterly report—closing up of the accounts. Explain also the extraordinary powers of the Registrar in calling for the returns in approving the amendments made by the General Body and making enquiry under Sec. 35 of the Act.

Lesson No. 8.

SUPERVISION AND AUDIT.

Supervision. The importance of supervision in countries where people are illiterate and wanting in general education. Defects in societies due to (a) want of knowledge, (b) inertness of the panchayat and the general body and (c) deliberate wrongful acts done for selfish ends—supervision should supply (a) a knowledge of the work, (b) the spirit to serve, and (c) close attention to prevent the perversion of the society for wrongful ends—hence the agency which supervises should have a knowledge of co-operative principles, possess the spirit of service and command influence enough to raise the character and conduct and the general co-operative life of societies—at the same time, proximity is necessary to ensure close supervision and it should be mutual if it should be effective—any organisation of adults moves by self-volition—outside advice may not achieve much as mutual guidance within one's own class—the staff of supervisors should be under the control of societies if their advice is to be heard—principles governing the formation of local unions.

Audit. Free audit by Government—why it should be State-controlled—difference between co-operative and company audit—points to be covered in audit—how efficient audit can improve the working of societies—difference between supervision and audit—the one rectifies the mistakes and the other points them out.

Lesson No. 9.

SUPERVISING AGENCIES.

The Local Union.—Its constitution.—An institution founded on the principle of proximity to strengthen the co-operative life through mutuality of association—where the latter is weak and capable men are wanting for the supervision of societies, a local union fails in its purpose. The props required to strengthen the local union are:—

(i) the nomination of the best men in the area in the governing body by Central Banks and Dt. Federations;

(ii) attendance at the meetings of the union by Directors of Central Banks and Dt. Federations,

(iii) supervision over the work of local unions by Dt. Federations;

(iv) the due discharge of duties by Central Banks re: the sanction and recovery of loans improves the working of local unions.

Organisation of local unions. Conditions and principles that should govern it.

Functions of a Local Union.—

(i) Supervision of societies: this includes the doing of the administrative work of those societies which are unable to do their internal work without the help of the supervisor—points covered in the supervision reports of a supervisor and that of a governing body member—rectification of defects noted in audit.

(ii) The Local Union maintains the Co-operative principles in the working of societies—should keep an information register of Societies—builds up Co-operative life by exposing defects and appreciating merits in societies—propaganda through leaflets and lectures—the Madras Journal of Co-operation—Union Conferences and general meetings in villages—being the medium through which the Society sends its letters outside, it gets an opportunity to control its activities and rectify any mistakes.

(iii) (a) Recommendation of loans and (b) fixation of maximum borrowing power by Local Unions—principles to be followed.

(iv) Reorganisation of bad societies—how local unions can help it.

(v) Recovery of loans in societies—procedure to be followed.

(vi) The Local Union as the Development Association of each area—to study the economic needs of the area and develop credit and non-credit activities. A programme of action for the same for each society.

(vii) Submission of annual returns by the societies—points mentioned in the returns—their importance in understanding the Co-operative progress of a society—how to prepare the annual statements and returns.

(viii) Principles relating to affiliation of Societies and the responsibilities thereof.

Points to be noted in the Inspection of Unions. Explain the audit note of a Local Union. A qualitative audit of the progress made by the Unions in the supervision of societies should be made.

The budget of a local union. Explain the various items with reference to the functions of a local union.

LESSON NO. 9. PART II.

Other Supervising Agencies.

(i) The Dt. Federation, Language Federation and the Provincial Union. They can educate the unions on sound principles of working but they cannot directly undertake the rectification of bad societies which a local union can do. The larger organisations are intended to maintain the high standard of Co-operative administration through the common and mutual association of the smaller units, for laying down the procedure and practice, for propaganda and for education. They can render common service as the maintenance of a supervisory and audit staff, supply of information and advice, purchase and sale of goods useful to societies etc. They represent the Co-operative interest to the outside world. Also, district federations have to undertake the supervision of Local Unions and the societies of the governing body members of Local Unions. The non-credit schemes in the district have to be investigated by them. The need for co-ordinating the work of the financing and supervisory agencies in the movement. The place of Central Banks in the district federation.

(ii) Constitution and finance of the Dt. Federation.

(iii) The work of a Dt. Federation in the present condition of the movement.

LESSON NO. 10.

FINANCING AGENCIES IN THE MOVEMENT.

The Central Bank—the pivot of the movement—the flow of money from urban to rural areas—the Madras Central Urban Bank—the relation of Central Banks to Urban Societies—constitution of Central Banks—rights and duties of societies and unions as members of the Central Bank—the Madras Christian Central Bank and its relation to the societies in the City.

SUPPLEMENT TO THIS ISSUE.

The Provincial Co-operative Institutes

IN

BRITISH INDIA AND THE INDIAN STATES

PART II.

CONSTITUTION AND WORKING

1. The Madras Provincial Co-operative Union

The Madras Provincial Co-operative Union, Limited was registered as a co-operative society on limited liability basis on the 6th of January 1914 on the application of 13 members whose names are given below and who occupied distinguished positions in public life.

Messrs
1. P. Rajaratna Mudaliyar of Madras.
2. M. Adinarayana Iyah of Madras
3. K. B. Ramanathan of Madras,
4. T. Natesa Iyer of Madras,
5. C. V. Krishnaswamy Iyer of Madras,
6. U. Venkatappayya of Tenali, Guntur Dt.
7. T. Adinarayana Chettiyar of Salem,
8. K. Ramaswamy Iyer of Madura
9. M. Shiva Rau of S. Kanara
10. V. S. Ramaswamy Sastriyar of Madras
11. R. Ananda Rau of Tiruthangal, Ramnad Dt.
12. O. M. Venkatanatha Iyengar of Uttiramerur, Chinglepet Dt.

and 13. C. N. Krishnaswamy Iyer of Coimbatore.

The objects of the society as defined in the first set of bye-laws were to propagate the principles of co-operation, to organise co-operative societies, to watch over their interests, and to do all that might be necessary for placing the co-operative movement on an efficient basis in the Madras Presidency. It started with a capital of Rs. 50,000 made up of 10,000 shares of Rs. 5 each. The membership was open to all societies registered under the Co-operative Societies' Acts of 1904 and 1912, and to individuals who may be either ordinary members holding at least one share or patrons who contributed a sum of Rs. 100 or upwards. With a membership so thrown open the management of the affairs of the society had naturally to be entrusted to an executive committee consisting of a president and a vice-president and 20 other members elected annually at the annual general body meeting. The first general body meeting was held on the 4th of Jnuary 1914 and it accepted the bye-laws as amended by the Registrar and admitted about 50 members who sought admission as individual members. Dewan Bahadur M. Adinarayana Iyah Garu was the first President and the Kumararaja of Chellapally was the first Vice-President, and Mr. V. S. Ramaswamy Sastriar was elected the first Secretary. The first Executive Committee consisted of 16 members, some of whom had become very famous for their co-operative activities and some of whom are, alas! now no more. Every co-operator throughout the province would be able to recognise such pioneers as Messrs. K. B. Râmanatha Iyer, (late), V. S. Srinivasa Sastri, O. M. Venkatanatha Iyengar of Uttiramerur, C. N. Krishnaswamy Iyer (late), Coimbatore, K. Ramaswamy Iyer, (late), Madura, T. Adinarayana Chettiyar of Salem, Shiva Rau of S. Kanara, V. Venkatasubbaiya of Servants of India Society and V. C. Rangaswamy of the Madras Central Urban Bank, Madras. The Executive Committee consisting of these distinguished co-operators met on the 13th of January 1914, resolved to take over the publication of the Madras Bulletin of Co-operation from the Triplicane Urban Co-operative Society which at that time was already 10 years old and was in charge of the management and editing of that Bulletin. They resolved to confine their activities to a narrow field. Resolution No. 9 of the first Executive Committee runs as follows. "Resolved that the activities of the Union be confined to the publication of the Bulletion, getting up of conferences, provincial and other, and the organisation of societies."

Mr. Vedachala Iyer, then an Assistant Registrar, seems to have requested the Union to compile a manual on the lines of the Bombay Manual. But this proposal was turned down as the Committee could not undertake it for lack of funds, and they left it to the Department whom they requested to compile a manual suited to this presidency. By this time, the T.U.C.S. had agreed to the transfer of the Bulletin and hence a sub-committee of the Executive was appointed consisting of Messrs K. B. Ramanatha Iyer, V. S. Srinivasa Sastriyar and V. S. Ramaswamy Sastry to edit and manage the Bulletin, and the Registrar was to be requested to depute an Assistant Registrar to co-operate with this sub-committee. The Bulletin thus transferred from the T. U. C. S., was resolved upon to be published only as a quarterly in three languages English, Telugu & Tamil.

October, 1915 was a very lucky month for the Union, because an Agricultural Committee that was in existence had resolved to wind itself up and also resolved to hand over its assets to the Union, on condition that it shall endeavour to promote agricultural co-operation. The money which thus came to the coffers of the Union amounted to Rs.1,415-5-9 not a small sum to an infant society.

It is interesting to note that a very influential committee was appointed to examine the report of Imperial Committee on Co-operation, the famous Maclagan Committee. It is unfortunate no record is available as to the recommendations made by this Committee. A more assiduous search in the archives of the Union may perhaps enable us to get this and other equally precious records. It is equally interesting to note that the question of land mortgage banks which still is in an amorphous condition was engaging the attention of our Uuion as early as 1915. But they resolved to allow this matter to lie over till the report of the Committee engaged in examining the Maclagan Committee report was made available. Evidently the work of the Union was growing and enthusiasts suggested a new line of development here and a new line there. The Secretary therefore thought it necessary to know exactly what the Union was expected to do and at a meeting held on the 11th of January 1916, the following resolution was passed by the Executive Committee.

Resolved that the Union, for the present, shall endeavour to work on the following lines:—

(1) Conducting of the Bulletin.
(2) Convening the annual provincial co-operative conference.
(3) Sending a representative to attend district and other co-operative conferences in the moffusil.
(4) The investigation, with such staff as is available, of the conditions of cottage industries and organising co-operative societies for their resuscitation.
(5) General propagandist work as far as practicable.
(6) Canvassing for more shareholders in the Union.

A rather ambitious programme! especially the survey of cottage industries. Here again, no record is available, otherwise we could have compared and contrasted the report of cottage industries submitted by the P.C.U. Officers and the report recently submitted by Mr. Narayana Rao, the officer appointed by the Madras Government.

Another enterprise more ambitous than even the survey of cottage industries which the Union applied itself to was the converting of the Madras Central Urban Bank into an Apex Bank for the province as a whole. A conference of the representatives of the newly started central banks in various districts and urban banks not affiliated to any such central bank, was to be convened at Coimbatore or Madras to consider the formation of an apex Bank. This was in May 1916; and at a meeting of the Committee held in September of that year, the Joint Secretaries of the Union were authorised to invite and receive application for shares in the proposed apex Bank and forward them to the Registrar. The Provincial Union itself took one share in the Bank.

The Union was marching far ahead of the times when it deputed one its secretaries, Mr. Venkatasubbaiya to study the working of non-credit agricultural societies in the presidency.

When supervising Unions were established in different parts of the presidency, the P. C. U. was asked by the Registrar whether it would look after the societies in the city of Madras. The Union cheerfully undertook the task and appointed a sub-committee consisting of Messrs Venkatasubbaiya, S. Satyamurthi Iyer and 3 others elected by the societies. At this meeting of the Executive Committee held on 13th of May 1917, it was also resolved to convert the bulletin into a monthly. The Bulletin has since been a monthly publication in English, Tamil and Telugu. But the Telugu publication was made over to the Andhra Sahakara Sammelanam 1919-20, the year of its foundation.

We also see from the minutes of a committee meeting that the organising of district conferences in those districts where such conferences had not been held was looked upon as one of the legitimate duties of the P. C. U. and they alloted a sum of Rs. 300 which was 1/3 of their budgeted expenditure, for organising such conferences.

Evidently by this time, the Executive Committee had grown a little bit unwieldly and so a smaller committee called the Standing Committee of the Executive Committee was formed consisting of the president, vice-president, the two secretaries and two other members elected by the Executive Committee. This standing committee was of course to work subject to the control of the Executive Committee, but it was in entire charge of the administration of the Union. During this time, Mr. Venkatasubbaiya's report on the agricultural Non-credit societies having been evidently received, we

find greater emphasis laid upon the organisation of agricultural non-credit societies or non-credit annexes to existing agricultural credit societies.

From the previous records, it would be clear that the P.C.U. was thinking vigorously and suggesting new lines of development of the movement as a whole. We are not surprised, therefore, to note that in 1919, the P.C.U. was requested to consider a scheme of co-operative printing press and also to prepare a co-operators' Life Insurance scheme. The credit of suggesting these two brilliant ideas goes to the late Mr. C. N. Krishnaswamy Iyer, and under his inspiration, his faithful chela Mr. S. K. Yegnanarayana Iyer, who was then the Principal of the Salem College, suggested the idea of the formation of a central co-operative lending library for the province.

We now come to the end of the first stage in the progress of the P. C. U.

The P. C. U. may be said to have embarked on its second stage of development in the year 1920, when a demand for its reorganisation was raised and was given effect to by an overhauling of its bye-laws. The new objects of the P. C. U. came to be

(1) To propagate the principles of Co-operation;
(2) to organise special type of societies;
(3) to assist the work of local unions and district councils of supervision,
(4) to serve as the recognised exponent of non-official co-operative opinion in this presidency, and
(5) to undertake such other work as will promote the cause of co-operation.

and it was expected to achieve these objects by

(1) continuing to publish the Bulletin in English and in the vernaculars;
(2) publishing pamphlets and leaflets on co-operative subjects from time to time;
(3) maintaining an efficient circulating library of co-operative literature;
(4) calling the annual provincial conference;
(5) arranging propagandist tours by paid and honorary lecturers;
(6) organising training classes for supervisors, assistant supervisors and honorary workers; and
(7) by other means.

The membership of the Union was confined to provincial societies, central banking unions, and supervising and trading unions only. The old class of individual members ceased to exist, but in their place persons of knowledge and distinction in the field co-operation were invited to be honorary members. They were neither bound to pay any subscription nor were entitled to vote. The composition of the several parts of P. C. U. also underwent a change. There was the general body, which met annually and exercised general control over its officers, defined and altered the policy of the union, altered and amended bye-laws and enacted new bye-laws. There was the advisory body consisting of the delegates of the provincial societies, and representatives of other societies elected at the annual meeting, five from central banks and 12 from the trading and supervising unions. Subject to the control and delegation of the advisory body, the entire administration of the union vested in a governing body, consisting of the president, a secretary and 3 members selected by the advisery body. The new constitution came into working order in the year 1921, and at a meeting of the general body held on the 26th December 1921, representatives to the various bodies were elected and also dividend was declared on the paid up share capital for the years 1914-'15 up to 1919-'20 at varying rates, ranging from 4½ to 6 pies in the rupee; and it was also resolved to refund the share capital. In spite of these various constitutional changes, there was no financial improvement, and the work of the union could not therefore be carried on quite satisfactorily. When the staff applied for the starting of a provident fund for them, the Governing Body was forced to reply to them curtly in their resolution "Lie Over". And when the Central Co-operative Printing Works requested the payment of dues, the same Governing Body passed the resolution, "The dues will be paid." We hope that the dues were actually paid. That our financial position become disquieting is seen from the fact that the number of pages of the bulletin was reduced from 5 forms to 4 forms, and the following resolution was passed about the management of the bulletin, at a meeting of the Governing Body held on 16th October 1922. "Resolved that the President be requested to address the Registrar regarding the present situation of the Bulletin making a full disclosure of the financial position of the Union and that the Registrar be requested to make suggestions for remedying the financial situation especially in regard to the recovery of subscriptions, arrear and current, and the enlistment of new societies as subscribers and further that in the event of the restoration of the financial position not being feasible, the Governing Body feels that it would be advisable to transfer the management of the Bulletin to the Department as it would be impossible for the Governing Body to

hold itself responsible under the present financial conditions." But this catastrophy has not happened.

The P. C. U. has been receiving books and government reports for review; but evidently they were not cared for, and meeting held on 12-3-1923, a small sub-committee was appointed to examine the co-operative literature in the possession of the P. C. U. and to make proposals for opening a co-operative reading room and library. And it was also resolved to publish a list of periodicals received in the Union with an announcement that the periodicals will be open to co-operators at the Union office premises.

Co-operative Education which forms such an important part of our programme of work was then thought of, but could not be carried on, evidently for lack of finances. Resolution No. VII of the Governing Body passed on the 30th of July 1922, is very pathetic reading. It runs as follows; "Read circular issued by the President regarding the opening of training classes. Resolved "Recorded." And even a year later, the situation had not improved, for we read that at a meeting held on the 3rd of August 1923, the Secretary put up a scheme for holding general lectures under the auspices of the T. U. C. S. on stores and for conducting classes for stores employees. The resolution on the subjeet is tragically cryptic, "Await."

In the year 1924, the bye-laws of the Union were further amended by admitting to membership primary non-agricultural Societies which have a working capital of Rs. 20,000 and above. This has given an opportunity to urban banks which are a growing and influential body of organisations in the province to participate in the movement as integral members of the provincial organisation. But the composition of the Advisory and the Governing Bodies remained unsatisfactory as they were merely *ad hoc* bodies with no territorial or institutional representation. Certain parts of the province and certain organisations went without represntation at all. Therefore, there was another overhauling of the constitution and the bye-laws in August 1927, and the new-bye-laws were registered in January 1928, and the constitution according to the new-bye-laws were set up in April 1928. The main features of the new constitution are that the Tamil, Telugu, Kerala and Karanataka areas of the province get a fixed representation on th Board of Management which is 51 strong. The institutional representation is secured by giving one representative to the District Federation and the Supervising Unions in each district. These bodies being responsible for propaganda and education, naturally have the best claim for the largest amount of representation on the Board and therefore constitute more than half the entire Board. The Central Banks get 8 representatives, 3 of whom are from the Tamil Nadu, 3 from Andhradesa, 1 from Kerala (Malabar) and 1 from the Karnataka (S. Kanara) The groups of Urban Banks, Primary Non-credit Societies and Honorary members get 3 representatives each. The members of the Board of Management are elected by the respective constitutencies aforesaid at the annual general meeting of the Union, but if any of them happen to be unrepresented at the time, they have a chance of electing their reprentatives from their own place of business within two months from the date of the annual meeting. The Board hold office for two years, Interim vacancies on the Board are filled up by co-option by the remaining members of the Board from among the members of the General Body, with due regard to the constituencies whose representation is curtailed by the vacancy.

Subject to the control and delegation by the Board of Management, the administration of the Union is vested in an Executive Committee, consisting of the President, the Vice-President, and the Secretaries elected by the General Body at its annual meeting, and 8 other members elected by the Board of Management, 3 of whom are from the Tamil Nadu, 3 from the Andhradesa, 1 from Kerala (Malabar) and 1 from Karnataka (S. Kanara). Besides these, the Editor of the Madras Journal of Co-operation, for the time being, is an ex-officio member of the Board of Management as well as of the Executive Committee. The Committee, like the Board, hold office for 2 years. The old Advisory Body and the Governing Body are thus replaced by a thoroughly representative Board of Management and Executive Committee, elected on a democratic basis, with due regard to territorial and institutional interests.

The present membership of the Union consists of the following :—

Provincial Societies	... 4
Central Banks	... 28
District Federations	... 21
Local Supervising Unions ...	... 261
Audit Unions	... 4
Non-Credit Societies	... 18
Urban Banks	... 65
Honorary members invited by the General Body	... 20
Total (as on 1st September 1929)	... 421

The Office bearers of the Union are :—

1. The Hon'ble' Mr. V. Ramadas Pantulu, B.A., B.L. (*President*).
2. Messrs. A. Ranganatha Mudaliyar, B.A., B.L., (*Vice-President*).
3. V. Venkatasubbaiya, B.A., } *Honorary Joint Secretaries.*
4. G. Sriram Babu Naidu, B.A., B.L. }
5. N. Satyanarayana.
6. S. K. Yegnanarayana Iyer, M.A., (*Editor*).
7. L. Gangadhara Sastry. } *From Andhra Districts.*
8. K. Venkata Rau. }
9. M. Ramakrishna Rao. }
10. Rao Bahadur V. Murugesa Mudaliyar. } *From Tamil Districts.*
11. " M. K. Venkatachariar. }
12. S. Nagaswamy Iyer.
13. A. Sankunni Menon. (*From Malabar*).
14. G. Venugopala Rau. (*From South Kanara.*)

The work of the union is divided between four standing sub-committees called the Editorial, Educational, Non-credit and Rural Reconstruction sub-committees with a special convener in charge of each.

The main activities of the Union consist of publishing the English and the Tamil Journal, and of conducting a training class in the city for about 4 months in the year. During the last one year or two, these activities have been multiplied. The Bulletin was improved in size and contents and named "The Madras Journal of Co-operation" to suit its altered scope. At the last general body meeting of the Union, the request of the recently formed Tamil Nadu Federation for the transfer of the Tamil Journal to it, was considered and agreed to. It is expected that very soon, the Provincial Union will be relieved of the Tamil Journal and that it will be published from Coimbatore, the Head-quarters of the Tamil Nadu Districts Co-operative Federation.

The chief activity which has been newly taken up by the Union is the running of seven Rural Reconstruction centres in select areas, Rs. 2,000 are being spent on each centre annually, one half of the sum being contributed by the central bank within whose area the centre is located and the other half by the Madras Central Urban Bank. Supervisors who are specially trained for the work are placed in charge of the centres and the area of operations of each centre comprises villages within a radius of 7 miles from the centre. The experiment has begun to prove successful and it is intended that the present scheme of finance and work should be continued for the next three years before taking stock of the results achieved and appraising their value as factors in the work of village uplift.

The P. C. U.'s activities within the sphere of co-operative education are also growing. The Government having started a fuller course in co-operation in a special section of the Madras Institute of Commerce, the P. C. U. has, for the time being, suspended the conduct of the annual training class. But it bids fair to become the co-ordinating factor of the several Training Institutes in the province of which there are at present five with a prospect of a few more being added to their number. The scheme so far evolved and on which there seems to be general agreement between the local institutes, the P. C. U. and the Registrar, is as follows:—

The framing of syllabuses, the conduct of examination, and prescribing the qualifications of teachers will be done by a central committee consisting of one representative of each of the local institutes, who shall be a member of the Board of Management of the P. C. U., the President of the P. C. U. and the Registrar. In order to secure an efficient service of teachers, specially in such subjects as Banking and Audit, it was agreed that the higher teaching staff should be put on a provincial cadre, that their appointment and dismissal should be made with the approval of the central committee above named and that provision should be made for a provident fund for the teaching staff on the same terms on which the employees of the P.C.U. enjoy the privilege.

Besides the publication of the Journal of Co-operation, the P.C.U. carries on propaganda by periodical publication of literature on topics of co-operative interest and by sending out its members on propaganda tours in the districts. Arangements are being made to enlarge these activities very considerably during the current and the coming years.

The annual Provincial Co-operative Conference has all along been a prominent feature of the activities of the Union. The Conferences serve as the annual rendezvous for Co-operators from all over the province and have been popular. The union has published a booklet containing the resolutions passed at all the previous Conferences. They cover a wide field of Co-operative problems and there is much of constructive value in them. An annual report is also prepared showing the action taken on the resolutions passed at the year's Conference. Seventeen sessions have been held till now and they were presided over by distinguished Co-operators, some of whom were invited from other provinces. A list of the Presidents and Chairmen of Reception Committees is appended.

The finances of the Union cannot be said to be satisfactory. Its normal income from the affiliation fees and annual contributions of members and from the subscription for the Journal is approximately Rs. 10,000 per year, and its expenditure has necessarily to be rigorously curtailed in order to balance the budget. During the last 2 years, the Madras Central Urban Bank has made handsome contribution, not only for the rural reconstruction work of the Union, but also for its general funds to strengthen its propaganda and educational activities. During these years, the income of the Union has been practically doubled by this adventitious and generous aid rendered by the M. C. U. B., which the P. C. U. gratefully acknowledges. The Government aid to the P. C. U. consists in an annual grant of Rs. 1,200 which is earmarked for the training class. This sum which used to be spent on an advanced training class till last year, is now being spent on the training of the panchayatdars of the societies in the City. Besides this, the Government made last year a grant of Rs. 400 for the library. With the grants made by the M. C. U. B., and the Government for the library, the P. C. U. has built up a decent library consisting of books on co-operation, rural economics, and allied subjects, and has also opened a free reading room to the public.

In conclusion, it must be stated that the Provincial Co-operative Union does not assume any administrative or supervisory functions. It has deliberately chosen to be a propagandist and educative Institute and, judged from that standpoint, its constitution seems to be not open to any objection. But with the formation of new language federations, an idea is being propagated that the P.C.U. should more nearly approximate to a pyramidial structure and assume the form of an apex institution for the language federations or at the most for the District Federations and Central Banks. If and when the demand for this change comes from well-formed language federations, whose membership comprises a substantial number of the co-operative organisations in the respective language areas, the P. C. U. will have to tackle that problem. The collection of the constitutions of the Provincial Institutes in India which is pnblished by the Standing Committee of the Institutes' Conference discloses that no provincial institute has been conceived or developed on the lines of a pure apex institute. The All India Organisation which is very soon to come into being may have to examine this question and give some lead to the provinces in the matter of the reorganisation of the provincial institutes so as to make them more efficient and representative co-operative organisations.

The Madras Provincial Co-operative Conferences.

1st Conference held on 21st and 22nd December, 1912.

	OUR PRESIDENTS	OUR CHAIRMEN OF RECEPTION COMMITTEES
I.	Opened by the Governor and presided by Sir John Atkinson (1912)	Dewan Bahadur P. Rajaratna Mudaliar.
II.	Hon. (now Sir) P. S. Sivaswamy Aiyar (1914) ...	Dewan Bahadur K. Krishnasamy Rao C.I.E.
III.	Hon. Sir Harold Stuart (1915) ...	Dewan Bahadur M. Audinarayana Iyah.
IV.	Hon. (Sir) Alexander Cardew (1916) ...	Dewan Bahadur M. Audinarayana Iyah.
V.	Hon. H. F. W. Gillman, I.C.S. (Member of Council) 1916 ...	Prof. K. B. Ramanathan.
VI.	Hon. Dewan Bahadur (Sir) P. Rajagopalachariar (1917) ...	Prof. K. B. Ramanathan.
VII.	Hon. Mr. S. Srinivasa Iyengar Advocate-General (1918) ...	Rao Bahadur K. B. Ramanathan.
VIII.	The Hon. Justice T. V. Seshagiri Aiyar (1919) ...	Mr. C. N. Krishnaswamy Aiyar.
IX.	Dewan Bahadur L. D. Swamikannu Pillai (1920) ...	Mr. T. R. Venkatarama Sastri.
X.	Rao Bahadur S.S. Talmaki (1921)...	Dr. S. Swaminathan.
XI.	Dewan Bahadur P. Kesava Pillai (Dy. President, Madras Legislative Council (1922) ...	Dr. John Mathai.
XII.	Mr. G. K. Devadhar, (Vice-President Central Co-operative Institute, Bombay) (1923) ...	Mr. A. Sivarama Menon.
XIII.	Sir K. V. Reddi, Ex-Minister, Development Deptt. Madras (1924) ...	Rao Bahadur A. Vedachala Iyer.
XIV.	Dr. B. Pattabisitaramayya (April 1926) ...	Rao Sahib T. K. Hanumantha Rao.
XV.	Sir Lallubhai Samaldas, Kt., C.I.E (1927) ...	Rao Sahib N. Ramaswami Iyer, Madura.
XVI.	Dr. Radhakamal Mukerjee, M.A., Ph. D., (1928) ...	Dr. P. Gurumurthi, Rajahmundry.
XVII.	**Dewan Bahadur T. Raghaviah Garu, C. I. E. (1929) ...**	**The Hon'ble Mr. V. Ramadas Pantulu.**

2. The Bombay Provincial Co-operative Institute.

The non-official co-operative organisation was started in Bombay in the year 1914. Though a magazine was started earlier in the year 1912 under the name of "Commerce and Co-operation", it was a private enterprise assisted by some co-operators. Organised effort commenced in 1914 with the establishment of the "Central Co-operative Library" which soon enrolled 63 members each paying Rs. 3 per annum.

Besides building up a decent collection of books and magazines on Co-operation, the Library Committee also issued a few leaflets in vernacular and held meetings to discuss co-operative questions. Its members took active part in the Secretaries' Training Classes started in Bombay from 1914. When the "Commerce and Co-operation" ceased to be published, the Library Committee decided to publish a journal of its own and started the Bombay Co-operative quarterly in 1917. In fact, the Central Library was the Institute itself in an unregistered form and when the latter was started as a registered body in 1918, the Library and its journal and the educational work were handed over it.

The membership of the Institute consists of Societies in the Presidency, and individuals without residential restriction.

Besides the English Journal, the Institute also edits 4 monthly magazines in Marathi, Gujerati, Kanarese and Sindhi.

The main functions of the Institute are :—Education, Supervision and Propaganda. It has recently started 3 full-time Co-operative Schools in Gujerat, Maharashtra and Karnataka. Classes for shorter periods are conducted in various centres.

It has appointed paid officers at different centres for assisting the work of supervision and education.

It publishes leaflets and books in English and Vernaculars on various aspects of the Co-operative Movement. It organises Conferences, Magic lantern shows and celebrates the Co-operators' Day.

It has established Branches almost in every District through whom the local work of education and propaganda is carried on.

It has prepared 4 sets of magic lantern slides on :—(i) Co-operative Credit. (ii) Co-operative Stores. (iii) Thrift and (iv) Human Body.

It is affiliated to the International Co-operative Alliance.

3. The Bihar & Orissa Co-operative Federation Ltd,

To ensure the steadfast progress of the Co-operative Movement in the Province, to relieve Government of the ever-increasing burden of audit expense and to regulate the movement on right lines, Mr. B. A. Collins, I.C.S., the then Registrar of Co-operative Societies, inaugurated and registered the Bihar and Orissa Co-operative Federation Ltd., in the year 1918.

It has the following objects :—

(i) to ensure a regular and efficient system of supervision, audit and control for all Co-operative banks and societies enrolled as members;

(ii) to promote agricultural, industrial and other special forms of Co-operation ;

(iii) to aid in the expansion and improvement of primary education, to promote sanitation, to facilitate medical and famine relief and generally to secure the moral and material progress of its affiliated societies ;

(iv) to secure unity and uniformity among all Co-operators in Bihar and Orissa and to see that all co-operative business is conducted on sound and progressive lines.

In brief it is a non-official agency for audit, supervision and control of societies within the Province.

All Co-operative Societies with any denomination registered under act II of 1912 which were in existence became members of the Federation and provision was made that thence-forward along with registration application, an application for affiliation should accompany.

The Affiliation Fee was fixed for Central Banks and Unions at Rs. 25 and for every other society at Rs. 2 only. It is necessary to explain the difference between Central Bank and Central Union. The former consist of two kinds of share *viz.* Preference and ordinary. The Preference share is intended for individual and Ordinary for society. The latter consist of one kind of shares *viz.*, ordinary which is intended for societies only but in some cases individual may be taken one over 10 societies.

The management of the Union was at first entrusted to the Governor and an Advisory Council of ten members which was later on increased to 15. These additional 5 were intended to be taken, one from each Division from Limited Societies other than Central banks. But in the year 1926 two more additions were made i.e., when a post of Deputy Registrar for Orissa was created, he was made an ex-officio Councillor and it was considered desirable to take representation from the Apex Bank. Thus the Secretary of the Provincial Bank was also made ex-officio Councillor.

The Registrar, Co-operative Societies, for the time being, was made the ex-officio Governor, but non-officials urged in Congress to change "Governor and an Advisory Council" into "Governor-in-Council". Accordingly, now the Federation is under the Governor-in-Council with 17 members. Out of them 15 members are elected by the Annual Congress, 3 from each Division.

Under the Bye-laws, the Council shall meet at least twice a year and as many times as may be necessary.

To meet its expenses, the Council may borrow up to the amount, and on such terms as are, sanctioned by the Congress from year to year and may receive contribution from Government or other sources and may assess every member at such a sum proportionate to its working capital as may be necessary to enable the Federation to carry out a satisfactory audit of all its members and also to achieve its other objects. The liability of a member for the debts of the Federation shall be limited to the sum so assessed. Any assessment made on the Societies shall be reported to the Annual Congress and be subject to its confirmation.

The Congress represents the vote of all Co-operative Societies in the Province and consists of delegates elected by affiliated societies. The Central Bank has to send one delegate and primary societies one for every fifty societies, Limited societies other than central societies having 50 or more members shall be entitled to send 1 delegate each. Special representation may, with the sanction of the Congress, be afforded to Agricultural societies with more than 200 members. Every delegate has one vote. The Governor may invite other persons, who may address the Congress, but cannot vote. The cost of holding a Congress is met by the Division which invites it.

The Congress shall meet at least once every year in different divisions at the invitation of the Divisional Boards, to transact such business as the Governor or the Council or Divisional Board may have to put before it. The resolutions passed by the Congress if not accepted by the Governor shall be referred to the Government whose decision will be final.

There is a Divisional Board in every Division the constitution of which is as follows:

(i) Two representatives from each Central Bank or Union in the Division.

(ii) All secretaries of central institutions, or stores and honorary organisers appointed by the Government as ex-officio members.

(iii) One representative from each limited liability society with 75 members or over.

(iv) Assistant Registrar of the Division, Development Officer and Propaganda Officers also as members.

There are 5 Divisions Viz., Patna, Tirhut, Bhagalpur, Chotanagpur and Orissa and there are Divisional Boards in each of these Divisions. Every year they elect their own President and Secretary. They hold quarterly meetings by rotation in Central Banks.

The Federation has created a Development Branch to propagate true principles of Co-operation among members and also to foster new ideas on different lines. To meet the expenses of this department, contribution has been levied by the Congress at the rate of Rs. 2 per 10,000 Working Capital of the Central institutions and 2 annas p.c. on the working capital of primary Societies. There is also a Government grant of Rs. 5,000.

In this branch a Development Officer on Rs. 300—500 has been appointed. Under him there are 5 Propaganda Officers one for each Division on Rs. 150 each. But one is getting Rs. 190. Besides, there is a seperate staff consisting of one Head Assistant, one Accountant and 3 Assistants. The Development Branch undertakes training of Probationers as well as of old staff of Central Banks and generally this training class continues at Sabour for three months where experienced Assistant Registrars, Development Officer, Propaganda officers, Chief Auditor, Experienced Assistant Auditors and a few selected experienced non-officials, some from the Agricultural Department, and some from other Provinces deliver lectures. Now for Orissa, a different training class has been started at Cuttack. Government contributes Rs. 2,500 to meet this expense, but in Orissa the Central Banks have contributed Rs. 50 per lac of working capital and in Bihar, the deficency was contributed by the Provincial Bank and Central Banks not on any fixed rate but voluntarily. Under the Development Officer, there is a demonstrator on Rs. 60 per month who conducts a monthly Magazine, *viz* Bihar Sahjog, in Hindi, the subscription of which is Rs. 1-8 per annum. He has got a separate Assistant for it as well. There is also one Chart Artist on Rs. 60 per month. The Development Officer publishes quarterly the Bihar and Orissa Federation Gazette, the annual subscription of which is Rs. 3-8.

The Propaganda Officers hold training classes of members in those Central Banks where they themselves do not hold it, but after holding it for sometime, they hand it over to the Central Banks concerned. To meet the expenses of training classes the Provincial Bank has contributed Rs. 5,000.

The Federation also runs a press of its own in order to keep standardised forms and Registers for supply to affiliated societies. The press is under a paid Manager on Rs. 150 per month. The Federation has invested Rs. 54,000 and now the Press is running on its own working, rather it is repaying the capital invested by the Federation.

The fund of the Federation is at present 4 annas per cent on the working capital of Central Banks which amounted in 1928 to Rs. 48,458 and 6 annas on the working capital of primary societies which amounted to Rs. 62,955 in 1928. In addition to it, the Government contributes at the rate of Rs. 15 per society of less than 2 years and Rs. 3-8 per society of more than 2 years which amounted to Rs. 53,777 in 1928. The Federation does not realise any contribution from societies of less than 2 years.

The Federation maintains an Audit Staff of 110 Local Auditors whose pay is as follows;—Rs. 55 to 82-8 and on selection grade from Rs. 82-8-0 to Rs. 110. They get in addition to their pay Rs. 5 as house rent, one peon on Rs. 8 per month and a fixed T. A. of Rs. 25 per month each in Bihar and Rs. 30 each in Orissa. The total cost under this head is Rs. 1,40,729. Each has to audit 110 societies every year.

At the time, the Federation was started, the audit of Central Banks and Unions were under Government but in the year 1921 Government created the post of Divisional Auditor and provided for expenses of maintaining 5 auditors amounting Rs. 16,672. As the number of Central Banks and Unions were increasing, to meet their expenses the Federation had to charge Rs. 5 per day from Central Banks and Limited Liability Societies with a maximum of Rs. 75. This amounted in 1928 to Rs. 7,025. The present strength of this branch is 11 Assistant Auditors whose pay is Rs. 150 to 250 per month, and who get T. A. under Fundamental rules; they also get one Assistant and one peon each, the total expenses in 1928 being Rs. 36,568 excluding Assistants' pay and travelling expenses.

The excess expense is met from the general head of audit contribution.

The Federation also contributes towards expenses of maintaining staff in new areas for which Government contributes Rs. 6,000 per year.

No affiliated society can appoint any salaried servant whose pay is more than Rs. 10 without a license granted by the Federation which has to be renewed every year. The Federation cannot appoint any auditor who is not licensed by the Registrar of Co-operative Societies.

The Governor is empowered to delegate his power to one or more of the Councillors, and he has delegated his powers to one of them. The councillors get travelling allowance for attending council meetings.

There is a paid secretary on Rs. 145 per month under whom there are 2 Accountants, one Head Assistant and three more Assistants. The cost for maintaining this staff in 1928 amounted to Rs. 13,892 including T. A. of Councillors.

The Federation got a cash credit account with the Provincial Co-operative Bank up to Rs. 50,000 out of which Rs. 5,000 has been earmarked for the Development branch.

The total number of Central Banks and Central Unions is 68.

Limited Societies ...	173
Unlimited Societies ...	8621
Stores	13
Guarantee Unions ...	280
Total ...	9,087

The Local Auditors are under Assistant Registrars. They submit their audit notes to Central Banks and Unions concerned who after rectification of defects submit one copy to Assistant Registrar. They submit their monthly progress return direct to the Federation. Their salary bills are prepared in the Assistant Registrar's office concerned but payments are made through Pay orders from the Federation upon Central Banks and Unions who after payment send it to the Provincial Bank for credit to their cash credit account and debit to the cash credit account of the Federation.

The Assistant Auditors are under the Chief Auditor of Co-operative Societies who after necessary remarks sends back the audit notes to the Central Banks and Unions concerned for rectification of defects pointed out. After removal of defects, they prepare 3 more copies and submit all the 4 copies to the Assistant Registrar concerned. The Assistant Registrar after necessary remarks submits one copy to the Registrar who returns it after perusal and necessary order; thereupon one copy with all the remarks goes back to the Central Bank or Union concerned and one copy to the Provincial Bank for information.

All the Employees of the Federation and Central Banks contribute anna 1 in the Rupee of their pay towards Provident Fund. An equal amount is contributed by the employer. The Provident Fund of the Federation Employees is separately invested in the Provincial Bank. The Employees get loan out of their Provident Fund for special purposes on the sanction of the Governor, subject to its confirmation by the Council. The employees of the Central Banks also get advance out of the Provident Fund with the approval of the Governor. They can also get loan on the security of Provident Fund which has to be sanctioned by the Governer.

In the case of transfer from one Central Bank to another or to the Federation or vice versa, the Provident Fund shall be handed over to the new employer.

The office of the Federation is located in the Secretariat, but the Development office has been located in a rented house of Rs. 125 per month, out of which the Development Officer contributes at 10 per cent of his pay for residence. The Press has been located in Government building at Gulzarbagh.

There is a proposal for the construction of a building of its own for which Government has contributed Rs. 15,000. We hope that in the near future we will be able to construct a building.

Arrangements have been recently made to run a permanent Training College for paid as well as Honorary workers with a well equipped staff.

All the accounts are audited by Government Auditors.

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4. The Punjab Co-operative Union, Lahore.

M. Bashir Ahmad Khan, Esq. M.A. LL.B. M.A.R.S.,
(Secretary, the Punjab Co-operative Union, Lahore).

Origin.

The Punjab Co-operative Union, Ltd., Lahore was registered on 29th July 1918 with the idea of de-officialsing the Co-operative movement in the Punjab. Before its establishment the movement was controlled entirely by the Government and no non-official central co-operative organisation existed in the Province for propaganda, education, supervision and audit. But the co-operative movement is a democratic movement and stands for the economic, social and moral emancipation of the masses. It is a movement of the people, by the people, for the people themselves and aims at their amelioration. Therefore, unless and until the people take active and leading part in its control and advance, it cannot progress on satisfactory lines.

In almost all other countries of the world this movement owes its origin not to the Government, as it does in India, but to the public spirited people. But here in our country, and in our province too, the movement was started by the Government. However, it is satisfactory to note that the Government has realised from the very start that the people should be given increasing control of the movement if the movement is to be of any lasting use to them.

With this idea in view, the Punjab Co-operative Union, Lahore, was established more than 10 years ago. Its area of operation extends over the whole of the province of the Punjab. It is the chief non-official, democrative, co-operative, propagandist institution.

Objects.

Its objects are :—

(1) To promote and extend Co-operation, to work for the common good of all co-operators, to aid in the conduct of co-operative business, and to act as agents on behaif of its members and to develope and strengthen co-operative organisation.

(2) To take measure for the audit, as required by the law, of all registered co-operative societies which cuntribute to the funds of the Union.

(3) To establish and maintain a Provident Fund for all employees of this Union, all Central Banks and of all other registered co-operative Societies in the Punjab.

(4) And also to take measures for the purchase, printing, and publishing of literature for the instruction of the staff and of the members of registered co-operative societies and other measures for the diffusion of better knowledge of Co-operation.

Membership.

All central co-operative banks, mortgage banks and unions registered in the Punjab, are eligible for membership of the Union. At present 143 institutions are affiliated to it. There is no membership fee. The Registrar, Deputy Registrar, Assistant Registrars of Co-operative Societies in the Punjab and Financial Adviser to the Registrar are ex-officio members.

The Registrar is the ex-officio President.

Liability.

Each co-operative bank or union, which is a member, is liable each year for any loss sustained to the extent of one half per cent of its working capital as it existed at the end of the previous co-operative year.

Central Meeting.

As in every co-operative society, the supreme control of the Union rests with the General Meeting, to which each society member sends one representative for each hundred or fraction of one hundred societies affiliated to it.

The General Meeting is held twice a year and is always well attended by men of all shades of opinion and all castes and creeds from every nook and corner of the province. According to the present calculation more than 200 representatives are authorised to attend it.

The Union does not pay anything to the representative for attending its General Meetings.

Executive Committee.

The Executive Committee is the body which really carries on the important work of the Union. It consists of 32 members, including the Registrar, who is its ex-officio President. The General Meeting elects one member from every district having 200 or more registered societies and the remaining are nominated by the President.

There are 29 districts in the Punjab. At present, Simla is the only district which has less than 200 registered societies. Therefore 28 members are elected by the General Meeting and three are nominated by the President.

The Executive Committee meets four times a year. Its meetings are always well attended and men of all religions, tribes and castes, town men and country men, take a free and democratic part in the debates without animosity or ill intention.

The members who attend its meetings are given $1\frac{1}{2}$ second class railway fare and Rs. 5 as daily allowance.

Audit.

Stated briefly, the Unions perform four functions. (1) Audit (2) Supervision, (3) Trading and (4) Propaganda. To carry out all these functions, it has a field staff of 500 persons.

Under the law, the Registrar is responsible for the audit of all the registered co-operative societies under his control and in the Punjab he arranges it through this Union. All the Sub-Inspectors employed by the Union have been declared by the Registrar to be competent auditors for the audit of primary societies.

Chief Auditor.

The audit of central institutions was at first carried on either by Inspectors, who are government employees, or by professional auditors. But in 1925, the Government sanctioned a recurring grant of Rs. 6,000 towards half the cost of audit of central institutions and in September 1925, three whole time Auditors—one Chief Auditor and two Assistant Auditors—were appointed by the Union. The Chief Auditor is an Incorporated Accountant and his pay is Rs. 500—35—1250 with Rs. 100 per mensem as fixed travelling allowance. At the time of their appointment the idea was that they would audit all the central institutions in the Punjab; but experience has shown that this is not practicable. Therefore now they audit only those central institutions whose working capital is less than 4 lacs. And all the Central institutions having working capital of more than 4 lacs are audited by professional auditors who are appointed by the Union with the approval of the Registrar. The audit fee to these professional auditors is paid by the Union and not by the institutions audited.

Last year, more than Rs. 20,000 were paid by the Union as audit fee.

Separation of Audit and Supervision.

One of the most interesting experiments, which has been successfully tried during the past two years, was the separation of the duties of audit and supervision.

According to the old arrangement, a Sub-Inspector had to perform three duties: (1) Audit, (2) Supervision and (3) Propaganda. But this centralization of powers in one and the same hand was not sound in principle and sometimes resulted in the overlooking of defects of the societies and consequently deteriorated them. Therefore, in order to improve the efficiency of the work, especially of audit, and to check the growing evil of mis-appropriation and embezzlement, the duties of audit and supervision are gradually being separated in the whole of the province. Separate persons have been appointed for audit and supervision. An auditor has now no more to do anything with supervision. Each auditor is given 100 or 120 societies for audit and each supervisor 60 to 75 societies for supervision.

Training.

The success of the co-operative movement depends upon the the training of the workers and the members of the societies. If the training is defective and unsound, sooner or later the whole fabric falls to the ground. And, as remarked by Lord Linlithgow, Chairman of the Royal Commission on Agriculture in India, the greatest enemy that the Co-operative movement had in this country and in any other was the uninformed enthusiast and the people who thought that enthusiasm and zeal could take the place of careful study and exact knowledge. They could not. Therefore the importance of training cannot be over emphasized. And it does one's heart good to learn that due attention has been paid to this work in the Punjab and the training imparted to the workers is systematic and sound and has been commended by the Linlithgow Commission in their interesting and instructive report.

Therefore a brief account of the system of training in the Punjab, which is one of the very important functions of the Union will not be out of place.

1. *Secretaries of Primary Societies.* In order to teach the elementary principles of Co-operative accountancy, training classes for Secretaries of primary Societies are held every year throughout the Punjab at various centres in the circle of each Assistant Registrar; and every year an increasing number of Secretaries attend these classes. The classes have proved of immense value to the Secretaries and to

the co-operative movement and have greatly helped in improving the accounts of Societies. The classes generally last for a week or so and students attending these classes are paid -/8/- per day by the Union.

2. *Secretaries of Unions,* A training class for Secretaries of Unions is also held once a year. The class lasts for a month and Secretaries from all over the Province attend it. The training to the class is imparted in the Vernacular.

3. *Training of Managers and Accountants.* An Inspector of the Imperial Bank of India was deputed by the Government to see if the financial side of the Co-operative movement in the Punjab, especially in the higher stages, was sound. After examining several of the larger central institutions, he commented adversely on the qualifications, training and pay of the staff in the central Banks. He pointed out that the movement now handled a larger sum of money, that the management Central Banks was in the hands of unqualified and sometimes comparatively uneducated men, that Directors did not insist on business efficiency and in some cases neglected even the ordinary precautions which were necessary for safety.

In order to remedy these defects, it was thought essential to improve the training of the employees of Central Co-operative Banks in Co-operation and Accountancy.

For this purpose a training class for Managers and Accountants of Central Banks for one month was started by the Union at Lahore in October 1927 and 22 candidates attended this class. As the class was organised for the first time and was experimental, therefore it did not prove so very successful. The whole scheme of this class is now under the consideration of the Financial Adviser, who has recently been appointed, and the class is expected to be repeated this year.

The preceding description shows how the Union is taking active steps for the training of the staff of Co-operative Societies from top to bottom, from the managers of Central Co-operative Banks down to the Secretaries of the primary Societies.

4. *Sub-Inspector candidates class.* A Sub-Inspector in the Punjab is the pivot of the Co-operative movement. Therefore, great importance is attached to his training. In addition to the practical training, extending over many months, which Sub-Inspector candidates are given, they have to attend a training class of two months, which is organised by the Union in the division of each Deputy Registrar at least once a year, with the help and co-operation of the

Registrar. No candidate is considered to be qualified for the post of Sub-Inspector unless and until he passes the class.

5. *Sub-Inspectresses.* The Punajab is the only province in India where systematic attempt has been made to bring women under the Co-operative fold. There is one government paid-Inspectress and seven union paid Sub-Inspectresses. A separate class was organised for their training.

6 *Agricultural classes.* As India is predominently an agricultural country, therefore, it is essential that those who are to work for the uplift of the masses must have at least some training in agriculture. With this idea in view, Sub-Inspectors are sent to Lyallpur and Gurdaspur for attending the six months' vernacular agricultural course which is conducted by the Agricultural Department.

7. *Referesher Course.* All the Sub-Inspectors have to attend a Refresher course every year. The course generally lasts for a week and is a source of imparting new ideas and fresh energy.

8. *Inspector Candidates Class.* All Inspectors in the Punjab are paid by the Government. But before appointment as Inspector each candidate has to receive training of 15 months. During this period he is paid a stipend of Rs. 50 per month by the Union. He attends the class at Gurdaspur for 4 months. This class is attended by candidates of other provinces also.

Propaganda. One of the main functions of the Union is propaganda of the Co-operative movement and this is carried out in various ways.

1. *Sub-Inspectors.* As already mentioned one of the duties of Sub-Inspectors is propaganda. They are engaged in organising Co-operative Societies of different kinds by approaching people in their homes and have been so successful in their work that now so far as the credit movement is concerned we practically do not stand in need of any sort of propaganda. The people have now realised the advantages of co-operative credit and are anxious to start Societies in each village without being asked to do so. Therefore attention is now paid to other forms of Co-operations.

2. *Magazine.* The Union has been publishing a monthly Urdu Magazine, "Co-operation" since October 1924. During its short life of less than 5 years "Co-operation" has made enviable progress. It is particularly popular with the rural classes as its style is simple and impressive and it has a rural bias. It has made its mark in co-operative, economic and literary circles. It is not published for any monetary gain but for education and propaganda and it is rendering

valuable services to the Co-operative movement on both these spheres. Its annual subscription is Rs. 2.

3. *Films.* The possiblities of the Cinema as on educative influence have long been realised and the Union has locally prepared two films———one on Co-operative Credit and the other on Co-operative Cattle Breeding. The Co-operative Credit Film was shown to H.E. Lord Irwin who appreciated it in high terms. Perhaps the Punjab is the only province in India which can claim to have its own films on "Co-operation."

4. *Magic Lanterns.* Another means of propaganda is the magic lantern and it is freely used by the Union. The Union has supplied a magic lantern to each Assistant Registrar who makes constant use of it on the occasion of conferences and fairs.

5. *Gramophone.* The most effective method of progaganda among the backward and illiterate classes is the gramophone and the Union has supplied a Gramophone machine to the Inspectress for use among women.

6. *Demonstration Train.* A novel scheme of propaganda was started by the government last year. A Demonstration Train, in which all the benificient departments fitted one compartment each with their films, charts, pamphlets and other exhibits, was run from station to station for exhibition to the public. It created great interest and attracted a large number of people.

7. *Pamphlets.* A good many pamphlets on various aspects of co-operation have been published by the Union. It may be of interest to mention some of them :—

1. What is Co-operation.
2. The Progress of Co-operation.
3. Co-operation in the Punjab.
4. Co-operation and Education.
5. Co-operation and the National Good.
6. Thrift.
7. A Drama on Co-operative Credit.
8. The key to Wealth.
9. Compulsory Education Societies.
10. Adult Education "
11. Thrift "
12. Cattle Breeding "
13. Arbitration "
14. Commission Shops.

8. *Registers for societies.* The Union also undertakes the preparation and printing of all the registers used by co-operative

societies in the Punjab. There is no other place from where these registers can be purchased.

9. Translation of English Books. There is great paucity of co-operative literature in vernacular. Therefore, the Union has undertaken the Urdu translation of ten English Books on Co-operation. Two books have already been translated and published.

10. Vernacular Libraries. A good many persons lapse into illiteracy within a few years of leaving the school as they do not find in their homes facilities for study. To safeguard against this evi and to spread the true knowledge of Co-operation, vernacular libraries have been started by the Union at the head quarters of about 50 central banks and Unions. A decent number of books on Co-operation and allied subjects have been supplied. These libraries have given a sort of impetus and the central banks and Unions are now establishing their own libraries.

11. Graphs. A few charts and graphs have been prepared showing the progress of the co-operative movement in the Punjab and also its comparision with other provinces of India. Some maps depicting the condition of land holdings in certain villages before and after consolidation have also been made. These graphs and maps are very instructive and make every thing clear and intelligible even to a layman.

12. Conferences. Another means of propaganda are the Conferences which are held throughout the length and breadth of the Punjab every now and then and afford an opportunity of realising the steady progress of Co-operation.

13. Co-operative Day. The celebration of the Co-operative Day was inaugrated in the year 1923 by the International Co-opetative Alliance, London, with which are affiliated important Co-operative Institutions of most of the countries. Now it is observed on the first Saturday of July each year by Co-operators all the world over. The day is celebrated in the Punjab under the auspices of the Union with great eclat. Co-operators take advantage of this occasion and deliver the message of Co-operation by lectures, processions, plays and exhibitions.

Funds. Now the question naturally arises wherefrom the Union gets the money for all these activities and the answer is not far to seek. According to the Bye-laws the funds of the Union consist of :—

1. Contribution to the audit and Provident Fund,
2. other contributions towards the general purposes of the Union,

3. loans and deposits.

There are two chief sources of income of the Union 1. Audit fee and 2. Government grants :—

As will be observed from the preceeding remarks, the Union undertakes the audit of all the Co-operative societies in the Punjab. There are more than 18,000 societies of all kinds in the Punjab and out of these about 15000 are of credit. The Union used to charge an audit fee of 7½ % on net profit from every credit society and now in future it will charge at the rate of 10 %.

Income and Expenditure. Last year the total income of the Union was Rs. 4,50,000 which includes Rs. 2,36,000 of audit fee and Rs. 1,72,000 of Government grant. The total expenditure was Rs. 4,35,000.

It may be remarked that in the beginning there was a great paucity of funds as the income from audit fee was very small and the Government did not give any grant. And at one time the Union was actually faced with a financial crisis and every member of each co-operative society in the Punjab contributed to the funds of the Union and saved it from ruin. It was after years of patience and laborious attempts that the Government was convinced of the utility of the Union and agreed to give grant to it. And now the Union is running on sound financial lines.

The Union is affiliated to the International Co-operative Alliance and the Horace Plunkett Foundation, London.

The influence and importance of the Union is increasing as the years go by and it is making rapid progress on sound lines. An ever increasing number of officials and non-officials from other provinces of India visit it every year and speak very highly of the calm and useful work which it is performing. It is now serving as a model to other Provinces and they are trying to follow in its footsteps.

5. "The United Provinces Co-operative Union Ltd.,— Its history and working."

The Standing Committee of Co-operators, which was constituted in 1919, was the nucleus of the present Union. Its functions were—

(a) to advise the Co-operative Department and to report on any matter referred to it by the Registrar or by any co-operative institution ;

(b) to deliberate on co-operative problems and to suggest improved methods in the working of societies ; and

(c) to help generally in the development of co-operation.

The Oakden Committee recommended in 1926 that the Standing Committee be reconstituted and be called the "United Provinces Co-operative Committee" and that in addition to its advisory functions, it be entrusted with the control of the organisation and supervision of primary societies.

The thirteenth provincial conference which met at Farrukhabad in February 1927 approved of the principle of placing the supervising staff of central banks under a provincial committee and recommended that a detailed scheme be drawn up in consultation with the Standing Committee and the banks that had indicated their willingness to accept the scheme. As there was, however, considerable opposition to the whole idea, it was resolved that the new system should be introduced only in those banks which were willing to accept it and it was realised that in the constitution of the committee there should be as little distinction as possible between those banks which accepted the scheme and those which did not do so, as the object was to convert the opposing banks by persuasion and practical experience and not to force them to accept the scheme by direct or indirect methods.

As a Government grant was necessary before the scheme could be introduced, this was applied for and sanctioned in March 1928 by the legislative council. Thereupon the details of the scheme were worked out. It was found out that a mere enlargement and transformation of the Standing Committee into the proposed provincial committee would not serve the purpose as it was not a co-operative institution in the strict sense of the term. It was

considered better and more co-operative to follow the lines of working of co-operative institutes and unions in other provinces. Consequently a set of bye-laws for a provincial co-operative union were drafted and passed by the Standing Committee in April 1928 which were accepted by several banks and registered by the Registrar early in July 1928; thus the United Provinces Co-operative Union Ltd., came into existence.

The United Provinces Co-operative Union Ltd., is now an executive body controlling a large number of supervisors. The Registrar is the ex-officio President, and apart from a few ex-officio and nominated members, the membership is confined to central societies and isolated primary societies. A society member which has handed over the control of the supervising staff to the Union is called an ordinary member, while one which has not done so is distinguished as an additional member; the former contributes towards the funds of the Union ⅛th of the interest accrued to it during the previous year; the latter only pays a nominal sum of rupees five. It is hoped that before long almost all members will become ordinary members. Government also give a substantial grant towards the funds of the Union.

The general body of the Union consists of delegates returned by society members, in addition to the ex-officio and nominated members of the Union. It meets only once a year for formal business and general supervision. It elects a provincial committee of thirty-six members which meets twice a year and attends to the more important matters; this committee holds office for three years and co-opts some nominated members; and the ex-officio members of the Union are also its members. The actual administrative work is in the hands of a small executive committee of five members, elected by the provincial committee for a period of three years, in addition to the Registrar and one other person nominated by him. This body meets once a month or more often, if necessary.

The Union has so far been busy with the details of administration and has prepared a number of regulations for the guidance and control of the staff. The members of the executive committee have divided the province into circles, and assigned one to each so that he can see to the proper working of the scheme in that area and help to remove any difficulties that may arise. The Union is still in its infancy, and it is too early to say anything about its success; but the experience of the past few months augurs well for its future.

6. Burma Provincial Co-operative Council, Mandalay.

The Burma Provincial Co-operative Council was established in 1918 and its bye-laws were registered in the same year. In 1924 it was "non-officialized" by amending its bye-laws and since that year, the office of the chairman of the Council has been held by non-official members.

Its main functions are ;—

(*a*) to control the audit of the societies and auditors.

(*b*) to promote, extend and improve Co-operative Organizations.

(*c*) to hold Agricultural Shows and Industrial Exhibitions.

(*d*) to hold Agricultural and Co-operative Conferences.

(*e*) to encourage Co-operative methods in agriculture, industries and trade by furnishing information and giving advice to and applying for facilities from the Registrar, Co-operative Societies, the authorities concerned or the Local Government through the Registrar of Co-operative Societies.

The above functions are being carried out by the Council as far as its finances permit.

The ultimate authority on all matters relating to the business of the Council is the General Meeting.

The Council's main income consists of audit fees and Council affiliation fees, the former being paid by the primary societies and the latter by the District Agricultural and Co-operative Associations, which have been empowered by the Council to Control the audit of society and auditors.

During the time of the Official Chairman, the Provincial Bank with the approval of the then Registrar allowed book-adjustment for the audit fees payable by the societies. Hence there was little or no difficulty in collecting audit fees. If this method of collection of audit fees is approved by the Registrar at present, the result will be "no financial difficulty".

The Council has to incur the following expenses :—

(*a*) Pay and travelling allowances of Auditors.

(*b*) Contribution to auditors' Provident Fund.

(*c*) Pay of Office Staff.

(*d*) Travelling allowances of members and establishment.

(*e*) House rent for Office Building.

(*f*) Contingencies.

(*g*) Maintenance of Co-operative School (now suspended).

(*h*) Expenses for holding the Provincial Agricultural and Co-operative Conference.

Audit fees paid by societies are utilized for purposes mentioned in (*a*) and (*b*), and the expenditures for purposes mentioned in (*c*) to (*g*) are paid out of the proceeds of collecting Council affiliation fees. A certain percentage, as the general meeting decides annually, of the audit fees collected, is also utilized for the latter purposes. The expenditure for holding Provincial Agricultural and Co-operative Conference is received from the following sources in the form of occasional contribution.

(*a*) Local Government.

(*b*) Rural and Urban Self-Government Institutions.

(*c*) Provincial Bank.

(*d*) District Banks.

(*e*) Agricultural and Industrial Departments.

(*f*) Burma Co-operative Council.

There are two kinds of staff, namely—

(*a*) Office staff and

(*b*) Field staff.

The office staff consists of one Secretary and two clerks. The field staff is composed of auditors who are under the direct control of the Council and who are stationed in different parts of Burma. Though there are a few auditors who have passed the Anglo-Vernacular 7th and High School Final Examinations, most of them are vernacular hands.

Before appointment, auditors must have passed the examination by auditors' Standard, which is held and controlled by the Council. Most of the auditors have practical training before appointment as an honorary organizer, attached with a Junior Assistant Registrar of Co-operative Societies, or as an Union Supervisor. The Departmental Officers have a voice in the supervision of Auditors' work. If an officer finds an auditor not doing his work satisfactorily, he can report the matter to the Council which takes the necessary action on the Officer's report against the auditors. According to the constitution there are in the Council at least five official members who have equal privileges of a member as other non-official members have. The appeal of a District

Association or its suggestion which is of Provincial interest is discussed and decided at the general meeting of the Council.

The following work is done by the Council :—

(*a*) audit of primary societies and cattle insurance societies by maintaining an audit staff;

(*b*) supervision and control over auditors' work ;

(*c*) supply annually to the provincial bank and district banks, of audit abstracts of societies, in which important facts are included such as (1) amount of doubtful loans, (ii) assets of members past and present, (iii) number of members with large loans repaying badly, (iv) classification of societies at audit, (v) number of criminal cases etc. ;

(*d*) supply of important notes on matters of special interest observed on tour by an auditor to the Range officer ;

(*e*) action taken on the report of an auditor against a primary society. The nature of this work is "if the auditor mentioned in his diary that there was disunity or many doubtful loans in a society, the Council addressed the society on the subject through the Range Officer and asked the society committee to take the necessary action on the defect or sometimes gave suggestions for rectification of the defects ;

(*f*) propaganda work as far as its funds permit ;

(*g*) opening Co-operative School and imparting Co-operative Education to students who attend the school. The students belong to different parts of the province ;

(*h*) holding the Provincial Agricultural and Co-operative Conference ;

(*i*) taking action on important resolutions passed at the Conference ;

(*j*) holding Agricultural and Industrial Shows along with the Provincial Conference ;

(*k*) holding examinations by auditors' standard and supervisors' standard with a view to get qualified men for the posts of Auditors and Union Supervisors.

7. The Surma Valley Co-operative Organization Society Ltd., Assam.

Introductory :—As the first report of the Society to be placed before the public, it is possibly necessary to give a history of its origin and development and a synopsis of its aims, constitution and method of operation.

HISTORY OF ITS FOUNDATION.

The first Provincial Co-operative Conference held in Shillong in 1921 under the presidency of the late Hon'ble Rai Bahadur Ghanasyam Barua, then the Minister in charge of the Department of Co-operation, recognised the need for propaganda and the necessity for founding a non-official organization for the purpose. It will be recalled that at the Conference the delegates differed only on the question whether Assam should have a Co-operative Organization Society of its own or whether the Bengal Co-operative Organization Society should be requested to extend its activities to this Province. Since then the first Surma Valley Co-operative Conference held at Karimganj in 1924 under the presidency of Sir Prafulla Chandra Roy resolved to start an Organization Society for the Surma Valley. The following is a transalation of the resolution adopted at the Conference :—

"That an Organization Society be established. The chief objects of the Society will be to publish books, pamphlets, and periodicals and to arrange lectures and conversazioni to explain how people may improve their lot by their own effort by combination on co-operative principles. For the present the area of operation of the Society will be limited to Sylhet and Cachar. That each Society do pay an annual subscription ranging from Rs. 2/- to Rs. 10/- according to its working capital. That the Co-operative Department be requested to help in the realisation of the subscription."

The Conference appointed a Sub-Committee to work out a detailed scheme for the Society which submitted a report to the next Conference held at Maulvibazar in 1925. It was at the Maulvibazar Conference that the constitution and by-laws of the Society were adopted and the first Working Council of the Society appointed. Steps were then taken to have the society registered. The Society was registered under Section 9 of the Co-operative Societies' Act (Act II of 1912) on 10th October, 1925.

AIMS OF THE SOCIETY.

The aim of the society is the spread and improvement of the Co-operative movement. It is therefore a non-sectarian, non-religious and non-political body ; its sphere of work is confined to organised attempts at the improvement of the moral, material and economic condition of the people.

The by-laws of the Society lays the aims and objects as under :—

(*a*) Co-operative propaganda and with that end in view to arrange lantern lectures, theatres, jatras and katha-katha (Conversazioni), publication of books and journals.

(*b*) Co-operative training and opening of training classes at various centres for the training of Co-operative workers, etc.

(*c*) Preparation of schemes of new types of societies and the framing of by-laws and other rules for their guidance.

(*d*) To act as a Bureau of information and advice for all Co-operative Societies in all matters connected with their improvement and to supervise such Societies.

(*e*) To act as a Standing Committee of the Surma Valley Co-operative Conference.

(*f*) To render, if possible, financial assistance by advance of loans to special types of Societies and to issue shares and receive loans and deposits for that purpose.

(*g*) To do any other works that are incidental and conducive to the above.

CONSTITUTION.

The constitution of the Society is largely based on that of the Irish Agricultural Organization Society modified by those of the Bengal Co-operative Organization Society and Bombay Central Co-operative Institute—the two primary organising bodies in India. Briefly the direction of affairs is left to a central committee elected on a regional basis, while the working of the Society is vested in a small localised body called the Working Council. In each subdivision there will be a subdivisional committee to assist the Central Committee. (By-laws 11 to 33).

It took the Society some time to start work and the first Preacher of the Society could not be appointed till March 1926.

MODUS OPERANDI.

Considering the small percentage of people in the villages who are literate in any sense of the term, the Society decided that the *best* method of propaganda would be *not* through books or pamphlets or magazines *but* by popular lantern lectures which make a visual appeal as well. Accordingly from the very beginning, the Society has employed preachers who visit villages in the interior and carry the message of Co-operation through lantern lectures and less formal talks in their own homely words.

PUBLICITY.

But the Society is also alive to the importance of magazines and pamphlets and it has been publishing the *Samabay* as a quarterly organ in Bengali. It has a very wide circulation among the Co-operative Societies in the Valley. The Society has also published the following pamphlets in Bengali :—

(1) Report on anti-malarial, irrigation and industrial societies in Bengal.

(2) Report on Co-operative Organization Society.

(3) Value of Co-operation in rural organization (published by the author Rai Ramani Mohon Das Bahadur, M.A., President of the Society at his own cost.)

MODEL BY-LAWS OF CO-OPERATIVE PUBLIC HEALTH SOCIETY—SPECIAL TYPES OF SOCIETIES PLANNED AND ORGANISED

A scheme for the improvement of public health in the villages on Co-operative basis was prepared and published in the form of pamphlets. Model by-laws have since been prepared and approved by the Registrar of Co-operative societies. Already 9 such Societies have been registered in the various parts of the valley and two others are in the process of organization. If the the scheme can be worked with proper enthusiasm and under proper guidance, it is hoped that it will in course of time be able largely to solve the problem of rural water supply and rural sanitation generlaly. It may be of interest to report that Mr. Sris Chandra Datta M. L. A., was the first gentleman to give the experiment a trial in his native village.

A scheme for the improvement of milk supply is in preparation under the guidance and inspiration of the President of the Society, Rai Ramani Mohon Das Bahadur, M.A., An experiment is being tried in the neighbourhood of the town of Sylhet and we hope to be able to give a fuller report on its working next year. A bolder scheme on the same lines has been launched by Babu Mahim Chandra Biswas, the Secretary of the 4th Conference held at Habiganj whose progress will be watched with interest.

LANTERN LECTURES.

Up to August 1928, 414 lectures have been delivered which were attended by 23,013 persons, the average attendance at the meetings being 56. The maximum number present at any one meeting was 1,500 and the minimum 20.

It will appear that the Society has been laying great emphasis on the sanitary propaganda both for its own intrinsic need and as a necessary spade work and preparation for creating a suitable field for the organisation of Co-operative Public Health Societies.

RESULT OF PROPAGANDA.

This extra stress of sanitary propaganda is already bearing fruit and the demand for Public Health Societies is growing. They are presenting two sets of difficulties. The first is ability to finance such Societies at cheap rates (of interest) and the other adequate and frequent supervision.

The other result of propaganda, of which the Conference has already become a most powerful method, is a great enthusiasm for forming Societies. Without arrogating to ourselves the whole credit for the advance, it may be pointed out that during the last 4 years the number of Co-operative Societies has more than tripled itself, and if the Department had adequate staff to meet the growing work and all Central Banks been equally able to meet the demand for money, the increase would have been much higher.

Reference has already been made to the Co-operative Public Health Societies organised on the basis of the scheme prepared by this Society.

Societies have so far been organised and the demand for them is growing.

TRAINING CLASSES.

A pamphlet describing the scheme for training classes for Secretaries and Committee men of rural societies was published. Each course is expected to consist of 6 lectures on the following subjects :—

1. Principles of Co-operation and their value.
2. Co-operative Societies Act and Rules made thereunder.
3. Management of Co-operative Societies and their by-laws.

4. Co-operative Book-keeping and Balance Sheet (Practical).
5. Primary Societies and Central Banks—their mutual relation and duties.
6. General faults and their remedies.

There is provision for prizes and certificates for those who pass the examination at the end of the course and a medal is offered to the person winning the first place at each centre. The need for training classes at rural centres is large; unfortunately the Society is unable to meet the demand adequately for want of sufficient staff.

JOURNAL.

The Samabay was first published in Sravan 1333 B. S. (July 1926) as a quarterly journal. It has completed the 2nd year of its publication. The want of a whole time man to assist the Honorary Editors, Rai Bahadur Ramani Mohon Das, M. A., and Mr. Atul Chandra Nandi, B. Sc., Assistant Registrar of Co-operative Societies is being keenly felt.

PROGRAMME OF WORK.

At the beginning of each year the Working Council of the Society draws up a scheme of work that it proposes to do during the year. This has proved very useful as this helps to concentrate attention and energy on certain specified lines. The field for the organisation of Co-operative Societies for the amelioration of the material condition of the people is so vast and varied that unless a scheme of selection is adopted, much of the energy will be frittered away. But whatever else our scheme may be, we continue to preach the principle of Co-operation and to teach the methods of running Co-operative Societies by lantern lectures, training classes and the publication of the Journal.

CONFERENCE.

The Surma Valley Co-operative Conference has held its annual sittings since 1924. Names of the places and Presidents are given in order.

1. 1924. Karimganj. Sir P. C. Roy.
2. 1925. Moulvibazar. Babu Siva Nath Datta.
3. 1926. Sylhet. Rai Bahadur Promode Chandra Datta, Advocate and Late Minister, Government of Assam.
4. 1927. Habiganj. Rai Bahadur Ramani Mohon Das, M. A.,
5. 1928. Silchar. Mr. Brojendra Narayan Chaudhury, M. A., B. L., M. L. C.

At each of these Conferences important resolutions were passed and submitted to the Department for consideration. Under the constitution, this Society is the Standing Committee of the Conference.

EXHIBITION.

It may be of interest to state that it has been the practice to hold an Agricultural and Industrial Exhibition and a Cattle Show in connection with the Co-operative Conference and the idea has proved as successful as it has been useful. The Organisation Society cannot too highly thank the officers of the Co-operative, Agriculture, Industrial and Veterinary Departments for their willing and active co-operation in making the Conference and the Exhibition the success they have been.

CONSTITUTION OF THE CONFERENCE.

So far the Conference has met as a separate and a parallel body and the Surma-Valley Co-operative organization Society has little direct hand in its management. At the last Conference held in Silchar, a resolution was moved and carried for the drafting of a constitution and a set of rules for the Conference which are now under preparation.

THE PROGRESS OF THE SOCIETY.

While Bengal employs only one Co-operative Propaganda Officer, Bombay employs 4 and this Society 2. The number of magazines published by this Society also compares favourably with the efforts of those two Societies in this direction.

OUT-LOOK.

The importance of an organization like this in any scheme of organization is unfortunately only vaguely understood. It is no wonder when we remember that to some section of the people the idea of Co-operative Organization of the villages does not rouse much enthusiasm. Until the Organization Society is able to function effectively, such enthusiasm cannot come, and unless it is properly financed, the Society cannot function properly. It is earnestly hoped that Government will increase their support to the Society and enable it to continue and improve its work.

OFFICEBEARERS.

President—Rai Ramani Mohon Das Bahadur, M.A. Sylhet.
Vice-Presidents—Babu Bidit Chandra Gupta, Silchar. Srijut Raj Chandra Das, Karimganj.
Honorary Secretary—Babu Kshirode Chandra Purkayastha, M.A, B.T., F.R.E.S.F.S.S. (London), Silchar.
Assistant Secretary—Babu Ramani Mohon Chakravarty, B.Sc., Silchar.

8. Hyderabad Central Co-operative Union, Ltd.,

Hyderabad—Deccan.

The Hyderabad Central Co-operative Union was registered on 30th July 1925. The union is being administered by three Constitutional Bodies:—(*a*) The General Body, (*b*) The Board of Management, (*c*) The Executive Body.

(*a*) The General Body comprises both individual and society members.

(*b*) The Board of Management is created and elected from the General Body. This Body consists of 30 members, all non-officials excepting the Registrar of Co-operative Societies who is an ex-officio member of the Board. The President is Nawab Sir Hyder Nawaz Jung Bahadur, Minister, Finance, etc., Departments, and the Hony. Secretary is Mr. Syed Badarul Hassan.

(*c*) To facilitate the working of the Union, an Executive Body consisting of 9 members is created from out of the Board of Management. The Chairman of the Executive Board is Mr. Venkatrama Reddy, (Commissioner of City Police). This Body meets at short intervals and is responsible for the working of the Union. This Body has created 2 permanent Sub-Committees, namely education and editorial, to keep in closer touch with the training classes and co-operative magazines respectively.

Strength:—The Union has 14 life and 44 ordinary individual members and 556 societies affiliated to the Union.

Finance:—The Government has sanctioned an yearly grant of Rs. 10,000 for 5 years. Apart from this, the Union realises at present a sum of about Rs. 40,000 as subscription from individual members and affiliated societies.

Education:—The Union publishes Quarterly co-operative magazines in Urdu, Telugu, Marathi and Canarese. It undertakes the translation and publication of some standard books on Co-operation from English into the local languages. Apart from the publication of standard books, current and useful literature is published in the above four languages in the form of pamphlets.

Propaganda :—The Union is sending round propagandists to rural areas with magic lantern and co-operative slides.

Training Class :—The Union holds every year full course training classes for the present untrained Government staff and also for training young educated men for further recruitment. The scheme of holding fortnightly training classes for the Honorary Secretaries of rural societies is also on hand.

Conferences :—The Union organises every year the Dominion and District Conferences.

Rural Economic Survey and Reconstruction :—Expert advice was taken last year for a rural economic survey. The work of rural reconstruction is also taken on hand, and the Union proposes to send for training some young men to Institutes and Provinces where the work is progressive.

Library and Free Reading Room :—The Union is maintaining a library though not a very comprehensive one. In the current budget, special allotment has been made for the purchase of books. The Union has a Free Reading Room within its office premises which is very near the Colleges and Schools. Apart from various co-operative journals, some English and Vernacular dailies are available for reading. The Free Reading Room is found to be a source of great attraction to the younger generation.

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