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Editorial Notes

THE XVIIITH MADRAS PROVINCIAL CO-OPERATIVE CONFERENCE.

It is the usual practice when general remarks are made upon any important conference to say that the particular session is one of the most important one, nay, almost an epoch making one. We are not indulging in any such platitude when we say that the XVIIIth Madras Provincial Co-operative Conference was really a very important session from more points than one.

The most interesting feature of the Conference, a feature that contrasts it so favourably with other such meetings and conferences was that there was less of mere empty rhetorical talk. The wholesome precedent set up last year of confining the attention of the Conference to a few specific topics only, instead of covering the whole field of co-operation, was followed this year and we hope it will be continued in years to come. As the authorities of the P.C.U. approached the co-operative organisations in India and outside sufficiently early, most of them were able to send fraternal greetings to the co-operators of Madras assembled in conference.* Our neighbouring province of Bihar and Orissa was good enough to send a fraternal delegate, Rao Sahib Mihirnath Rai, who took a keen interest in the proceedings and whose message published elsewhere will be read with special interest.

* The messages are printed elsewhere in this issue.

That the Conference is becoming more and more business like and not a mere costly "Tamasha" is borne out by the fact that this occasion was availed of by the co-operators assembled to have a number of sectional conferences, in which persons specially interested in particular lines of co-operative activities alone, took part and made the results of their deliberations more authoritative.

Another striking feature is that the number of delegates attending the conference is increasing and this year it has far exceeded 500 and what is more important, most of these delegates stayed on at all the important sessions of the Conference and took an active part in the deliberations. Co-operators who have been attending Provincial Conferences regularly for the past ten years and more would remember that usually a good deal of enthusiasm would be exhibited at the opening session, but at later sessions attendance would thin down to revive again just a little, perhaps, at the time of the President's concluding remarks. This fortunately was not the case this year. The general attendance was satisfactorily steady throughout.

A third special feature which deserves mention is the fact that a distinguished outsider presided over the Conference and guided its deliberations. Our province has never shown any parochialism in the matter of Conference Presidents. We have invited many distinguished outsiders, mostly from our neighbouring province of Bombay. Messrs. Talmaki and G. K. Devadhar and Sir Lallubhai Samaldas have come from Bombay and Professor Radhakamal Mukerjee from U. P. The honour of giving us a President this time also went to Bombay and we are very thankful for the excellent President she gave us.

The good practice set up by the T.U.C.S. in opening a temporary branch in the conference premises in order to facilitate the work of those who are in charge of the Boarding arrangements was continued this year also. The store room in which articles were stocked attracted a very large number of visitors and we are glad to learn that most of them went away satisfied with the quality and price of articles supplied, and it is our hope that a real interest in Consumers' Co-operation has been roused in most of the delegates assembled by means of occular demonstration of its success in Madras.

Last but not least, the Registrar and his Personal Assistant remained throughout the proceedings and helped the Conference

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with their valuable suggestions. The Conference owes a special debt of gratitude to Mr. Strathie, the present Registrar, who, everyone felt, has evinced a more sympathetic attitude towards the activities of the non-officials than his predecessor. It was because he was sympathetic and non-interfering that on one or two occasions when he did make some important suggestions, the conference as a whole was quite willing to accept them. We hope this attitude of cordiality would be maintained between non-officials and the department during his regime.

There will always be doubting Thomases who in all seriousness ask "What is the use of Conferences like this?" To such persons we should like to make a present of the following extract from our contemporary, the "Co-operative News" Writing about the British Co-operative Conference held in Easter, which is expected to cost 10 to 12 thousand pounds, our contemporary writes as follows :—

"Whether the movement gets a full return for that, or not, is uncertain ; but it is equally certain that it would get a bigger return than it does if the delegates and the constituencies which send them took the Congress more seriously. What happens at the Congress should not be forgotten. It should be remembered and spoken about at co-operative gatherings for the whole year.

"It should determine the action and policy of societies, and map out the course to be followed till the next Congress."

We hope this wholesome advice will be followed by co-operators in this country.

THE WELCOME ADDRESS OF MR. V. RAMADAS PANTULU.

The address of Mr. V. Ramadas Pantulu as the Chairman of the Reception Committee deals mainly with three topics. He started with a defence to the procedure adopted at the Conference which marks a wholesome departure from the old-fashioned way of doing things, i.e. of confining the attention of the Conference to a few live problems only. Occupying, as he does, a unique position as the President of both the Apex Bank and the Provincial Co-operative Union, he laidemphasis upon the most pressing problem of the day, i.e. to pull the Movement out of the slough in which it has fallen, a process commonly known in this Province as Rectification and Consolidation. Our readers would remember that this was the main topic of the last conference also and Mr. Ramadas pleaded for continuation of the activities started last year, until the promised land is reached. But, in this connection he put in a very eloquent plea for the co-ordination of activities between all the non-official agencies concerned and showed how the movement is not lacking in funds on the non-official side, but that the magnificent sum of nearly 9 lakhs collected is being spent without one definite general policy or without one central agency in charge of it. He pleaded, as he has done on ever so many occasions before, for centralisation of administration on a basis of decentralised and democratic control. He also pleaded for the permanent retention of field staff by Central Banks to keep watch and ward over societies and to see that they do not lapse back into a condition requiring rectification once more.

He next dwelt upon the vexed question of issue of long-term loans by central banks and primaries and showed how the revival of the old practice would be detrimental and pleaded that the advocates of the revival of the old system who persist in their agitation should give a chance to the newely started Land Mortgage Banks and concentrate on strengthening them.

The most important and interesting portion of his address was upon the placing of the whole system of Agricultural Finance on a more rational and natural basis. He showed how co-operative finance has not touched even the fringe of the real problem of financing agriculture and how it is working on an unnatural basis. He went on to say, "Accommodation is least attended to when there is greatest need for it and collections are forced when there are no resources available for repayment. It is, therefore, no wonder that the rural co-operators' life is one of long drawn agony when they are thus tossed about between *sahukar* and *sahakar*."

He ended with a two-fold appeal, an appeal on the one hand to those engaged in national reconstruction to take a more active interest in co-operation and an appeal on the other hand to those already engaged in the Co-operative Movement to realise the need for co-ordinating it with other national activities like Swadesi and so on.

We are quite sure the address would be read with great interest not only by the co-operators of this province, but by all co-operators in India as it deals with many problems of general importance and deals with them most lucidly and suggestively.

THE PRESIDENTIAL ADDRESS OF PROF. V. G. KALE.

The Presidential Address of Prof. V. G. Kale laid emphasis, as was expected, on certain fundamental principles of Co-operation. The learned President started with a confession that he was not what may be called "a working co-operator conversant with details of the activities of the Co-operative Movement and that he was not intimately acquainted with the economic conditions of this presidency".

Well versed, as he was in the fundamentals of Economics in general and Co-operation as a department thereof, he had no difficulty in picking out a few important points and laying due emphasis upon them.

In the first place he assured co-operators in general, that there was nothing wrong in their conducting a searching self-examination from time to time as it has now been done in many provinces. He assured us that Co-operation has had to pass through similar crises in other parts of the world as well, that the Movement in this country has shown foresight and courage in making such public scrutiny of its workings and it is all the better for it, because, as he went on to add, "the true moral and material strength of a movement lies in its capacity of retrospection and adjustment to the changed conditions as they arise." He also sounded a note of warning against blind imitation of principles which have been found successful in other parts of the world and laid emphasis, as Prof. Mukerjee did two years ago, on the need for adopting everything to suit local conditions and requirements. As a student of Politics and Economics, the next point he dealt with was the function of the State so far as this Movement was concerned and while admitting the need for trained supervision and education, he added that it did not necessarily follow that such supervision and education must be official. He laid emphasis upon the growing non-official control of the movement as a decisive index of the healthy advance of Co-operation and concluded this portion of his address with the statement that "autonomy of the movement and State assistance and guidance are not incompatible, and their elastic limits have to be drawn deliberately in view of the work we are expected to accomplish."

It is said that some of the most profound truths are amazingly simple and they are often overlooked because they are so simple and commonplace. The learned President, therefore, laid emphasis upon the four main problems that require our careful attention, namely the knowledge of how loans are granted to members by primaries and the way in which they are utilised and repaid, secondly the machinery implemented for supervision of societies and their efficient working, thirdly the financial position of central banks and their relation with unions and societies and fourthly the expansion of the movement into non-credit and non-agricultural spheres. With an openness of mind, unfettered by prejudices, he went to the root of the matter when he said that "any bank worth the name would never dream of lending to a client about the soundness of whose position it has not satisfied itself." He laid emphasis upon co-operative marketing of agricultural produce and pleaded for the establishment of branches of District Banks in important taluka centres, a practice in conformity with what obtains in Bombay. His warning about the dangers that lie ahead of Land Mortgage Banks which give facile credit to agriculturists with no obligation for immediate repayment is no doubt sound but is evidently not intended to discourage the rapid development of primay land mortgage banks and we hope the authorities of the new experimental institutions will take it in the spirit in which it is offered. Lastly, he pleaded for a scientific study of the problems of rural economy. He had the courage to plainly tell the Conference that there is a good deal of "unreality" about our co-operative institutions throughout the country. He went on substantiating that old statement by prescribing a few tests of efficiency, and asked how our co-operative institutions will stand the test. As Mr. Ramadas did, he also pleaded for all patriotic workers who have the welfare of the country at heart to take keener interest in co-operation, because it offers a field for patriotic effort which cannot be exceeded in national importance by any other ameliorating, elevating and educative agency, and on its platform all who want to serve their countrymen and to help them to reach higher standard of living and citizenship, can and ought to join hands."

We offer our sincere felicitations to the learned President for the excellent address which he was able to get up within the very short period of time at his disposal.

RESOLUTIONS PASSED AT THE CONFERENCE

The resolutions* passed at the Conference, though few in number, are of great importance for the future of the Movement. Resolution No. II which was the first business resolution of the Conference dealt with co-operative education in the province. This also formed the

*Vide resolutions printed elsewhere.

subject matter of an important resolution passed by the General Body of the P.C.U. We have on various occasions dealt with the problems of Co-operative Education, and pleaded for centralising the whole scheme under the guidance of the Provincial Co-operative Union. We are glad to see that co-operators of this province, in conference assembled, have set the seal of their approval on the scheme. They have gone further, and they have also pleaded for the formation of an institution of a superior type for carrying on education of a higher nature. Our readers would find in the speech* of Mr. K. C. Ramakrishnan, of the Economics Department of the University of Madras, who moved this resolution, the full justification for this new venture.

The most important resolution of the Conference was the resolution No. IV on Rectification and Consolidation. This was mainly a repetition of the last year's resolution on the subject with some modification by way of detailed instructions as to how the work is to be done. The portion added is taken from the resolution on the same subject passed at the Bankers' Conference and there is something to be said in favour of the General Body of the Provincial Co-operative Union, the Provincial Conference, the Banker's Conference and such responsible co-operative bodies, pulling all together and lending mutual support by each reiterating the relevant portion of other's propositions.

The next resolution that calls for our attention is about the amending of the Co-operative Societies' Act. It is said that the Registrar has already sent to the Government his suggestions about the amendments of the Act and a Bill was expected to the introduced at the last session of the Legislative Council. There was an informal conference held by the Registrar, at which a few prominent co-operators were invited. But we have no official record of what took place at the Conference and what modifications suggested by the non-official co-operators were accepted by the Registrar and embodied in the draft bill. We invite the suggestions of co-operators on this very important subject and the P.C.U. will collect and place all these suggestions before the authorities concerned. We hope the invitation thus extended to co-operators all over the province will be availed of by them and it is unnecessary for us to add that the pages of this Journal are always open to co-operators who wish to contribute notes and articles on this topic.

* Vide proceedings of the Conference printed elsewhere.

Another resolution with far-reaching consequence that was adopted by the Conference was about drafting a constitution for the Conference. What subjects are to be taken at the conference, who is to send notices of resolutions to be moved at the conference and when to send them, what agency to select and place the draft resolutions before the subjects committee, these are all now not definitely settled. The Executive Committee of the P.C.U. takes up practically the entire responsibility. But we need not hide the fact that there was some discontent in the minds of mofussil co-operators that the Executive Committee of the P.C.U. was having everything in its own way and was giving very little liberty of action to the many delegates coming from far and near. It is hoped that a suitable constitution will be devised whereby such complaints could be avoided. We invite suggestions on this matter also from co-operators all over the province.

Another resolution was passed about the Loan and Sale Societies which is intended to push ahead the scheme of co-operative financing of agricultural marketing. Another resolution was passed about the formation of a Co-operative Wholesale Society for the province, a matter in which the Triplicane Urban Co-operative Society, the premier co-operative stores society in India, has taken some definite initiative*.

We have reserved to the last resolution No. VIII which we consider to be, in many respects, a most important resolution of the Conference. On previous occasions the subject of Co-operative Insurance came up for consideration, but the Conference satisfied itself by appointing a committee to go into the question and report, and on those occasions the committees did practically little work and no further step was taken. The Executive Body of the Conference, i.e. the P.C.U. has a definite duty laid upon it of taking action upon this resolution and we hope that co-operators in Madras will not lag behind their brothern of Bombay and Bengal, where co-operative insurance societies have been started. As we have written so much upon this subject on previous occasions, we satisfy ourselves by merely appealing to co-operators to help the P.C.U. in bringing such a society into existence and when it has become a realised fact to help us in running it efficiently.

There was a formal resolution of condolence on the death of Dr. S. Swaminathan, one of the foremost co operators of this

* Vide the proceedings of the Stores Conference printed elsewhere.

province and another resolution on the need for building a Co-operators' Hall, which was a repetition of the resolution on the same subject passed by the Third Madras Dt. Co-operative Conference. As we remarked at the beginning, the Conference was extremely business like both in the matter of the number of resolutions passed, and in the way they were discussed and adopted.

ANNUAL REPORT OF THE MADRAS PROVINCIAL CO-OPERATIVE UNION

There was a meeting of the General Body of the P.C.U. at which the Annual Report on the working of the P.C U. from 1st July, 1929 to 15 April, 1930 was read, discussed and adopted. There was also election of Honorary Members, office bearers and members of the Managing Committee. The report submitted together with the detailed proceedings of the General Body are published elsewhere. We wish to draw the attention of our readers to only one point mentioned in the report. The Secretaries of the P.C.U. in submitting their report gave a brief account of the action taken upon the most important resolution of the last Conference, namely that on rectification and consolidation and showed how different district banks have tackled the problem; but they drew special attention on the observations of the Registrar contained in his latest Administration Report on another resolution of the last year's Provincial Conference about the employment of departmental officers as Executive Officers of Federations. The Registrar's observations upon this resolution are unnecessarily offensive. So also are his observations, as the report points out, against registration of new societies and about there being no place for self-seekers in the Co-operative Movement. Let us hope that this year's report when it gets published will be free from such blemishes.

The report gives a vivid account of the kind of propaganda work done by the various persons connected with the Union. It was possible to do so much work on account of the liberal subsidy given to the P.C.U. by the Madras Central Urban Bank. We hope that in this year also for which a similar subsidy is assured, the P.C.U. would be able to organise a plan of work and justify the confidence reposed in it by the apex financing bank. Let us all bestir ourselves for another year of strenuous work so that when the time comes for stock-taking, we may have some bit of honest work to our credit.

THE FARWARD STATE OF COCHIN.

The forward State of Cochin has introduced Co-operation as a regular subject of study in the High School classes of the various schools in the State. The syllabus is published elsewhere.* It would be seen from it that the aim of the framers of the syllabus is to rouse the students' interest in the subject rather than to equip them for work as co-operators immediately they leave their scholastic institutions. We hope the subject would be handled by enthusiasts in such a manner as to create a real and loving interest on the part of students and we also hope that this good example set up by the enlightened State will be followed in other parts of India. We congratulate the Cochin Durbar on the forward step they have taken in the matter of diffusing co-operative knowledge among the rising citizens of the State.

CELEBRATING THE CO-OPERATOR'S DAY IN INDIA.

Elsewhere† would be found published a circular letter from the Secretary of the All India Co-operative Institutes' Asssociation dealing with the subject of celebrating the International Co-operators' Day in India.

Our readers are aware of the fact that the International Day is generally celebrated on the first Saturday in July every year. This is a practice in England; but certain countries in the continent found July not quite convenient to them and the International Co-operative Alliance have given them the right to celebrate the Day on some other day suitable to themselves.

In many parts of India July has been found to be not quite suited for the festive celebration. The All India Institutes' Association, which has recently been formed lost no time in circularising all Registrars and apex institutions in the various provinces and Native States and Indian States. Based upon the replies received, they have fixed the first Saturday in November to be the Co-operators' Day. The Provincial Co-operative Union is affiliated to the All India Institutes' Association and it is bound to abide by the decision of the bigger organisation. We, therefore, appeal to co-operators all over the province to observe the first Saturday in November, which happens to fall on the first of November, as a day dedicated completely for Co-operation.

* Vide Supplement II.

† Vide part 2 of Supplement I.

Co-operative Conference Week.

PROGRAMME.

18th April 1930 (Friday) :—

8 a.m. to 11 a.m.	Central Banks' Conference ...	M.C.U.B. Buildings.
2 p.m. to 5 p.m.	The meeting of the Board of Management of the M.C.U.B.	do.
5-30 p.m.	Meeting of the Representatives of Stores Societies.	T.U.C.S. Buildings (Head Office)

19th April 1930 (Saturday) :—

8-30 a.m. to 11-30 a.m.	Opening Session of the XVIIIth Madras Provincial Conference. Welcome Address by the President of the P.C.U. & Presidential Address by Prof. V. G. Kale.	P. S. High School Buildings Mylapore.
2 p.m. to 5 p.m.	General Body Meeting of the P. C. U.	do.
5 p.m. to 6 p.m.	The Board of Management meeting of the P.C.U.	do.
8 p.m. to 9 p.m.	Talks on Co-operation with the aid of Magic lantern & slides.	do.
9 p.m.	DINNER	do.

20th April 1930 (Sunday) :—

8 a.m. to 11 a.m.	Session of the Conference ...	do.
12-30 p.m. to 2-30 p.m.	The Second Session of the Madras Presidency Co-operative Building Societies' Conference.	do.
3 p.m.	Session of the Provincial Conference.	do.

Summary of Proceedings

At the meeting of the Executive Committee of the P.C.U. held on 19th January 1930, it was resolved to hold the XVIIIth Madras Provincial Co-operative Conference at Madras. The choice of the President of the Conference was left to the President of the P.C.U. who in consultation with some city co-operators fixed upon Professor V. G. Kale of the Fergusson College, Poona. The Professor, in spite of his onerous duties as a prominent member of the Bombay Provincial Banking Enquiry Committee, was pleased to accept the invitation.

Arrangements meanwhile went on, circulars were issued and constituent societies were requested to send representatives both for the Conference and for the General Body meeting of the P.C.U., which was also to be held.

At the meeting of the Executive Committee of the P.C.U. held on 23-3-'30, the subjects to be placed before the Conference were discussed and resolutions drafted.*

The P.S. High School, where the Conference was held was working on Friday the 18th April, the day previous to the Conference and the authorities of the P.C.U. could take possession of the buildings only after 4 O'clock that day. If any inconveniences should have been caused to delegates that have come from the mofussil, on account of the inability on the part of the P. C. U. to accommodate them conveniently in the forenoon of Friday, it was absolutely unavoidable for reasons explained above and the P.C.U. hopes that the delegates will be gracious enough to overlook those minor defects in the arrangements.

Professor Kale arrived at Madras by the Bombay Express on the 17th April and was received at the station by the President and some members of the Executive Committee of the P.C.U.

Over and above the regular Conference the following meetings were also held.†

* See Supplement IV to the Madras Journal of Co-operation for April 1930.

† The proceedings of the Stores Conference and of the General Body meeting of the P.C.U. are published elsewhere in this issue. The proceedings of the other Conferences will be published in the next issue.

(1) The Central Banks' Conference—(Friday the 18th April, 1930).

(2) Meeting of the representatives of Co-operative Stores at the T.U.C.S. (Friday the 18th April, 1930.)

(3) General Body meeting of the P.C.U. (Saturday the 19th April, 1930).

(4) The Land Mortgage Banks Conference (Saturday the 19th April 1930).

(5) Building Societies' Conference (Sunday the 20th April '30).

The first session of the Conference began at 8 A.M. on 19-4-'30 in the spacious hall of the P. S. High School. The hall was tastefully decorated and many pithy and suggestive mottos on Co-operation were conspicuously exhibited. The President on arrival was welcomed by all the prominent co-operators assembled and was taken to the dais.

Mr. Ramadas Pantulu, as the President of the P.C.U., welcomed the delegates assembled in his speech which is published elsewhere.

The formality of electing the President of the Conference was dispensed with and the Chairman of the Reception Committee, on behalf of all assembled, requested Professor V. G. Kale to occupy the presidential chair.

The President then read out his address which was listened to with wrapt attention by all the delegates assembled. In the afternoon the General Body of the P. C. U. met, passed certain amendments to Bye-laws and elected Honorary members, office bearers and members of the Board of Management. Later on, the Board of Management met and elected the members of the Executive Committee. Detailed proceeding of these meetings are given elsewhere.

At 8 A.M. on Sunday the 20th April 1930, the Conference met as Subjects Committee and discussed the draft resolutions placed by the Executive Committee of the P. C. U. The object of this discussion was to focuss the non-official public opinion on the topics raised and to formulate the views of the Conference regarding them. As there was very little difference of opinion, the draft resolutions with very slight modifications were accepted.

At 3 P.M., the final session of the open conference began at which the resolution accepted by the Subjects Committee were passed after some discussion. Detail proceedings appear elsewhere.

One special feature of this Conference was the exhibition of Magic Lantern Slides illustrating the benefits of Co-operation and this was highly appreciated by the delegates. The slides have been tried in the city of Madras at the Training Classes held for the benefit of members and panchayatdars and we hope that this method of visual instruction will be more and more popular.

The Agricultural and Industrial Departments also sent their officers to exhibit various implements and improved methods of agriculture and their exhibition was highly appreciated. The show room of the T. U. C. S. was equally popular and educative.

RURAL RECONSTRUCTION IN ALAMURU

IN ENGLISH AND IN TAMIL

BY

MR. V. VENKATASUBBAYYA, B.A.,

(Joint Secretary and Convener, Rural Reconstruction Sub-Committee, The Madras Provincial Co-operative Union.)

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THE EIGHTEENTH

Madras Provincial Co-operative Conference

Madras, 19th and 20th April 1930.

WELCOME ADDRESS

BY

MR. V. RAMADAS PANTULU, B.A., B.L.

President, The Madras Provincial Co-operative Union.

FELLOW CO-OPERATORS,

I deem it a great privilege to extend to you on behalf of the Madras Provincial Co-operative Union a hearty welcome to the XVIIIth session of the Madras Provincial Co-operative Conference. Many issues, on the correct solution of which the proper working of the Movement depends, await serious attention at the hands of Co-operators. Some of them bear on the broad general principles, policies and programmes, and others comprehend details to be worked out by the several organisations themselves. The time-honoured custom of expressing opinions on as many questions as can be possibly compressed into numerous resolutions covering the entire field of Co-operation had not, in the opinion of many co-operators, resulted in any material benefit to the institutions which hitherto participated in the conferences. A wholesome departure was therefore made last year and the attention of the conference was riveted on a few outstanding problems which demanded immediate handling and an attempt was also made to formulate a scheme of continued and sustained work for the steady overhauling of our organisations. I hope and trust that the present session will endeavour to complete the investigation then started and strengthen measures then recommended, so as to ensure the uninterrupted pursuit of the programme then chalked out.

RECTIFICATION AND CONSOLIDATION.

The most important question that engaged the attention of the last conference was the imminent need to resuscitate the rural credit societies, which have been exhibiting manifest signs of steady deterioration, for some years past, in many localities. The Townsend

Committee, it is true, did not sound a note of alarm in expressing the view that "the monies invested in the movement were *generally speaking* safe and would prove *ultimately* recoverable." The caution of the language is nevertheless significant. A general sense of financial safety and the hope that the monies will prove ultimately recoverable do not connote health and vigour in the societies, whatever other implications they may or may not have. The Committee, went further and expressly guarded itself against lulling the public into a sense of false security and did not minimise the gravity of certain dangerous symptoms noticed in the condition of the societies, which gave rise to "anxiety." The Committee's specific recommendation was "*Immediate* steps should, we *most strongly* urge, be taken to remove it (the anxiety)." No Committee would couch its recommendation in stronger or more peremptory language. Furthermore, lest the danger spot should be missed, the Committee backed up their recommendation with the following serious warning: "The Agricultural Primary Credit Society is the foundation stone on which the whole co-operative edifice is built; if these societies are generally in a good condition, confidence may be felt that the structure is generally sound. But if they are generally unsound, nothing can prevent the ultimate collapse of the edifice." This is a truism. Satisfaction expressed in any quarter about the soundness of the working of the Provincial and the Central Banks is utterly meaningless except to the extent that it can be substantiated in relation to the operations of the primary societies ultimately financed by them. In the measure that the safety and liquidity of the loans advanced by the rural societies are open to doubt, in the same measure are the transaction of the Central Banks which finance those societies open to doubt and in the same measure too, the operations of the Provincial Bank that go to finance those Central Banks. In spite of these patent facts and conclusions, I am constrained to say that no appreciable improvement in the position has been effected since the Townsend Committee reported over two years ago. I refrain from adducing figures relating to overdues, loss societies, unexecuted decrees and awards and so forth, for I have done it often in the pages of the Madras Journal of Co-operation.

I am fully alive to the fact that the results of schemes for rectification and consolidation cannot be immediate or even rapid. The immensity and magnitude of the task of examining individual loans and the securities behind them even in a fraction of the societies in each Central Bank's area, which is the first step in rectification, and the business of taking active

steps in the wake of such examination for the collection of overdue debts and substitution of bad by good securities, is enough to bring home to any one the time and labour involved in the process. What is desired is a realisation of the true perspective of the situation, coupled with an attempt to install and set in motion the machinery needed for the accomplishment of the task. A close study of the annual reports of the central banks, which I undertook for the purpose of reviewing them in the Journal of Co-operation, left on my mind the impression that some of the banks are yet far removed from this state of mind. In some cases, I found expressions of satisfaction where a clear case exists for a contrary feeling. By way of illustration, I may point out that in some cases, I found that stress was laid on the fact that interest due from societies to central banks was regularly collected and that circumstance was adduced in proof of the soundness of the Banks and their constituent societies. A little reflection and scrutiny may however show that the basis for this satisfaction might easily turn out to be illusory.

In the course of an interesting scrutiny of the financial position of the loss societies, which form 40 per cent of the total number, it was discovered that in not a few of them the aggregate principal amount of the loans due to them from their members was considerably less than the principal amounts of the loans due by the societies to their respective financing central banks; in other words, their assets were appreciably less than their liabilities in regard to loaning operations. This can easily happen by a society discharging its interest obligations to the central bank by the utilisation of the principal of the loans repaid by the punctual members, in the payment of interest due by the society to the bank. Then the ratio of the residual principal due to the society, mostly from persistent defaulters, to the total principal due by the society to the central banks is bound to diminish gradually, thus making the liability of the society to the Bank under principal grow larger and larger in proportion to the assets realisable by the society from its members. This is a mere rule of three and of common sense which even a casual examination of a few loss societies' books will illustrate. In such cases the concerned central banks cannot refute the charge that the dividends paid by them to their share-holders come not out of their profits, but out of their owned capital or fresh borrowings—a truly amazing situation which does not seem to have arrested the attention of either the share-holders who drew their dividends or the banks which paid them. Let such banks follow, as regards the appropriation of repayments, the recommendations of the Burma Committee on Co-operation, on which such eminent experts as Mr. Strickland and Mr. Stocker served and issue a revised report upon its financial condition at the end of an year or two. The true position of the banks' finances will then be laid bare. The Burma Committee's observations relevant to the context are as follows: "Although it is usual for the first repayments to be credited to interest, they should be stopped as soon as the bank sees any reason to regard the loan as becoming "*sticky*" or doubtful. When no sum on account of principal has been received for a full year and no satisfactory reason is forthcoming the receipts should invariably be credited to principal." I have dwelt at some length on this illustration merely to show how easy it is to subject ourselves to self-deception and to induce a sense of false security in others. I should not have argued at such length on the immediate need to inaugurate a systematic and comprehensive scheme of rectification and consolidation but for the fact that, on my reading of the mind of many a central bank, a disposition to fully face the issue and immediately shoulder the responsibility does not manifest itself as vividly and forcibly as it ought to.

The resolutions of the last Conference inter alia asked the M.C.U.B. to make contributions to the finances required to carry out the scheme. I am glad to state that the Board of Management of the M.C.U.B has, on the whole, welcomed the proposal and has now got ready the requisite estimates and sanction to give effect to them almost immediately. The Provincial Bank's Scheme of subventions and the plans of rectification work sent up to it will in due course be placed in your hands. I do not therefore propose to deal with them now. There are, however two aspects connected with the subvention scheme to which I wish to draw your specific attention. In the first place, it is well for us to realise that the neglect of our societies in the past was largely due to our failure to co-ordinate the available effort and conserve and husband existing resources. If the unions, federations, central banks and Provincial Bank properly adjusted their relations *inter se*, fully visualising the respective parts they were expected to play in maintaining the rural societies in a high level of efficiency and realising how indissolubly the true interests of the several organisations are bound up—if they were moved to a common purpose as fellow-pilgrims in search of a common promised land—the condition of the movement would have been very different indeed to-day. Looking at our resources as they stood at the end of the Co-operative year 1928—29, the

receipts of the supervision fund were Rs. 9.47 lakhs. These, together with the opening balance of 1.01 lakhs made up 10.48 lakhs. The amount spent in the year was Rs. 9.29 lakhs leaving a balance of Rs. 1.19 lakhs at the end of the year. As against the sum of Rs. 9.29 spent by us, the Government spent only Rs. 8·89 lakhs on the running of the department during the year. As the aggregate of supervision fund derived from societies and central banks has now attained in many localities the level of 1 per cent on the primary societies' transactions and as it is made a first charge on remittances, it is bound to be a growing and assured source of revenue which will be annually at our disposal for expenditure on internal supervision of societies. In my humble opinion, it is our incapacity to pool, husband and administer these handsome resources so as to derive the maximum benefit which their wise and efficient utilisation is capable of yielding that accounts for our weakness. So long, as doubtful theories of "autonomy" of the several organisations and a spirit of aggressive individualism, which, alas! have become matters of faith with some co-operators, much in the same way as the "Thirty Nine Articles" were with early Victorian Theologians, hold the field, improvement is unthinkable. If we forget little and learn less by experience, gathered here and elsewhere, then the growing co-operative ideal of federal working, tending to efficiency through centralised administration, broadbased on democratic, decentralised control—an ideal whose unfolding is producing splendid results in the western countries—will become impossible of realisation in this land.

The resolutions of last year's conference were based on the assumption that, in the execution of the scheme, there will be close association between unions, federations and the central bank in each district on the one hand and between them and the Provincial Bank on the other hand and that there will be no disinclination to pool the available resources in each district for the purpose, and to augment them by the subventions from the Provincial Bank so as to carry out the scheme on an agreed plan of operations which will be guided and controlled by the Provincial Bank. But, as the Provincial Bank can have direct contact only with the concerned central banks, the latter must make themselves responsible for the execution of the scheme, whatever may be the agency that actually handles the societies. It will otherwise the be obviously impossible for the Provincial Bank to have a grasp of the situation. The duty of outlining the plan of work, leaving the details to be worked out in each district, should be made to rest with the M. C. U. B. There ought to be no difficulty in the central banks adhering to the programme laid down by the M. C. U. B. and pursuing it loyally when it is remembered that the decisions of the M. C. U. B. are no other than those arrived at by the representatives of the central banks themselves and are the resultants of their combined wisdom.

The second point in connection with the scheme to which I wish to refer very briefly is the necessity to correlate the plan of rectification and consolidation with normal and permanent functions of the Central Bank, for otherwise it entirely fails of its purpose. The mere entertainment of an *ad hoc* temporary staff for the rectification of the bad societies, to be disbanded after the overhauling work is done, will not by itself guarantee the health and vigour of the societies for the future. Rectification in essence corresponds to the therapeutic treatment of the sick society and no more. But, to look after its convalescent stages and ensure its continuous functioning as an efficient organisation, provision for prophylactic and hygenic treatment should also be made. Otherwise, it will easily fall sick again and relapse into its old condition once more, probably very soon. Hence the insistence on each central bank being equipped with an efficient executive service and an administrative section with adequate indoor and field staff to enable it to watch the condition of the societies financed by it and to be keeping up live contact with them by periodical inspections. Any scheme of subventions by the central and Provincial banks will be barren of results unless the several organisations interested in the scheme agree and act up to a concerted course of action, conceived not merely to resuscitate dormant and bad societies, but also to be perpetually attending to the normal requirements of all societies. These, in substance, are the broad principles on which the programme of rectification and consolidation assisted by a scheme of subventions by the central banks and the M. C. U. B. is sought to be worked. I hope co-operators will co-operate in making it a success.

THE CENTRAL LAND MORTGAGE BANK.

The establishment of the long-looked-for Central Land Mortgage Bank to finance a network of primary land mortgage banks all over the province has become an accomplished fact now. The event undoubtedly marks a new stage in the development of our Agricultural Co-operation. A transitory directorate appointed by the Registrar (which is to be replaced by any elected directorate by 31st July next) is actually functioning. The share capital necessary

to give the bank the requisite borrowing power, has been collected and arrangements for floating debentures to raise the working capital which can be absorbed in the immediate future are in progress. In spite of time being out of joint in the financial world and money being dear in the market, the prospect of debentures being subscribed for promptly, if floated at 6 per cent, seems to be bright. The Government has guaranteed the interest on the debentures. It has advanced a loan of Rs. 15,000 to the bank, without interest, to meet the expenses incidental to the promotion of the bank. The staff the bank is being recruited and a full timed paid secretary is expected to be appointed soon. The Government has employed, for a specific period, two Deputy Registrars and ten Sub-Deputy Registrars to organise and aid the working of the central and the primary banks. Loan applications to the tune of about Rs. 50,000 have been admitted already and partly complied with. The by-laws of the primary banks and those of the Central Bank too are undergoing revision in order to correlate and harmonise the entire scheme, to avoid misfits in its component parts and ensure the smooth and speedy motion of the complex machinery which is about to be set in motion. I have no doubt that those at the helm of the Bank's affairs are working strenuously to minimise any avoidable delay consistently with their desire to guard against faulty organisation resulting from any undue haste or imperfect scrutiny of the numerous details involved in the scheme. The scheme may not be perfect and may be open to criticism in some of its aspects to which I drew attention in a note contributed by me to the January number of the current volume of the Madras Journal of Co-operation. Nevertheless, if all whom it concerns will co-operate to make it a success, there is no conceivable reason why it should not yield the benefits expected to flow from it.

The object of these land mortgage banks is, as is well-known, to dispense long term credit, on easy terms and with long periods for repayments, specially for the purpose of redeeming agriculturists from prior unproductive debt carrying usurious rates of interests, which greatly retrench the cultivators' margin of profits from their holdings. It is indisputable that in many localities, there is real and immediate need for this form of credit. It is therefore to be hoped that co-operators in areas from which the demand for long term credit extending to periods of over five years, most insistently comes, will put forth their best endeavour to develop the primary land mortgage banks now existing and to plant new ones where there is a good prospect of their thriving. Whatever difficulties there might have been in the past in finding resources for these institutions, which hindered their growth, there cannot be any genuine excuse for not developing them in future, with the aid of the Central Land Mortgage Bank which will be in a position to find all the money that can be absorbed by them to meet the long term credit requirements of their members. The question is how far the facilities afforded by the land mortgage banks will be appreciated and availed of by areas which have been hitherto demanding the dispensing of long term mortgage loans by the village credit societies. Two central banks, in each of whose areas there are already four primary land mortgage banks, sent up of resolutions to the Board of Management of the M.C.U.B. which met yesterday, urging the revival by the M. C. U. B. of the issue of ten-year loans to "central banks where such loans formed an integral part of co-operative finance", for their discontinuance "has already caused serious dislocation in the working of the movement." The resolutions did not take even formal notice of the formation of the Central Land Mortgage Bank through which the four primary banks in the central bank's area can operate in future without any handicap in the matter of obtaining all the working capital that is needed for long term loans to their members. The implications of the resolution are clear, namely: that ten year loans should continue to *form an integral part of the co-operative finance* of the central banks and the rural societies financed by them and that *their stoppage will dislocate the credit movement* in the district. If other districts follow this example and re-agitate for the revival of long term loans by village societies, the scheme of land mortgage banks will be nipped in the bud. The reasons for my holding this view were fully explained by me on numerous occasions in the past and I do not propose to repeat them now.

In a note contributed by me to the Conference last year,* I exposed the untenability of the plea that the discontinuance of the long term credit through village societies dislocated the movement and suggested a few questions relating to the subsequent history of the short and long term loans in the societies which might be answered to refute my view and to convince me of my error. I tried to demonstrate that long term loans for periods over five years through village societies were indefensible from the banking as well as co-operative standpoint and that their discontinuance far from dislocating the movement has paved the way to extricate the movement from the chaos into which it has been thrown by these long term

* Vide Part III of the Notes and Papers submitted to the XVII Conference.

loans. But no one who advocated the ten year loans through village societies even attempted to answer those questions and I must say that the position taken up by me stands to-day absolutely unassailable. I am glad to find that the Registrar, in his latest Report, upholds the policy of the M.C.U.B. He points out by irrefutable facts and figures that the repayments in the case of short term loans are more satisfactory than in the case of long term loans and also emphasises the economic value of short term loans. In conclusion, he says that "much work has been done in the last few years to increase the short term business of the banks and the Madras Central Urban Bank has consistently worked in the same direction. The ten year loans are a thing of the past." I hope the few banks who dissent from the wisdom of this arrangement will not attempt to revive the old habit. I once more beg to remind you that the decisions of the M. C. U. B. are those arrived at by a majority of the Central Banks and the dissentients should, in the interests of the movement and in a spirit of co-operation, cheerfully accept the view of the majority and act up to it.

AGRICULTURAL FINANCE—A PLEA FOR REFORM.

The system of our agricultural finance has come in, of late, for some very sharp criticism from bankers as well as agrarian reformers. The searching questionnaire of the Banking Enquiry Committees—Central and Provincial—elicited answers and comments from certain well informed quarters on our methods of finance which we shall have to take note of. The figures and facts that have been collected in regard to the sources from, and the extent to which, agricultural industry derives its capital and credit, reveal that agricultural co-operation plays but an infinitesmal part in financing the cultivator in the process of producing the national wealth from the land. According to one careful estimate, the seasonal operations of agriculture in this province from sowing to reaping absorb a sum of about Rs. 40 crores. I consider this to be a modest estimate even after making allowance for the facts that seed is generally stored out of the previous harvest and that in a system of family farming which prevails largely, all the workers are not paid in money. And yet how little of this comes from co-operative credit societies. It looks as though these credit societies have yet to assume the function for which they were intended and brought into existence, namely the *financing of agriculture* and not agriculturist merely. Examine the operations of the Provincial and Central Banks with reference to seasonal inflow and outflow of their money. You will find that when agricultural operations are in full swing and when demand for cultivation expenses must be at its height, there is an inflow of money into the co-operative banks and the outgoings show a fall. There will be no harvest when these repayments and collections come in and the source from which they come must be the money lender. The Registrar has also brought out these points in a series of interesting graphs attached to his latest report. Speaking of them he says, "These curves show that the work of Co-operative Societies is dominated not by harvests but by annual returns. It is well that it is so and that institutions make a serious effort to make such collections as will produce a satisfactory balance sheet; but it is not the ideal, for the nature of the business requires that demand and collection should both be made when it is most convenient for ryots to repay, that is, in the month immediately following the harvest. As it is, there are great efforts in May and June followed by a great slump in July when every one turns his attention to annual statistics and reports."

When I went about for an explanation for these irrational phenomena, I was told that the Union supervisor, non-official workers and departmental men will all be very busy in speeding up collection to reduce the balance by the end of the co-operative year and in the preparation of statistics and returns for about three or four months between May and August and there would be none to look after the financial wants of the rural co-operators who are busily engaged in their agricultural operations. In plain language, it comes to this: accommodation is least attended to when there is greatest need for it and collections are forced when there are no resources available for repayment. It is, therefore, no wonder that the rural co-operator's life is one of long drawn agony when they are thus tossed about between *sahukar* and *sahakar*.

The reactions of these fundamental maladjustments in our financial organisations on the resources of the Provincial and Central Banks are far reaching. If our finances followed a rational method, then the season when the agriculturist needs money for his productive operations will coincide with the slack season of the commercial banks and money required to finance agriculture will be available at cheap rates. If the repayments are made in a month or two after the harvest, then there will be an inflow of money into the central banks and the Provincial Bank at a time when the commercial banks are very busy and money is dear with them. The Central and Provincial Banks shall thus have no need to borrow at high rates at any time. But now the reverse is the case. Last year, and this year, when the Imperial Bank rate has risen abnormally high, the Provincial Bank had to borrow at 8 per cent and 7 per cent and lend at 6 per cent to the Central Banks. On the 31st March

this year, a sum of Rs. 40 lakhs representing a third of the total loan balance on date was overdrawn from the Imperial Bank at 7 per cent. If co-operative finance does not follow its natural course and a reform is not effected immediately, the whole scheme will inevitably get out of its moorings very soon. The Provincial Bank and the Central Banks cannot keep up their engagements with the societies to lend at present rates throughout the year. Either a sliding scale of interest rates will have to be fixed, or an all round enhancement should be resorted to The same results follow from another aspect of the same problem. So long as co-operative credit societies do not hold sound agricultural paper as securities for money advanced for productive purposes and repaid out of harvests, their claim to link up rural credit with the banking system of the country will not receive a hearing in the concerned quarters. It is impossible to quarrel with our Registrar, when he says in his latest report that "the criticism offered by bankers, is that assets of co-operative banks are generally in not nearly so fluid a form as is necessary for safety." If our aim is to establish a strong credit agency, so that we may borrow cheaply by getting agricultural paper freely rediscounted, then we must wipe out this slur on the character of our paper. The "Indian Finance," a leading financial authority, which is now being suppplied to all the members of the Banking Enquiry Committee, has some very searching observations on the working of the co-operative banks which I wish I had time and space to quote. The substance of the observations is that unlimited liability is an illusory security and that special business precautions on the part of co-operative banks are indeed more necessary than in the case of commercial banks. If our agricultural paper is discredited instead of being discounted, then the co-operative banks should maintain their fluid resources in cash and other liquid assets and obtain all financial accommodations from Commercial or State banks on the backing of only gilt-edged securities. Such a contingency will not merely involve co-operative banks in serious financial embarrasment, but cut out the very roots of rural credit. I also notice that new methods of creating fanciful agricultural paper are now adopted by some central banks. What shall we say of the commercial value of Co-operative paper representing a loan transaction on grain pledge which is not liquidated on due date but on which an extension is granted? One bank which has made such extensions an integral part of its finance says that "such an extension granted by the bank amounts virtually to the grant of a short term grain pledge loan from it." Is there any reality in such a paper and can any reasonable co-operator ask for re-discounting facilities in respect of it or will any bank be justified in allowing an overdraft on its cover?

The question how far a State Bank is bound to continue the overdraft facilities on the cover of co-operative paper in spite of its defective liquidity is another matter. The Provincial Co-operative Bank has already put forward a vigorous plea in support of that claim and I do not propose to cover that ground now.

Another weakness of our agricultural finance is the almost studied neglect of marketing of agricultural produce. The economic loss due to this cause is a matter of common knowledge. If loans on pledge of crops are developed, other kinds of co-operative paper like ware house receipts and bills of sale, will come into existence and will improve our credit facilities. The Registrar has drawn attention to this in his report this year. He says, "Emphasis has also been laid on the need not only for financing cultivation by short-term loans repayable from harvests, but also for granting loans on the harvested produce to enable the ryot to pay off any creditor at once and then be free to sell his crop as he sees fit in the best market, but always on the understanding that repayment of the loan precedes delivery of the grain from the society's custody. All enquiries show that ryots suffer considerable losses by binding them to sell their crops in advance to small merchants and money-lenders who give him advances, and liberty to sell as he sees fit, even if he does not hold up his produce for a rise in the market, is advantageous to him."

But in most countries marketing facilities are greatly aided by the State. In our country also unless the Government give subsidies or cheap loans for the erecting of godowns and lend the services of some experts in business to the co-operative societies much development is not possible. Let me quote a passage from Mr. Obrine, the latest and one of the most lucid writers on agricultural economics regarding the duty of the State in the matter. "In practically every branch of marketing the State can assist in the attainment of economies, but its assistance is frequently most useful when it is rendered indirectly through the agency of co-operative organisation. Marketing is the part of agricultural production which obeys the law of increasing returns most readily. The development of co-operative organisation is the pivot on which all economy in marketing depends, and its encouragement should, therefore, form the central point of any State policy designed to increase marketing efficiency. Other measures may be useful either to supplement the work of co-operative societies or to supply their place if they are not sufficiently developed; but the encouragement of the co-operative method by means of education and propaganda must always remain the principal State function in the domain of marketing. Second in importance among the States activities to assist marketing is the provision of

marketing intelligence, which depends for its success on a widespread development of marketing research."

A TWO-FOLD APPEAL.

It is a mistake to rely on any one activity as the sole factor in nation building. Co-operation is only one of such activities; our critics who are often heard to say that Co-operation has not materially improved the economic condition of its votaries, overlook the important fact that the economic weakness of our mases is not the result of any one cause and much less of a cause whose erradication rests solely with Co-operation. Speaking of the criticism that Co-operation has not created thrift in our rural population, Mr. V. N. Mehta, I.C.S. who presided over the last U. P. Provincial Co-operative Conference said that if "thrift means positive saving of money by economy of day-to-day expenditure, an unconscious but cruel sarcasm is implicit in any advice that counsels economy to the middling poor. His life is as bare of content as his annals. There can be no superfluity that can be excised." This is the human material with which Indian Agricultural Co-operation has to deal. If its results have not been striking it is therefore no wonder.

Take Agriculture, the most vital occupation with which co-operation has to deal and examine the factors that determine its prosperity or depression, to judge how far co-operation can alone successfully tackle those factors. The dependence of 80 per cent of the people on land—"the people largely illiterate, economically feeble, little used to self-help or self-government"—and the destruction of all subsidiary occupations and cottage industries that used to supplement agricultural incomes and create ample employment, have for years operated to make agriculture an increasingly unremunerative occupation. The depressing influence of world markets and post-war economic situation, in general, tended to aggravate the position. The disequilibrium that has become established between the prices of raw products and manufactured goods as a result of post-war tariff policies and other causes have led to the anomaly of making production a source of net loss instead being profitable. That was the verdict of the world Economic Conference of 1928 on Indian agricultural conditions. The stress of competition of foreign producers in export markets is becoming more and more difficult to withstand for the Indian producer. The large import of articles like sugar, wheat and even rice into India shows that conditions of production of those imported commodities are less favourable in India than in the countries which export them. Again, the currency and credit operations of the Government have a tremendous effect on Agriculture. For instance, the 18-d ratio froced on the country and to maintain which all possible financial expedients are resorted to however prejudicial they may be to Indian Agriculture, trade and commerce, has sorely hit the agricultural producer by substantially cutting down the price of his products. The industrial and taxation policies of the State too, have their repercussions on Agriculture. The import duties on articles of food and apparel like sugar and cotton fabrics, whatever may be their ultimate benefits in reviving the Indian sugar and textile industries, immediately increase the cost of living of the agriculturists in their capacity as consumers. The Royal Commission on Agriculture have pointed out that the protection given to iron and steel industries raised the cost of agricultural implements. Similarly the price of artificial fertilisers imported into this country and which have to be used to prevent the improvishment of the soil, is regulated with an eye to the profits of foreign manufactures and dealers and of the foreign transport agencies by sea and land. The tenancy laws and the land revenue policy have their undoubted share in determining the margin of agricultural profits. I can multiply the enumeration of other similar factors. Is it then right to argue that Co-operation can control all or even a large number of these adverse causes by merely organising credit for production and marketing? The truth of the matter is that the prosperity of the people of the country is indissolubly bound up with numerous political, economic, and social issues of our national life. Nation building involves a solution of all of them. Co-operation is a powerful aid to improve the standard of living and to bring about a change for the better in the outlook on life of the Agriculturists. If it has not hitherto produced wonderful results, it is because it cannot do so unaided by the other national activities. Hence I make a two-fold appeal. I appeal to all those, who are engaged in the work of national reconstruction, to extend their sympathy and interest to the Co-operative Movement. I appeal to all co-operators to engage themselves intensively in national activities and constantly preach the Gospels of Swadesi, self-help and self-reliance in all spheres of our national existence.

I am afraid I have detained you too long. Before I conclude, I wish to congratulate you on your securing the services of Prof. V. G. Kale, to guide the deliberations of the Conference. He belongs to a school of distinguished Indian Economists, possessing genuine national outlook. I have no doubt that he will leave on our proceedings the impress of his profound learning and wide experience. It is now for you to formally instal him in the presidential chair and entrust the conduct of the Conference into his able hands.

VANDE MATARAM.

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

THE EIGHTEENTH

Madras Provincial Co-operative Conference

(Madras, 19th and 20th April 1930.)

PRESIDENTIAL ADDRESS

DELIVERED BY

PROFESSOR V. G. KALE, POONA.

BROTHER CO-OPERATORS,

It was not without considerable hesitation that I accepted the invitation kindly extended to me, to preside over this Conference. I am not, what may be called a "working" co-operator, conversant with the details of the activities of the co-operative movement, nor am I unfortunately intimately acquainted with the economic conditions of this Presidency. I felt I could not render material help, therefore, in the deliberations of this Conference which has brought together leading and representative co-operators from all parts of the Province. But at last I decided to enter upon this adventure with the idea that having been a close student of the economic problems of our country for over a generation and also having watched with interest the growth of the co-operative movement from the inside as well as the outside for several years, I might be of some use in offering friendly comment and advice. While, therefore, I am extremely grateful for the great honour you have done me and the opportunity given to me to obtain firsthand knowledge of the working of the co-operative movement in this Presidency and to make the acquaintance of the active workers in the field of co-operation in this important Province, I have to crave your indulgence for my deficiencies, if I fail to satisfy the expectations that might have been formed and to attain the heights which my predecessors in this chair assuredly reached.

One who has followed the events which have occurred in the life of the co-operative movement in India during the past few years, cannot but be struck with the serious difficulties, some would perhaps prefer to call them a crisis, through which that organization has passed in several of our Provinces. It is a matter of common knowledge that special committees have made inquiries with regard to the situation that has arisen, and we are familiar with the general tenor of their reports. I shall not refer, at this stage, to the report of the Madras Committee whose findings are too well-known to you all here. The observations of the Royal Commission on Agriculture in India on this subject are likewise noteworthy and have attracted public attention. Unsympathetic critics of co-operation are likely to chuckle over our defects and temporary set-backs and to employ them as proofs of the failure of what is, according to them, an officially bolstered up and State-aided artificial movement. It is a sufficient reply to these people to say that co-operation has proved, in spite of the odds against which it has had to struggle, a greater success than the alternative institutions based upon pure self-interest and the exploitation of the weak by the strong, in the attainment of its object. What is more, the movement has shown the foresight and the courage to make a public scrutiny of its weaknesses and to try to apply suitable remedies and is all the better for it. The true moral and material strength of a movement lies in its capacity of retrospection and adjustment to the changed conditions as they arise. Co-operation in other countries has had to pass through similar stages, and there is a good deal that we can learn from their experience, particularly as our movement is comparatively young and can conveniently benefit by the history of others. The difficulties which the co-operative movement has had to face in Germany since the close of the war, have indeed been exceptionally serious. Still it is worth noting that the Central Bank, associated for two generations with the revered name and principles of Raiffeisen, has had recently to be liquidated, and the two leading Federations of that country had to be amalgamated. A German writer * remarks on this subject thus:—"Thus has the Central Bank of the German Raiffeisen organization, after an existence of fifty-two years and after undergoing manifold changes and vicissitudes of fortune, met its end which may be explained but not excused by the terrors of the times of inflation". I find from the latest newspapers from Germany that certain transactions between that Bank and the Prussian Central Bank are still being publicly inquired into.

It should be borne in mind here that while, as I have already observed, there is much that we may learn and turn to our advantage from what we find in the development of co-operation in foreign lands, we must be ever on our guard against adopting wholesale or without the most careful thought, ideas and practices which have become successful abroad. We have very instructive studies †published for our benefit by trained and zealous officials with intimate knowledge of co-operation in India, of the systems in operation on the continent of Europe, for instance, by Mr. M. L. Darling and Mr. Otto Rothfield, among others, and the leaders of the movement in this country must deliberately decide what to choose and what to reject, as the advice of these authors is often contradictory. We have to develop our organisation along lines that will be suited to our special circumstances and needs and must not take on trust every opinion expressed and every moral drawn by others. The same remark applies to the developments and experiences of the different Provinces of India. The All-India movement recently started with a view to take common counsel and action on behalf of the Indian Co-operative Movement as a whole, has been inaugurated none too soon. The Provinces have much to teach to one another; but while this experience may be purchased cheap, it must be used with the utmost discrimination as some of the examples may turn out to be wrong guides, and a few have already so proved. There is often the danger of knowledge acquired in limited areas being made the basis for generalizations for the whole country. To take only one instance out of many. Mr. Darling says in his book already referred to:—"Co-operators in India may congratulate themselves that State control has given each province an undivided and indeed almost a national oganization. Not only are there no competing elements in the field of agricultural co-operation, but urban and rural societies are everywhere united in the same federation or union. This is partly due to the small number of urban societies, and it is significant that in one province, where they are increasing fast, there are signs of separatist tendencies. This should be strongly discouraged, for India has no greater advantage than the close alliance of town and country in her movement. So far as I know, it is an advantage denied to every important country of Europe".

We, co-operators, have an abiding faith in the efficacy of the high moral aims and perfectly business-like operations which we strive to combine, for the success of the movement. But we cannot afford to forget that the true test of our progress lies not in the number of societies and the size of their membership, but in the degree of the genuine co-operative spirit that is imbibed by all those who are concerned in it; and our achievement will be measured by the amount of self-help and self-rule which permeates the movement. Leaders of co-operation in India rightly insist everywhere on minimum official interference and maximum freedom to the people. I find that this

* W. Wygodzinski—A. Muller: *Das Genossenschaftswesen in Deutschland.*

† "Co-operation in Germany, Italy and Ireland" by Mr. Darling and "Co-operative Movement in France and Italy" by O. Rothfield.

question of departmental control has cropped up in this Presidency from time to time and is being discussed even at the present moment in certain connections. External assistance is one thing and interference and control another. It is no genuine co-operation if members cannot intelligently take advantage of the facilities afforded by it and are not animated by a sense of independence and discipline and a feeling of brotherhood. As president at a lecture delivered by Mr. C. F. Strickland before the East India Association in London the other day, Lord Linlithgow struck the correct keynote in this respect. He is reported to have said: " . . . it was impossible to overstress the importance of the educative function of co-operation, and therefore the extent to which its virtue depended upon the health of the primary society. It was quality, not numbers, which counted. Then there came a necessary warning—co-operation might be a field fertile of eyewash unless surveillance was keen and its direction was in well-trained and highly principled hands..........their returns year by year showing increase in numbers of societies, membership and working capital were worthless and worse, unless the primary societies were sound, and unless the members were benefiting in terms of knowledge and character". He very properly laid stress on the importance of trained supervision and inspection and is reported to have added:—"The day was not yet when the movement would be able to dispense with all official guidance. For the present the service of trained officers for education, supervision and inspection was vital". While the essential importance of trained supervision and education may be readily admitted, it does not necessarily follow that these should be official. On the contrary, it may be urged, a decisive index of the healthy advance of co-operation is the growing non-official control of the whole movement. It is very probable otherwise that efficiency may be purchased at the cost of the living, spontaneous and intelligent pursuit of the co-operative ideal.

While co-operators always are and ought to be anxious to keep their movement above all narrow, sectional and factious considerations and away from influences which have no bearing upon its progress and well-being, they cannot forget that the success of their work very largely depends upon the nature of the conditions, favourable or otherwise, in the midst of which they have to labour. We ought not to allow ourselves to be deluded with the idea that it is a great achievement when the member of a credit society is able to borrow at 10 to 15 per cent. instead of at 25 per cent. from the money-lender. This little saving on interest indeed means something, but it does not take a cultivator very far when with a small probably an uneconomic holding, he has to eke out a bare subsistence and has to resort to the money-lender for his other needs. Here comes the duty and the responsibility of the State into prominence. By a vigorous and determined policy of education and economic development through the encouragement of industries, irrigation and land improvement, it must create social and economic conditions congenial to the rapid and beneficial progress of co-operation. The Government has not only to extend financial assistance to land mortgage banks but must put our central apex banks into touch with the larger money market through the national reserve bank. The co-operative movement finds itself handicapped in these respects, and our banks cannot be expected to carry on their work satisfactorily unless they receive adequate financial facilities from the central government-aided banking institution. I find that to-day, this Presidency has as much cause for complaint on this score as some other Provinces. Fortunately, there are, on the Central Banking Enquiry Committee, tried and trusted friends, promoters and guides of co-operation like our veteran leader, Mr. Ramdas Pantulu, and the cause of the movement is safe in their hands in this matter.

I am tempted in this connection to quote further from the reported speech of Lord Linlithgow, as the remarks are germane to the point under disscussion. His Lordship is reported to have remarked that in countries in which constitutional evolution had been spontaneous, it was true to say that economic development had commonly preceded and indeed, induced political change whereas that process was reversed in India. I must refrain from making more than a passing reference to this observation, as an adequate examination of the proposition will occupy some time and lead me into a discussion of constitutional and economic history and questions of high politics. It will suffice for my present purpose to say that whatever the causal relation between constitutional progress and economic development may be, it is an admitted fact of history that the latter has received considerable impetus from the former, and that in any event, one need not wait for the other and can and should go hand in hand. That a person inspired by and trained in the school of co-operation, will be a better citizen, is the ideal and the hope of all co-operators, who must persist and persevere in their work of education and social uplift. But the question at issue here is, what should be the attitude of the State towards national economic development in general and particularly with reference to the co-operative movement, which has yet enormous distance to cover before it can approach the promised land. On the one hand government should not use the co-operative movement as a peg on which to hang its excuses for inaction or indifference towards the economic development of the country, and on the other, it must help co-operation on to perform its allotted task with greater ease and rapidity. Autonomy of the movement and State assistance and guidance are not incompatible, and their elastic limits have to be drawn deliberately in view of the work we are expected to accomplish

I have already stated that an important element in the vitality and strength of the co-operative movement lies in our willingness and capacity to subject our organization and methods to an impartial and thorough-going scrutiny so as to be able to discover the weak points and to apply suitable remedies to bring about improvement. The problems that require careful attention are roughly four in number. First, the manner in which the primary society, the most vital part of the whole movement, grants loans to its members and the way in which these are utilized and repaid. Secondly comes the question of the machinery employed for the supervision of the societies and the efficiency of its working. Thirdly, we have the financial position of the central banks and their relations towards the Unions and the societies. And lastly, the expansion of the movement into non-credit and non-agricultural spheres. The Committee on Co-operation examined this four-fold problem in this Presidency two years ago and made certain recommendations, which I find from the latest report of the Registrar of Co-operative Societies, are being given effect to with all practical speed. It is essential to remember that the success and the utility of credit co-operation are measured by the adequacy and the promptness with which the members of primary societies are financed and also the punctuality or otherwise in the repayment of the loans. Co-operative societies are intended to put up effective competition with the money-lender by reducing the rate of interest to the borrowing members, and while the latter is not interested in the economical and productive use of his loans, the former cannot be said to have done their essential duty if the objects and the utilization of the money placed at the disposal of the cultivators are not scrupulously watched and controlled. Herein lies the peculiar value of the training and discipline of co-operative credit, which though irksome, constitute the very foundation of co-operation as an organisation. In his lecture already referred to, Mr. Strickland laid particular stress on this point and said that it is not more credit that is required by the cultivator, but more control of the purpose of credit. The money-lender does not care for the objects for which the loans are taken

and is not also very strict as regards repayment. The fundamental principle underlying co-operative credit is indeed well-understood and appreciated by the leaders of the movement but it has been found difficult to enforce it in practice, and most of our troubles have to be traced to this circumstance.

Considerable searching of hearts has been occasioned in this Presidency by the large accumulation of overdue or unauthorized arrears, which have caused anxiety to co-operators and have been responsible for the difficult work of rectification and consolidation which has now been taken in hand. But this phenomenon is not entirely special to this Province, and the movement is being put to severe test on its account almost everywhere. We have had to do the work of cutting, pruning and weeding out in Bombay, and the rapid expansion of primary societies has to be held over for sometime to allow scope for the process of correction and consolidation. The situation in this Presidency is, however, complicated by the established practice of granting long-term loans on an extensive scale, which has increased the difficulty of securing a proper use of borrowed money and its timely repayment. The three classes of credit, short-term, intermediate and long-term, have to be clearly distinguished if it is to be properly controlled. A mixing up of the three is bound to result in abuse and waste. A long-term loan may be required for carrying through a scheme of land improvement or the repayment of an old debt, and the terms on which it should be granted will have to be fixed mainly on the basis of the borrowers's capacity to repay. The very fundamental principle of co-operative credit is violated if loans are granted for periods longer than necessary for economical utilization or in amounts which are larger than are actually needed for the business in hand. The bulk of the finance of primary societies must be short term finance, additional amounts being lent for say three years for specific purposes such as the purchase of bullocks, which will constitute intermediate credit. In Bombay, steadily greater attention is being paid to the drawing up normal credit statements for members and societies, and the amounts of loans required for the current needs of agriculture are thus determined in advance, and borrowers are being encouraged to take the loans from societies when and as needed. If the danger of the methods of the money-lender consists in the temptation he places before the borrower to take more money than he can profitably spend and punctually return, how is a co-operative society better if it follows the sowkar's ways, except in the matter of the rate of interest?

It is, therefore, a matter for satisfaction that the granting of long-term loans by primary societies and central banks is being discouraged as one gathers from the latest report of the Registrar of Co-operative Societies of this Presidency. It is likewise a welcome decision not to register new societies unless certain conditions regarding possibilities in the matter of short-term credit and punctual repayment are satisfied. The report also tells us that the difficult work of rectification and consolidation is being attempted. In Bombay, we have not only a number of dormant societies but others in which a large majority of members has to suffer from lack of finance for the fault of a few who have tried to swallow more than they could digest and are remiss in the repayment of their large borrowings, thus demonstrating the evils of a democracy without discipline. Efforts are therefore being made there to finance the good members and also to reconstruct badly managed societies wherever practicable. People are naturally reluctant to deal drastically with the delicate plant of co-operative credit for the fear that very strict treatment meted out to defaulters and others responsible for the mismanagement of societies, may shake the fabric of the whole movement and bring it into discredit. This may be a good plea for caution but can not be advanced as an argument for indulgence or inaction.

If primary societies were managed in the true co-operative spirit and along strictly business lines, they would become village banks in the real sense of the word, and the problem of supervision by unions and central banks would be extremely simple. As the co-operative organisation, however, grows, it becomes more complicated, and conflicts of jurisdiction and power arise. The failure of the guaranteeing unions, from which so much was expected at one time in certain Provinces, as a reliable link between primary societies and the central bank, is a warning which deserves to be needed in our manipulations of agencies intended to supervise the working of the village societies. Trained, capable and trustworthy men must be employed to carry out the duties of supervision, and members of unions and their federations must be active and strict. The central financing agency naturally finds itself in a difficult position when a new authority is interposed betwen itself and the primary societies. It wants to assure itself of the credit-worthiness of the societies it is called upon to finance and cannot wholly relegate that duty to another body which is by no means responsible to it. No bank worth the name would ever dream of lending to a client about the soundness of whose position it has not satisfied itself. The central bank indeed has a good security which is regularly examined by a supervising union, but there is always the risk of its credit becoming frozen capital. On the other hand, it is no easy matter for the bank to keep a watch over and supervise the working of hundreds of societies it has to finance, and the latter may legitimately make the sporting offer to do this work on its behalf. The question of the relations of the central banks, unions, federations and societies, I find, has become a subject of lively discussion and even of controversy. This is but natural when one considers the complexity of the problem created by the conflict of responsibilities and powers. There is no reason, however, to think that an early solution of it may not be found that will be satisfactory to all parties concerned. It should be possible to devise a scheme in which the central banks should have proper representation along with the federations, and I believe a solution of the problem is being found in this direction.

It will be worthwhile for the central banks to consider if they would not be in a better position to do their work of financing societies if they went nearer their clients through the agency of branches to be started at suitable centres in the districts. This policy is being followed with a large measure of success in Bombay. One of the causes of the success of the money-lender is the fact that he knows his clients well and practically lives among them. Even the Imperial Bank of India and the joint stock banks cannot carry on their business from headquarters in competition with the Shroffs, for lack of local knowledge and close contact with people in rural areas. The central banks in this Presidency may well take a leaf out of the book of the indigenous banker and they can, through their branches, increase and extend their business in the different parts of their jurisdictions, and may also be better able to watch the working of societies financed. Branch banking enables banks to establish touch with actual and prospective customers and to open new avenues of business. This is very essential for co-operative banks if they want to provide financial facilities to people living in the interior parts of districts for their varied economic needs. One of the means which the money-lender and the middleman employs to get a firm grip over his victims, is his readiness to satisfy all the financial requirements of his clients. He lends not only for the current needs of agriculture but equally for non-productive purposes and binds the cultivator down by the condition that he shall sell his produce through him so that he may recover his advances with ease and make an extra profit in the bargain on commission and in the price of commodities. It is disputed whether a village society should be strictly a "one purpose" society or should also undertake other functions besides that of credit. But there is no question that the co-operative organization ought to give the agriculturist facilities for carrying on all his business operations, viz. sale and purchase. Cotton sale societies are being successfully worked in Gujarat and the Karnatak in the Bombay Presidency, and even cotton ginneries are being co-operatively run. I find that "Loan and Sale Societies" have been started in this Presidency, and in the latest report of the Registrar, the principles on which they should be linked with credit societies have been laid down.

The sale side of the co-operative movement is very important and deserves to be developed. But its special difficulties have to be borne in mind and to be properly faced. And they are great particularly in the initial stages. The scheme of godowns and advances against produce has, of course, a good chance of success in the case of commercial crops like cotton, groundnut and jagery; but even there the business loyalty of the members is not easy to secure and the competition of the money-lender and the middleman is hard to overcome. If these and other conditions necessary for successful working can, however, be ensured by the education of the cultivator and expert business management, the advantages that will accure, will be considerable. The agriculturist will receive a fair price and a timely advance against his produce, and societies may obtain loans against goods temporarily stored by them. A new instrument of credit will also be created and that will bring the co-operative movement into closer touch with the wider money market. The finance of small-scale industries and trade is also a question which has yet to be tackled by the urban banks, and our small artisans and craftsmen are as deserving of help as the cultivators. I am glad to find that this Presidency has made an encouraging beginning in the matter of land mortgage credit. It is undoubted that the supply of mere short term and intermediate credit is insufficient for increasing the productivity of agriculture, and that for schemes of land improvement and the payment of old debts, long-term credit is essential. It fact, agricultural and national prosperity largely depends upon the increased productivity of land, and capital is required to secure a certain water supply and to conserve moisture as well as to improve the quality of crops. But here too a note of warning appears to be necessary. It should be borne in mind that the utility of long-term credit is limited by the economical use of borrowed funds and the repaying capacity of borrowers. New opportunities of borrowing, particularly those in which repayment is spread over a long period

and is effected in small instalments, are likely to be siezed with avidity by needy agriculturists, and schemes for ascertaining title, of land valuation and of debentures will have to be carefully worked out and put into operation. Long term finance is sure to be complicated by many with short term finance, and the land to be improved or rescued from old debts, must have the capacity to repay the two kinds of loans taken by the agriculturist, at one and the same time. The question of the possible overlapping of the financial operations of the central and local land mortgage banks in the matter of raising funds by means of debentures, must likewise be satisfactorily solved at the very initial stage of the movement. I am sure these matters relating to land mortgage credit have been duly considered in this Presidency, but to my mind, the special requirements and difficulties of this species of credit cannot be too much and too often emphasised. It may appear as if I am betraying nervous feelings in this connection which are not warranted by the circumstances. Nevertheless, I feel it my duty to give frank expression to the views I hold on this question.

Apart from the criticism of people who are not favourably or sympathetically inclined towards our movement, for one reason or another, either vested interests, a lack of public spirit or sheer ignorance of the meaning and the beneficent possibilities of co-operation, I think the time has come when a supreme and sustained effort should be made by all those who, through devotion to social service and faith in public work, are to-day associated with it, to place the whole organization on a sound footing. It must be freely admitted that there is a good deal of unreality about our co-operative institutions throughout the country, and I say this without wishing to throw the blame on any one, either officials or non-officials. The managemrnt of their affairs by panchayats, the supervision of societies by unions and central banks, the co-ordination and unification of the functions and finances of federations and institutes, all these matters require close and immediate attention. To what extent have members of primary societies increased their incomes and learnt the habit of thrift and the practice of banking their small savings? Is the work of managing committees impartial and efficient and is proper and strict control exercised over the supply and use of credit? Is our supervising agency trained in the theory and practice of co-operation and does it function efficiently? Are our unions, federations, banks and institutes co-ordinated and is there a unity of purpose and effort in the organization taken as a whole? These are some of the pertinent questions which we have to ask ourselves and we have to see to it that we are in a position to give satisfactory answers to them

The position is quite clear. On the one hand, the demand for the finance of agriculture and rural industries and trade, is unlimited. Co-operative societies and banks are to-day financing only a fraction of the total demand, to say nothing of the needs of expansion and improvement. The indigenous banker and the village money-lender still reign supreme in the world of rural finance. On the other hand, our experience shows that there is no lack of potential capital in the Province. What is required is that the two have to be brought together in a system of co-operatively organized finance. This means that we need a large number of self-less workers who will take upon themselves the duty of spreading the gospel of co-operation through the nooks and corners of the Province, to teach the people the ideals and the methods of the movement and also to watch over the working of co-operative institutions. I find that the progress of the movement in this Presidency is very largely due to the labours of many such devoted persons, but the task to be accomplished is vast and the more of them we have the better. The work of social service and rural reconstruction is being carried on in this Presidency in several places, and too much praise cannot be given to those who are responsible for it. Co-operation offers a field for patriotic effort which cannot be exceeded in national importance by any other ameliorating, elevating and educative agency, and on its platform all who want to serve their countrymen and to help them to reach a higher standard of living and citizenship, can and ought to join hands. The movement will gain in strength, efficiency and utility if it is guided, moulded and expanded by educated people who are animated by this desire to serve the community, and differences of opinion on political and social matters need not stand in the way of any one. It will then be a truly democratic organization, conducted on strictly business lines, and the question of external interference and control will not arise. If co-operation is to prove really useful, the problems of rural economy will have to be scientifically studied, and the operations of co-operative institutions will have to be carried on in the light of the results of such enquiries. Let me hope that the report of the Provincial Banking Inquiry Committee will be followed up by a continuous study of rural problems and that this work of investigation will prove helpful to the co-operative movement. Fellow co-operators, I am sincerely grateful to you for having listened to me with patience and for the honour you have done me in having me as the President of this Conference.

C. C. P. Works Ltd., Madras

THE EIGHTEENTH

Madras Provincial Co-operative Conference

(Madras, 19th and 20th April, 1930.)

MESSAGES AND GREETINGS

1. INTERNATIONAL CO-OPERATIVE ALLIANCE

(From the General Secretary)

It is with great pleasure that I learn, from the letter of your President, that the 18th Provincial Co-operative Conference at Madras will be held in your capital on the 19th and 20th April next.

Our interest in the work of co-operation in India is intensified year by year and month by month with the news that we receive of the progress which the Movement is making, and also our desire to embrace, in the membership of the International Co-operative Alliance, the Co-operative Movement of every country. The I.C.A. stands permanently upon the motto long ago expressed by one of its most enthusiastic leaders, that "Co-operation knows no frontiers, no limitations of colour, race or creed". Inspired by that ideal, we seek the perfection of our Organisation by the inclusion of representatives of every people under the sun.

I hope it may be possible in the not too distant future either for myself, or some other competent leader of our International Movement, to visit you in your own land and to discuss with you some of the problems of International Co-operation in which we are mutually interested. We look for a more intensive and extensive cultivation of the "co-operative tree" in India generally, believing as we do that the common interests of the consumers in all countries form the most secure foundation for a new economic and social order, and the best guarantee for the future peace of the world.

With all good wishes for the success of your Congress, of which I hope to receive, in due course, an interesting and enthusiastic report.

2. INTERNATIONAL CO-OPERATIVE WOMEN'S GUILD

(From the Secretary)

The International Co-operative Women's Guild sends warmest greetings to the Co-operators of Madras on the occasion of their 18th Provincial Conference, and heartiest good wishes for the continued success of their work.

We watch with admiration and pleasure the advance of the Movement in your country, believing that, through the Co-operative Movement with its constructive work for the building up of a social and industrial system based on equality, freedom, and service, will come that economic League of Peoples that will make the whole world one.

To women the Co-operative Movement brings a new hope and new freedom, and we send our special greetings to the women of your Movement, hoping that they will take their place beside their co-operative sisters of many lands in united work for our common cause.

Again we wish all success to your gatherings.

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3. THE CO-OPERATIVE UNION LTD., MANCHESTER

(From the General Secretary)

On the occasion of the 18th session of the Madras Provincial Co-operative Conference, I have the greatest pleasure in forwarding fraternal greetings on behalf of six million co-operators in Great Britain and Ireland. I trust that your conference at Madras will be productive of much good and that, during the ensuing year, your Movement will be expanded and extended to meet the needs of the millions in India whose lot can only find permanent improvement through co-operative endeavour carefully organised by such associations as your own. The work that the Co-operative Movement in India has done to free these peoples from the chains of poverty and humiliating dependence is being appreciated more in Britain as the facts concerning it have become known.

In the Co-operative College in Manchester, we have been honoured by the attendance of Indian students, whose devotion to the co-operative ideal and enthusiasm for co-operative work has been an inspiration to the British Students in the classes.

We realise the many-sided nature of Co-operation in India. We realise its work for education, health and financial stability, and we look forward to the day when the successes won in the distributive field by at least one of the societies in your area will be general throughout your country. Time has shown that the principles of Co-operation can be applied in all countries and in various ways. Co-operation has one creed in which all lands and nations can be united.

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4. THE CO-OPERATIVE PRESS AGENCY, MANCHESTER.

Greetings from the English Co-operative Wholesale Society, the greatest democratic trading organisation in the world, to our co-operative colleagues of Madras! We stretch out our hand to you in the spirit of good fellowship and wish for you all success. Seas and lands may separate us, but we in the West are at one in spirit with you in the East; and we are confident that in the application of the principles of Co-operation lies

the salvation of India's millions, just as it has been the means of the upliftment of the working population of our country.

The important part played by the C. W. S. in the life of the English may be judged from the fact that it supplies the material needs of nearly one half of the people. Its annual business now runs to something like £88,000,000, whilst the enormous extent of its financial transactions is shown by £2,000,000 passing over the counters of its own bank every working day in the year.

The human side of the C. W. S. is revealed in its contributing thousands of pounds for sports and recreation grounds for its employees, as well as welfare centres in its factories, educational faculties, and pension schemes, apart from the charitable donations regularly contributed to hospitals and the like.

The interest of the C. W. S. in India is enhanced by the fact of its having well over 10,000 employees on its tea estates in India, apart from over 3,000 in Ceylon, and all are in the enjoyment of good economic and healthy conditions.

May the good work of the Madras Provincial Co-operative Union spread and prosper and so help the day when India shall be crowned with the glory of Co-operation.

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5. SCOTTISH WHOLESALE CO-OPERATIVE SOCIETY LTD.

(From the Secretary)

I am requested by the Board of this Society to express to you, on their behalf, their best wishes on the occasion of the 18th Session of the Madras Provincial Co-operative Conference to be held in Madras on 19th and 20th April, also to convey their fraternal greetings, hope and desire that you may have a very successful and satisfactory gathering, and they trust that the principles and practice of Co-operation in your Presidency will have continued progress and prosperity.

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6. CO-OPERATIVE PRODUCTIVE FEDERATION LTD.

(From the Secretary)

The Co-operative Productive Federation of Great Britain sends its Fraternal Greetings to the Delegates assembled at the Madras Provincial Co-operative Conference. All good wishes for the success of Co-operation in the Province.

We feel strongly that Economic Salvation is to be secured by Co-operation alone, and that pacific and brotherly relations throughout the world can only be secured by the universal extension of the broad principles of Co-operation.

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7. THE ALL-RUSSIAN CENTRAL UNION OF CONSUMERS' SOCIETIES, "CENTROSOJUS", MOSCOW.

(From the Chief of Bureau)

The great distance between our two countries makes it unfortunately impossible for us to send a representative from here to greet the Co-operative Conference of India.

On behalf of the 40 million members united in the Consumers', co-operative movement of the *USSR*, permit us to greet the co-operative movement of India, to greet the Co-operative Conference and send from here our wishes of successful work.

The Consumers' Co-operation of the *USSR* is one of the important factors in the socialist up-building. The five year plan of development of the people's economy, which is successfully put into life by the toiling masses of the *USSR*, anticipates the almost entire co-operative organisation of the toiling population, the control of almost the whole distribution of commodities within the country, an immense increase of the network of distributive units, of co-operative bread-baking, of co-operative restaurants etc.

The following figures will show what is achieved by us during the last years—the first years of realisation of our five year plan.

The membership has increased from 22.6 million members on October 1st. 1928 to 33.5 millions on October 1st 1929 and reaches at the present time almost 40 millions. The retail turnover of the Consumers' societies has grown by 39.8 per cent, having reached 9,000 million roubles which makes 55.6 per cent of the whole retail trade in the country. The share capital has increased up to 370 million roubles.

The consumers' co-operative movement of the *USSR*, considering the uplifting of the living standard of the toilers as one of its fundamental tasks, endeavours to supply the workers with commodities of prime necessity at the lowest possible prices, decreasing the latter by means of rationalising its work.

The system of stores has numerically grown from 88 to 112 thousand units. The output of owned industry of the Soviet Consumers' Co-operation, produced at 8,400 industrial enterprises occupying 1,2,7000 workers, was 1182 million roubles' worth. The consumers' co-operation produces mainly foodstuffs such as canned goods, sausages etc. and bakes bread. The development of bread-baking and of co-operative restaurants, as well as the organisation of laundries, childrens' creches, childrens' gardens and playing grounds aims chiefly to emancipate women from the drudgery of home work, thus giving them the possibility to participate actively in the public life of the country and in its industrial work.

In 1928-29, the consumers' co-operative movement spent over 30 million roubles for educational purposes. The number of ambulant

cinemas reached 2,176. The wirelesses in villages 14,500. Bookshops and book-stalls 3,140 ; bookshelves at co-operative stores 13,000.

The achievements of Soviet Co-operation during the relatively short term of its existence are a direct result of the creative efforts of the working class and of the peasantry and of the close bonds existing between our co-operative movement and the Soviet Government, the trade unions and various public organisations.

Greeting once more the Conference of the co-operative movement of India.........

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8. USTREDNISVAZ CESKOSLOVENSKYCH DRUZSTEV

(From the Secretary)

We have read with great pleasure the communication of the XVIIIth Session of the Madras Provincial Co-operative Conference, arranged on the 19th and 20th April 1930. The conference will, we hope, discuss very important questions concerning the whole Co-operative Movement.

Taking this opportunity, we wish the treatment of all subjects the best result. Although the distance between yours and ours is very great, we are in spirit with you of one's thoughts.

With heartily co-operative Greetings.

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9. THE CO-OPERATIVE LEAGUE, U.S.A.

(From the Executive Secretary)

The Co-operative League of the United States wishes to send to you its most hearty greetings on this the occasion of your XVIIIth Provincial Co-operative Congress.

We, of the United States, envy your remarkable assemblage of Co-operative delegates representing such a large number of societies. Here in this country, leader of World Capitalism, we cannot yet boast of such Co-operative strength as you have in India.

We hope that your deliberations may be most fruitful, and the work which follows them most beneficial to the suffering masses of the population of Madras Province. We believe there can be no more valuable work undertaken on behalf of the workers and peasants of your country than that of co-operative developments.

Assuring you of our heartfelt good wishes.

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10. THE CO-OPERATIVE UNION OF CANADA

(From the General Secretary)

We duly received your letter of the 6th February. We observe that the Eighteenth Session of the Madras Provincial Co-operative Conference is to be held on the 19th and 20th April.

We feel sure that no Movement is better calculated to promote the welfare of your people than that of Co-operation, and we hope that the fact will be more and more realised in the future.

We tender our fraternal greetings to your Conference, and express the hope that it will be a great success, and that its deliberations will contribute considerably to the solution of the problems with which you are confronted in the propagation of co-operative philosophy and in the promotion of its successful practice in your province.

11. THE CO-OPERATIVE FEDERATION OF WESTERN AUSTRALIA

(*From the Secretary*)

I am in receipt of your letter of the 13th ultimo advising that the XVIIIth Session of the Madras Provincial Co-operative Conference is to be held in Madras on the 19th and 20th April and I have pleasure in sending you the following message from this Federation:—

> "The Co-operative Federation of Western Australia notes with pleasure the continued and steady development of the co-operative movement in India, particularly among agricultural producers. The efforts directed towards establishing a sound system of rural credit on a co-operative basis is probably the most useful form of mutual effort and we sincerely trust each year will bring its measure of success in the fruition of your co-operative hopes. Such success must inevitably bring a greater measure of security to those of your agricultural producers who support co-operative enterprise and at the same time help to enlarge their understanding of their own rural economy."

Trusting you will have a successful Conference.

12. THE ALL-INDIA CO-OP. INSTITUTES' ASSOCIATION

(*From the President*)

I am very thankful to you for your kind invitation to send fraternal delegates to the 18th session of the Madras Provincial Co-operative Conference to be held at Madras on the 19th and 20th April next, and I regret I do not find it will be possible to send any such delegates to the Conference. The fact is, there will have to be a meeting of the All-India Standing Committee about just then and I do not feel myself yet strong enough to fix any other place for the meeting than Bombay.

The Co-operative Movement in India has reached a stage when, the administrative machinery having been perfected, the financial structure of the movement having been built up, the thing that remains to be done

is the strengthening of the non-official Institutes or Unions such as yours is, and make them real, live and efficient bodies, gradually performing effective services of propaganda, education, and supervision and making it possible to de officialise the movement ever more and more. The future, I feel, is bound up with the increasing efficiency and resources in men and money of these non-official federations in the various provinces of the Indian Empire.

I wish the Conference every success.

13. PROVINCIAL CO-OPERATIVE INSTITUTE, BOMBAY

(*From the President*)

I thank you very much for your kind invitation to send delegates to attend the 18th Madras Provincial Co-operative Conference to be held at Madras on the 19th and 20th of April 1930 and regret that it will not be possible for the Institute to send any representatives.

I have no doubt that, under the able guidance of Prof. V. G. Kale, your deliberations will be fruitful in the direction of securing greater efficiency in the management of primary societies, more effective supervision from non-official bodies like the Madras Provincial Co-operative Union and the recognition of Co-operative Banking as a vital and integral part of the General Banking System of the country.

I wish the Conference every success.

14. THE BENGAL CO-OPERATIVE ORGANISATION SOCIETY LTD.

(*From the Honorary Secretary.*)

With reference to your letter dated the 6th March 1930, I am directed to state that it is very much regretted that it will not be possible to depute any delegate to the 18th Madras Provincial Co-operative Conference to be held shortly and to request that you will be so good as to communicate the following message to the Conference:—

"The Bengal Co-operative Organisation Society sends its heartiest good wishes to the co-operators of Madras, assembled in their 18th Provincial Co-operative Conference, and hopes that their deliberations will throw new light on many an unsolved co-operative problem not only in their own province, but in the whole of India."

15. THE BIHAR AND ORISSA CO-OPERATIVE FEDERATION LTD., PATNA.

(*From the Secretary*)

With reference to your letter dated the 6th March 1930, I am directed to express regret it would not be feasible for us to send any delegate.

We wish every success to the conference.

16. THE PUNJAB CO-OPERATIVE UNION Ltd.,

(From the Secretary)

Your letter of 6th March 1930. I am very much obliged to you for your kind invitation to the XVIIIth Session of the Madras Provincial Co-operative Conference.

I had the good fortune of attending your Conference last year which was very interesting and instructive and proved to be of immense value to me.

This time I greatly regret my inability to attend the Conference. But I wish you all success in the difficult but noble task of Rural Reconstruction through Co-operation.

The success of the Co-operative Movement depends upon the training of the workers and members of the societies. If the training is defective and unsound, sooner or later the whole fabric falls to the ground. And the greatest enemy that the Co-operative Movement has in this country and in any other is the uninformed enthusiast and the people who think that enthusiasm and zeal can take the place of careful study and exact knowledge. They cannot. Therefore the importance of training can never be over-emphasized. And it does one's heart good to learn that due attention is paid to this important work in Madras, particularly by the P.C.U.

There are two imminent dangers which the Co-operative Movement has to face in India. The first is that while in the case of ordinary banks the share-holders have responsibility of management and are generally insignificant as borrowers, in the case of Co-operative Institutions the borrowing societies hold the largest number of shares and the interests of the borrower dominate the banks. It needs utmost vigilance to safeguard the movement from disaster. The second danger, which is threatening the movement, is the tendency towards a relaxation of the high standard of strict supervision and control which is so very essential for steering the movement safely through innumerable difficulties and insurmountable obstacles.

The Co-operative Movement is now firmly established in India and the spirit of Co-operation is spreading among all classes. One of the most encouraging features of life in India to-day is the development of new ideas among what were regarded as backward rural areas. It is difficult to overestimate the educative value of the Co-operative Movement even in matters which at first sight appear to be remote from its special sphere. These developments afford good ground for holding that, in the not very distant future, the people of India trained in the School of Co-operation, estimated with a spirit of confidence and business method at home, will bring them to bear in the administration of local, Provincial and All-India affairs.

It may be asserted without fear of contradiction that no movement for the uplift of the masses can be successful unless women take an

active part in it. Man cannot work alone and be successful. Perfection requires Co-operation both of man and woman. Co-operation aims at the general well-being of the whole community and therefore women cannot be ignored by it.

But, strange as it would appear, no systematic and successful efforts have been made to bring women under the Co-operative fold except in one or two Provinces of India.

And this is one of the directions in which the Co-operative Movement in Madras Presidency must now develop.

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 amelioriation. Therefore, unless and until the people take active and leading part in its control and advance, it cannot progress on satisfactory lines. The success of the movement rests to a large extent on honorary workers trained in the principles and practice of Co-operation. There is a host of honorary workers in the Madras Presidency who have made the movement so successful and their example may be followed with advantage by other Provinces.

One is pained to see that the leaders in this country do not pay due attention to the Co-operative movement which aims at reconstructing society on a just and equitable basis. It is time that the political leaders of India should rise up, and if, with the assistance of the educated youth of the country, they form what might be called an economic militia to carry on the work of educating the rustic population in the secrets of the Co-operative movement and persuade them to better their condition through Co-operation, the economic and political independence of India would not be far off.

I once more wish the Conference a unique success.

17. THE U. P. CO-OPERATIVE UNION LTD.

(From the President)

Many thanks for your letter dated 6-3-1930 inviting delegates from this Institution to your Provincial Conference. It is very much regretted that the Union is not in a position to send any delegates to your Conference. I, on behalf of the Union, wish it every success.

18. THE BURMA CO-OPERATIVE COUNCIL, MANDALAY

(From the Chairman)

I have the honour to thank you for your kind invitation to the 18th Session of the Madras Provincial Co-operative Conference which will be held at Madras on the 19th and 20th of April next.

I regret to say that I shall not be able to attend the Conference nor to depute any delegate to the Conference owing to pressure of other important work.

However, I on behalf of the Burma Provincial Co-operative Council wish every success for the Conference.

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19. SHRI SAYAJI SAHAKAR SEWAK SANGH LTD., BARODA

(From the Honorary Secretary)

I have the honour to acknowledge the receipt of your letters dated 6th and 19th March 1930, regarding sending delegates on behalf of our Sangh (Institute) to the Provincial Co-operative Conference to be held at Madras on 19th and 20th April next, for which our Institute (Sangh) is greatly obliged, and as desired by the Managing Committee of the Sangh, I convey hearty greetings and wish the conference complete success.

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20. THE INDIAN PROVINCIAL CO-OPERATIVE BANKS' ASSOCIATION

(From the Secretary)

With reference to year invitation dated the 6th March 1930, to the 18th Session of the Madras Co-operative Conference to be held at Madras on the 19th and 20tb April next, I beg to inform you that I regret my inability to attend the Conference. I beg leave to thank you for the invitation and to request you to convey my greetings to the delegates present at the Conference.

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21. THE BOMBAY PROVINCIAL CO-OPERATIVE BANK, LTD.

(From the Managing Director)

I beg to acknowledge receipt of your letter of the 6th instant and to thank you for your kind invitation to the forthcoming session of the Madras Provincial Co-operative Conference. I regret it is not possible to send a fraternal delegate to the Conference this year. I wish the session every success under the distinguished presidency of Prof. V. G. Kale.

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22. THE BENGAL PROVINCIAL CO-OPERATIVE BANK, LTD.

(From the Manager)

On behalf of the Bengal Provincial Co-operative Bank Ltd., I have great pleasure in sending our good wishes.

We regret not to have been able to send a fraternal delegate but we send you our heartiest greetings.

We have no doubt that your Conference will have the effect of rousing great enthusiasm for Co-operative work in India.

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23. THE INDORE PREMIER CO-OPERATIVE BANK LTD.

(From the Manager)

We are very thankful to you for your kind invitation to us to attend your Provincial Co-operative Conference this year as fraternal delegates. On account of various engagements we regret very much to convey our inability to attend the sitting and have the pleasure of renewing our acquaintances which we have made last year. We wish you success in your efforts to solve the problem of Rural Development in Madras. We have been since long keenly watching the working of the movement there. The efforts of your veteran co-operators enthuse and encourage us here in grappling with similar problems and the Association with them has been a source of inspiration to us here. We are really extremely sorry to miss the occasion. We have arranged to communicate the message by wire over our Chairman's signature (of Diwan-E-Khas Bahadur Rao Bahadur, Shreemeut Sardar, M. V. Kibe, M.A., M.R.A.S. F.R.C.S., Chairman, Board of Directors.)

C. C. P. WORKS, LTD., MADRAS.

24. IRISH AGRICULTURAL ORGANISATION SOCIETY, LTD.,

(*From the Assistant Secretary*)

I am glad to get the opportunity of your invitation of 6th February to wish your Provincial Co-operative Conference every success. From what I read of the work of your various Unions and Societies in India, I am convinced that in your country as in ours co-operative success is a fundamental condition of the prosperity of the cultivater.

With best wishes,

25. CENTRAL UNION OF CO-OPERATIVE SOCIETIES OF JAPAN.

(*From the General Secretary*)

We received your favour of 13th February and our Union wishes to extend to you its most hearty greetings on this occasion of your 18th session of the Madras Provincial Co-operative Conference. Our Japanese Co-operators heartily congratulate the sincere effort to develope the true happiness of the Indian people. In many countries, peoples are economically in difficult condition, and to rescue them from this hard condition, it is indispensable to encourage the movement for self-help and economical independence, the co-operative movement.

We believe the victory of your co-operative movement, and eagerly hope the fruitful success of your Co-operative Conference,

Please accept our best wishes and co-operative greetings.

26. CANADIAN CO-OPERATIVE WOOL GROWERS LTD.

(*From the Assistant Manager*)

It is with pleasure that this Organization extends to you the heartiest fraternal greetings on the occasion of the eighteenth annual Session of your Co-operative Conference which we understand is being held in Madras on the 19th and 20th of April 1930.

27. MANITOBA CO-OPERATIVE CONFERENCE

(*From the Secretary*)

The Manitoba Co-operative Conference representing producers' and consumers' co-operative organizations in the Province of Manitoba sends greetings to the Madras Provincial Co-operative Conference.

The Co-operative Movement of Western Canada, of which we are a part, is a lusty infant for although co-operation has been a fundamental part of the organized movement of our farmers for twenty-five years, not until very recent times has there been any determined effort to apply the principles of co-operation to the more serious problems of our agricultural life.

The rise of our great Wheat Pool has riveted the attention of the world upon Western Canada but that event has had more important results for ourselves. We are organizing in a co-operative way the marketing of every product of the farm and we are also organizing in a co-operative way to supply the necessities of the farm and the home.

Out of fifty thousand farmers in the Province of Manitoba thirty-five thousand are members of one or more of the organizations represented in the Manitoba Co-operative Conference. On behalf of these thirty-five thousand co-operators we extend the hand of friendship and fraternity to the co-operators represented in your Conference. While we are far apart in space, we are close together in spirit.

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28. THE CENTRAL PROVINCES & BERAR PROVINCIAL CO-OPERATIVE BANK, LTD.

(From the Chairman)

This Bank has watched with interest the Co-operative activities of Madras and especially those connected with the Land Mortgage Business. It is hoped that the Land Mortgage Banks of Madras will be a guide to this Province which has unfortunately not yet done much for the establishment of the institutions.

We wish the Madras Co-operative Conference grand success.

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29. THE PROVINCIAL CO-OPERATIVE BANK OF ASSAM, LTD.

(From the Manager)

I am directed to acknowledge with thanks the receipt of your letter dated the 6th March 1930 and in reply to say that it is not possible for the Assam Provincial Co-operative Bank to send any delegate to the Madras Provincial Co-operative Conference to be held on the 19th and 20th instant. We wish the Conference all success and hope that its deliberations will produce fruitful result to the Co-operative movement.

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30. THE CENTRAL CO-OPERATIVE BANK LTD., NO. I TRIVANDRUM.

(From the President).

I thank you for your kind invitation for sending a fraternal delegate to represent this Institution at the forth-coming Provincial Co-operative Conference at Madras. I regret to inform you that owing to certain inconvenience it is not possible to send a delegate from here at present.

The Co-operative movement in Travancore being ten years younger to that of our neighbouring Province of Madras, we co-operators here anxiously watch the progress you achieve from time to time, so that we may profit by your experience and avoid the pitfalls that beset the movement in its infancy. Hence your Conference is of peculiar interest to us and the proceedings of your session will engage our earnest attention. Under the distinguished Presidentship of Professor V. G. Kale M.A. I have no doubt that the Conference will be able to solve many of the tough problems that baffle the co-operators of Madras.

On behalf of the Central Co-operative Bank, I wish the Conference all success.

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31. THE HYDERABAD DOMINION BANK, LTD.

(From the President.)

Regret inability to attend owing to unavoidable circumstances. Wish conference every success.—(By Telegram.)

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32. COCHIN CENTRAL CO-OPERATIVE BANK, LTD.

Fraternal greetings to conference and heartiest wishes for its success.—(By Telegram.)

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33. THE BERAR CO-OPERATIVE INSTITUTE LTD.

(From the President).

Regret inability to attend. Wish conference every success. Madras being in the vanguard, India expects her to give correct lead to all provinces and institutes.—(By Telegram.)

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34. THE INDORE CO-OPERATIVE CENTRAL ASSOCIATION.

Wish Conference every success.—(By Telegram.)

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35. THE COCHIN CENTRAL CO-OPERATIVE INSTITUTE.

(From the President).

The Cochin Central Co-operative Institute sends its most cordial greetings to the Conference and wishes every success.

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36. THE PUDUKKOTTAI STATE CO-OPERATIVE INSTITUTE LTD.

(From the Secretary).

Sir,

I thank you for your kind invitation for the coming Provincial Co-operative Conference. As the Budget session of the Local Legislative Council begins on the 19th, I regret my inability to attend the conference. I am a member of the Legislative Council and there are others interested in co-operation who are members thereof. It is therefore not possible to send any suitable delegate.

I hope that under the distinguished presidency of an eminent person Mr. Prof. Kale the Conference will be a splendid success.

I trust that the lines of work of the All India Co-operative Federation will be discussed. I expect the All India Co-operative Journal will be an accomplished fact in the near future.

Once more wishing the Conference every success.

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37. THE REGISTRAR, CO-OPERATIVE SOCIETIES, CENTRAL PROVINCES AND BERAR.

I thank you very much for your kind invitation to the XVIII Session of the Madras Provincial Co-operative Conference to be held on the 19th and 20th, April, 1930. I much regret my inability to attend the same on account of preoccupation in urgent work. I wish the Conference all success.

GREETINGS

38. THE BIHAR AND ORISSA PROVINCIAL CO-OPERATIVE BANK,

(From By Rai Sahib Mihirnath Rao, Managing, Director)

Mr. President and Fellow Co-operators:

I assure you, it gave the Bihar and Orissa Provincial Co-operative Bank a genuine pleasure to accept your invitation to be represented in this Provincial Conference (which, I learn, is one of the most important sessions ever held) as a proof not only of their active sympathy and co-operation, but of their appreciation of your valuable work for the success of the Movement in general and of the Movement in your own Province in particular.

The journey that I had to undertake was long and rather inconvenient at this time of the year, but I am delighted I did come, as I have got an opportunity to renew my acquaintences with old friends and make fresh friends amongst you all and what is more, I come here to learn at the very fountain-head. I wish, however, our worthy Chairman, Sir Ali

Imam, K.C.S.I., could have come, but he is always so busy and, I am sorry, not in the best of health now.

My esteemed friend, Mr. Ramadas Pantulu, went over to Orissa to preside over the Co-operative Conference at Cuttack about this time last year and gave us the benefit of his vast experience and sound judgment in co-operative matters and the impression created by him in the minds of us all who assembled to hear him has been very deep and we are looking forward to meeting him again in our Province. If, therefore, the Bihar Provincial Bank has sent me here, it is only as a small repayment of debt we owe to him and to your province.

My connection with the Co-operative Movement dates from 1914, the year of the establishment of the Provincial Bank in our Province. We in our province have had to encounter many obstacles, but we have, I am glad to say, successfully overcome most of them. Our progress has been somewhat slow Some of our difficulties are probably peculiar to our province. There are also some factors which are common to both of us. I mean problems connected with the utilisation of loans for productive and unproductive purposes by the borrowing members, co-ordination between the Provincial Bank and its constituent Central Banks, that between the Central Banks and the Societies, then again, the bigger problems of arrears and of overdues, of short and long term loans, of successfully floating purchase and sale societies, of Rural Reconstruction, and of establishment of Mortgage Banks on co-operative lines. All these await solution, for, I believe, the final progress of the movement among others, considerably depends on them.

The message of Co-operation has not yet, to any great extent, I regret, reached, far less roused 'co-operative consciousness' among, the cultivators and labourers, the real producers of what Sir Daniel Hamilton calls the 'productive capital", probably due in my province to want of proper co-operative education and of adequate propaganda. I am not competent to speak about your and other provinces. People should know and realise that the Co-operative Society is not merely a facile credit institution, though it is an important item, particularly as India's immediate need is capital or credit which is potential cash. They must be, however, taught that it has also an equally important educative and moral value, that is, it will teach them better business, better farming and better living. When fully developed, as Mr. Ramadas Pantulu said in the Travancore Conference, "Co-operation will become a living force in shaping the social, economic and political life of the people." Yes, in that it will become a great power in the march of National Progress to the promised land of Swaraj, with the salvation of India's millions. But, I feel the movement has yet to work against obstacles, so long as the economic interests of the people and their rulers are not identical. However, we need not fear so long as we do not deviate from the right principles. The whole of India expects the Central Banking Enquiry Committee, under the advice and guidance of such earnest co-operators as Messrs Devadhar and Ramadas Pantulu, to give the right lead to Co-operative Banking.

Gentlemen, the justification for such conferences like the one we are having to-day, lies in the fact that they provide an opportunity for exchange of views and ideas and for comparing notes of experiences gained in practice locally and also of discussing broad, general principles as well. Co-operation has one creed where all can join to mutual advantage. I am glad, Gentlemen, I have had the opportunity of meeting here, for the first time, Prof. V. G. Kale, the President of th's Conference. I had not this honour before, though he had been to my province, but I have certainly had the pleasure of reading his interesting works on Indian Economics. He belongs to an institution which has in its fold self-less and self-sacrificing workers and which has produced many of our distinguished countrymen. And, if I may say without impertinence, your choice is exceedingly happy, as it has fallen on the right man.

Gentlemen, once more I beg to convey in person, to you all, the message of sincere and fraternal greetings and hopes and good wishes of my Bank for the success and fruitful result not only of this Conference but of the whole Movement in your Province,

—

REPORT

OF THE

XVII Madras Provincial Co-operative Conference

PER COPY: ENGLISH As. 8 / TAMIL As. 4

Apply to:—

THE JOINT SECRETARY,

The Madras Provincial Co-operative Union,

ROYAPETTAH, S. INDIA.

The XVIIIth Madras Provincial Co-operative Conference.

Held at the P. S. High School, Brodies Road, Mylapore, on the 19th and 20th of April 1930

RESOLUTIONS

I. CONDOLENCE

This Conference expresses its profound sorrow at the demise of Dr. S. Swaminathan and desires to place on record its sense of irreparable loss sustained by the Movement.

II. CO-OPERATIVE EDUCATION

(*a*) This Conference is of opinion that a Co-operative College, on the lines of the Manchester Co-operative College, should be started at Madras and appeals to the Government, the M. C. U. B., the Central Banks and other co-operative institutions and all those who are interested in co-operative education to liberally contribute towards the funds required for the same.

(*b*) With a view to co-ordinate the working of the Training Institutes, this Conference resolves :—

(i) that a Central Committee be formed consisting of the President of the P. C. U., the Registrar and one representative of each of the Institutes and two other members who are residents of Madras and who shall be co-opted by the other members of the Committee and

(ii) that the Central Committee shall have power to :—

1. appoint teachers and lecturers,
2. prescribe courses and syllabuses of study
3. conduct examinations, arrange for valuation of papers and issue certificates to successful candidates and
4. discharge such other functions as may be decided upon by the Committee with the previous approval of the Registrar.

(*c*) This Conference invites the attention of the Government to the recommendations of the Townsend Committee (vide page 94 of their Report) in the matter of grant-in-aid to the P. C. U. and requests the Government to give liberal financial aid to the P. C. U.

on the basis of Rs. 3 to every Re. 1 collected by the P. C. U. with a view to enable it to successfuly and efficiently discharge the function of co-operative education.

III. RURAL RECONSTRUCTION

This Conference expresses its grateful thanks to the M.C.U.B. and the Central Banks concerned for enabling the P.C.U., by contributing the necessary funds, to successfully run the experiment of Rural Reconstruction and requests these agencies to give more grants to increase the number of centres in the Presidency and it also urges upon the workers of the Rural Reconstruction Centres to pay special attention to the production of khaddar and prohibition of drink.

IV. RECTIFICATION AND CONSOLIDATION.

(*a*) This Conference expresses its grateful thanks to the M.C.U B. for alloting money from its general funds for Rectification and Consolidation work in pursuance of the resolution No. III (c)* of the last year's conference and requests all Central Banks and District Federations to avail themselves of the offer of the M.C.U.B. and push on the work of Rectification and Consolidation.

(*b*) This Conference invites the attention of the Central Banks and the District Federations to resolutions III (*b*) and (*d*) of the last conference and requests them to give effect to those resolutions.†

(*c*) With a view to giving due effect to the above clause (b) this Conference deems it necessary that :—

1. Detailed instructions be issued as to how the field work of Rectification and Consolidation may be tackled so as, under the existing conditions, to ensure progress; how field work may be regulated and controlled by the Administrative Section of the Bank and as to what registers, records, reports and returns may be maintained or furnished by the Administrative Section ;
2. An officer of requisite capacity and administrative experience be employed for instructing and guiding the field staff, for checking and reviewing the tour programmes, diaries and reports of inspectors received from the field staff, and for otherwise regulating and controlling its work and also for holding charge of and running the Administrative Section.

* & † Vide pages 80-81 of the Madras Journal of Co-operation for August 1929.

3. The scheme of rectification may also make due provision for getting out of Union supervisors rectification work of as high a standard as possible; and also for getting out of the Union Governing Body members such work and help as they are capable of and are prepared and willing to render.
4. The scheme may make provision for a course of special training for the staff employed on rectification work whether in Unions or the Bank or the Federation including the officer placed in charge of the Administrative Section.
5. The duties of the officer, placed in charge of the Administrative Section, be defined so that he may be held responsible for enforcing discipline, receipt and submission of reports, returns etc., due to and by the Bank, studying them and placing them before the Executive Committee or the Board of Management for orders, in one word, for managing the entire secretarial work.
6. The M.C.U.B. be requested to take the necessary action in these respects; and in the course of its inspection of central banks to see that the work of rectification and consolidation is duly organised, regulated and controlled.

V. PROPOSALS FOR AMENDING THE ACT.

This Conference requests the Executive Committee of the P.C.U. to obtain and consolidate the non-official opinion on the changes to be introduced in the present Co-operative Societies' Act and to place the same before the Government and the Local Legislature.

VI. A CONSTITUTION FOR THE CONFERENCE.

(*a*) This Conference is of opinion that the Provincial Co-operative Conference be held annually in future also and that the Executive Committee of the P.C.U. be constituted the Standing Committee of the Conference to make arrangements for the convening of the Conference and publication of literature connected with its proceedings.

(*b*) This Conference requests the Executive Committee of the P.C.U. to draft bye-laws for the conduct of the Conference and send them up to the constituent institutions for their approval before the next Conference.

VII. PROPOSALS FOR THE BANKING ENQUIRY COMMITTEE.

This Conference accepts the recommendations contained in the Joint Memorandum of answers to the Questionnaire of the Madras Provincial Banking Enquiry Committee by the M.C.U.B. and the P.C.U. and in the memorandum of answers to the Central Committee's Questionnaire and requests the Central and Provincial Committees to adopt and to press those recommendations on the authorities concerned.

VIII. CO-OPERATIVE INSURANCE.

This Conference recommends to the Government the desirability of Co-operative Insurance Societies being registered under the Co-operative Societies' Act.

IX. LOAN AND SALE SOCIETIES.

(*a*) This Conference notes with regret that no adequate progress has been made in promoting the Loan and Sale Societies and urges on co-operators the necessity of improving their working.

(*b*) This Conference invites the attention of all primary societies to the following resolution (V), *B*(*b*) of the last conference and urges them to give effect to the resolution.

> "This Conference is of opinion that every primary society in the area of a loan and sale society should finance the cultivation expenses of its members and insist on its members' selling their produce through the Loan and Sale Society or with the knowledge of the Panchayatdars of the primary society."

X. STORE SOCIETIES.

This Conference is of opinion that the establishment of a Co-operative Wholesale Society for the province is a matter of great and urgent necessity and requests the T.U.C.S. to take the necessary steps in this behalf.

XI. CO-OPERATORS' HALL.

This Conference expresses its agreement with resolution XV of the Third Madras District Co-operative Conference and requests the P.C.U. and the M.C.U.B. to take steps for providing a Co-operators' Hall in the City.

V. G. KALE,
President, XVIIIth Madras Provincial Co-operative Conference.

Proceedings of the XVIIIth Madras Provincial Co-operative Conference

Held on 20th April 1930.

(Before the proceedings began, the President announced that he was going to fix time-limit to speakers (i.e.) not more than 10 minutes to the movers of resolutions and not more than five minutes to the seconders and supporters.)

I. CONDOLENCE.

This Conference expresses its profound sorrow at the demise of Dr. S. Swaminathan and desires to place on record its sense of irreparable loss sustained by the Movement.

Mr. V. Ramadas Pantulu in moving the resolution said:— "Gentlemen, we have got to do our duty of passing a condolence resolution on the death of Dr. S. Swaminathan, an ardent co-operator in this presidency. He was president of the Madras Central Urban Bank and the first President of the Central Land Mortgage Bank. I request that we unanimously pass this resolution and thus express our sense of loss and sympathy to his bereaved family."

This was accepted by all the delegates standing in silence.

II. CO-OPERATIVE EDUCATION.

(*a*) *This Conference is of opinion that a Co-operative College, on the lines of the Manchester Co-operative College should be started at Madras and appeals to the Government, the M. C. U. B., the Central Banks and other co-operative institutions and all those who are interested in co-operative education to liberally contribute towards the funds required for the same.*

(*b*) *With a view to co-ordinate the working of the Training Institutes, this Conference resolves:—*

(*i*) *that a Central Committee be formed consisting of the President of the P. C. U., the Registrar and one representative of each of the Institutes and two other members who are residents of Madras and who shall be co-opted by the other members of the Committee and*

(*ii*) *that the Central Committee shall have power to:—*

1. *appoint teachers and lecturers,*
2. *perscribe courses and syllabuses of study*

3. *conduct examinations, arrange for valuation of papers and issue certificates to successful candidates and*
4. *discharge such other functions as may be decided upon by the Committee with the previous approval of the Registrar.*

(c) *This Conference invites the attention of the Government to the recommendations of the Townsend Committee (vide page 94 of their Report) in the matter of grant-in-aid to the P. C. U. and requests the Government to give liberal financial aid to the P.C.U. on the basis of Rs. 3. to every Re. 1 collected by the P.C.U. with a view to enable it to successfully and efficiently discharge the function of co-operative education.*

Mr. K.C. Ramakrishnan (Madras) in moving the resolution said:—" I confine my remarks to the need for the establishment of a high grade Co-operative College for this Presidency. What is contemplated is an institution which would impart the highest specialised training in the theory and practice of Co-operation and allied subjects. It is unnecessary to dwell on the inevitable defects of the existing training institutes, which I have already dealt with in an article in the April number of the Madras Journal of Co-operation.* These are not, in my opinion, likely to be set right unless there exists a training college for teachers as well as for the aspirants for higher positions in the Co-operative Department and non-official institutions. The lecturers in the contemplated college might be partly paid and partly honorary, but great care should be exercised in selecting specialists in the academic and co-operative world. The course should be intensive and be open normally to graduates in Economics and those who had attained distinction in co-operative service. It should at the same time be a thoroughly practical and professional course.

This indeed might preclude its being run by the University on whose limited resources the pure sciences and humanities have a greater claim. If, however, the Provincial Co-operative Union and the Government are anxious to entrust the runnig of such a College to the University by providing it with funds and other aid, none would be glader than myself though I could not speak for the University. Already some new lines of economic research have been taken up at the University, for which funds are by no means adequate but which are intended to be ultimately of some value to the progress of the co-operative movement.

A suggestion has been thrown out this morning that Co-operation might be taught as a special subject in the Arts Colleges themselves. It is perhaps not known, that already it has been tried and that something of Co-operation is being taught as part of Rural Economics for Economics Students in the B.A. Results of such specialisation have not been very satisfactory. The supreme importance of a good grounding in the general principles of Economics—of Economics Theory, Economic History, Rural Economics and Public Finance—is felt so necessary that specialisation has been done away with in the B. A., Economic Course, after an experiment of six years. There is not chance for the introduction of Co-operation as a special subject in the B.A., Classes. Indeed, a good student of the existing co-operative institutes would perhaps be able to gain more knowledge than even Honours graduates in Ecomics with Co-operation as only a part of a special subject,—rural economics. But the latter's superior equipment in general ecomics is a vitally necessary basis for higher co-operative instruction and co-operative research, though he too could not dispense with training in the Co-operative College.

*Vide page 561 of the Journal.

Apart from the difficulty of specialisation in Co-operation in the Arts Colleges, the provision for instruction in allied, necessary subjects like Book-keeping, Auditing and Banking and above all for practical work and apprenticeship is beyond the means of any but a special professional college. There is, therefore, great need for the creation of a Central Co-operative College and I commend this resolution to your acceptance.

Mr. R. Krishnaswami Iyengar of Cuddalore seconded and Mr. A. Narayanamurthy of Anakkapalli supported the motion.

Mr. P. M. Choudry:—Mr. President and brother co-operators, I propose to delete clause (a) of this resolution. Do you feel the necessity for a Co-operative College now? (a voice surely) If so, for whom is it required? Is it to educate the secretaries of Banks and the Presidents of Banks? It wiil not help the spreading of Co-operation in rural areas. Where are the funds? (a voice, coming)

Dewan Bahadur R. Ramachandra Rao:—The most important thing confronting us to-day is co-operative education to the masses and to impart education we want teachers. In view of the experiences, I have had for the past many years, I should say that a college well equipped is of the utmost importance for the education of co-operative masses.

Chairman :—I shall put the resolution to vote in parts.

Those who are in favour of clause (a) ... 93

Those against ... 88

Mr. C. V. Venkatarama Iyengar :—The proposition has been carried but I suggest that it may be postponed for consideration next year. Though I do not take any side, it is not desirable to create such a strong feeling of oppositon, where there is a large minority. I want the ruling of the president in the matter."

The chairman said that it could not be postponed because it was put to vote, and after some discussion, it was passed by a majority of 93 against 88.

Clauses (*b*) and (*c*) were carried unanimously.

III. RURAL RECONSTRUCTION.

This Conference expresses its grateful thanks to the M. C. U. B. and the Central Banks concerned for enabling the P. C. U., by contributing the necessary funds, to successfully run the experiment of Rural Reconstruction and requests these agencies to give more grants to increase the number of centres in the Presidency and it also urges upon the workers of the Rural Reconstruction Centres to pay special attention to the production of khaddar and prohibition of drink.

Mr. V. Krishnamurthy :—(Mayavaram) in moving the resolution said:—"Gentlemen, of several resolutions tabled today, the resolution, which I am now moving before you is the most important. This is a resolution expressing gratitude and feelings of thanks for the financial help rendered to us by the Madras Central Urban Bank and the several central banks to the work of Rural Reconstruction. Two things appear from the resolution, namely, that the work of rural reconstruction is by far the most important of the activities of the Provincial Co-operative Union and that the Union has not got a steady financial basis. Instead of the Union depending upon the charitable contributions of the M.C.U.B., why not all the primary societies in the province contribute for the rural reconstruction fund, since it is the most important side of the work of the P.C.U.?

From the report submitted to the Conference, yesterday, I find that only two points in regard to Rural Reconstruction have been fulfilled up till now, namely the general education of the rural population by the opening of new schools for primary education. All co-operative activities are on the credit side, whereas, in western countries

advance is made on the non-credit side, such as the Consumers' Co-operation. There is no use of extending further the credit side only. There should be a stop in that direction and efforts should be made in the direction of the non-credit side as it is mostly needed at present. With these few words, I comment this resolution to your acceptance."

Messrs. B. S. Sundaram Iyer and G. Somannah seconded and supported the motion respectively.

Mr. B. N. Sastry :—Gentlemen, it is with great pleasure that I place before you an amendment, namely to add the following words to the resolution :—"*and urges upon the workers to pay special attention to the production of khaddar, boycott of foreign cloth and prohibition of liquor.*"

Gentlemen, "this will be a forward step and I would even add that this conference is further of opinion that the several central banks in the districts should follow the lead given by the M.C.U.B. and make similar grants towards the work of Rural Reconstruction."

Mr. D. N. Strathie :—Mr. President, I would ask the Conference to delete the words, "*boycott of foreign cloth*" from the amendment. I have no objection to the other items namely" "*development of khaddar and prohibition of liquor*". The boycott of foreign cloth is a controversial subject and there is considerable difference of opinion. I personally would not like to see such subjects introduced on a co-operative platform. Once again, I take the liberty of suggesting to you the deletion of those words.

Dewan Bahadur R. Ramachandra Rao :—"Gentlemen, among the large number of people assembled here, giving instructions with regard to rural reconstruction work, I claim to be one. In fact, I may say without boasting that I have done more rural reconstruction work in this presidency than any one else. Khaddar has been my favourite scheme. I have started a khaddar centre. I object to this amendment because I see in the practical working of rural reconstruction there are many other things also. The amendment will give a wrong lead. I am bold enough to ask you to omit those things, What about Physical Culture, adult education and so many other things, equally important? Rural Reconstruction, if you will rightly understand it, implies much more than these three items.

Mr V. Ramadas Pantulu :—I have taken up definitely a constructive programme. My activity will be in that direction both in the city and the mofussil. So far as the Co-operative Movement is concerned is it necessary to include boycott of foreign cloth? What we do is constructive work. Boycott of foreign cloth is a propaganda work of a political character. In response to the resolution passed at the last conference that khaddar societies should be registered, the Registrar has sent an agreeable reply. I think, if we are doing something to promote cordiality between the department and the non-officials, we ought to omit all controversial subjects. If you want to retain Mr. B. N. Sastri's resolution, retain khaddar and prohibition of liquor. Otherwise drop the wholething because all that is implied in Rural Reconstruction.

Mr. B. N. Sastry then accepted the suggestion for the deletion of the words to which there was some opposition. The amendment with the omission of "*boycott of foreign cloth*" was carried unanimously.

Mr. P. M Choudry moved that the following words also be added to the resolution:—"*and requests these agencies to give more grants to increase the number of centres in the presidency.*" It was accepted and the resolution thus amended was carried unanimously.

IV. RECTIFICATION AND CONSOLIDATION

(*a*) *This Conference expresses its grateful thanks to the M.C.U.B. for alloting money from its general funds for Rectification and Consolidation work in pursuance of the resolution No. III* (*c*)* *of the last year's conference and requests all Central Banks and District Federations to avail themselves of the offer of the M.C.U.B. and push on the work of Rectification and Consolidation.*

(*b*) *This Conference invites the attention of the Central Banks and the District Federations to resolutions III* (*b*) *and* (*d*) *of the last conference and requests them to give effect to those resolutions.*†

Rao Sahib T. Srinivasa Rao:—Gentlemen, I am called upon to move this resolution on rectification and consolidation. All the members of this house are aware that this subject has been engaging the attention of all co-operators for at least the past 4 years, since the first session of the Central Banks' Conference held in the month of May 1926. Since then every session of this conference, every meeting of the Board of Management of the M. C. U. B. every meeting of the Central Banks' Conference including also the All India Provincial Banks' Association has been

* & † Vide pages 80—81 of the Madras Journal of co-operation for August 1929.

devoting special attention to this subject. I am sure all of you desire that this matter should progress adequately in quality and quantity. The only object in bringing forward this resolution before this conference is to urge its importance and to emphasise the idea that the work has to be tackled on satisfactory lines. In the course of annual inspection of central banks I have thought it necessary to make definite suggestions as to how exactly the work should be tackled. I would suggest that these definite instructions be embodied in the text of the resolution itself.

(*c*) *With a view to giving due effect to the above clause* (*b*) *this Conference deems it necessary that:—*

1. *Detailed instructions be issued as to how the field work of Rectification and Consolidation may be tackled so as, under the existing conditions, to ensure progress; how field work may be regulated and controlled by the Administrative Section of the Bank and as to what registers, records, reports and returns may be maintained or furnished by the Administrative Section;*
2. *An officer of requisite capacity and administrative experience be employed for instructing and guiding the field staff, for checking and reviewing the tour programmes, diaries and reports of inspectors received from the field staff, and for otherwise rugulating and controlling its work and also for holding charge of and running the Administrative Section.*
3. *The scheme of rectification may also make due provision for getting out of Union supervisors rectification work of as high a standard as possible; and also for getting out of the Union Governing Body members such work and help as they are capable of and are prepared and willing to render.*
4. *The scheme may make provision for a course of special training for the staff employed on rectification work whether in Unions or the Bank or the Federation including the officer placed in charge of the Administrative Section.*
5. *The duties of the officer placed in charge of the Administrative Section, be defined so that, he may be held responsible for enforcing discipline, receipt and submission of reports, returns etc., due to and by the Bank, studying them and placing them before the Executive Committee or*

the Board of Management for orders, in one word, for managing the entire secretarial work

6. *The M.C.U.B. be requested to take the necessary action in these respects; and in the course of its inspection of central banks to see that the work of rectification and consolidation is duly organised, regulated and controlled.*

This resolution with the proposed addition was seconded by Mr. R. S. Subramania Iyer of Coimbatore, supported by Mr. Raghavachariar of Nellore and carried unanimously.

V. PROPOSALS FOR AMENDING THE ACT.

This Conference requests the Executive Committee of the P.C.U. to obtain and consolidate the non-official opinion on the changes to be introduced in the present Co-operative Societies' Act and to place the same before the Government and the Local Legislature.

This resolution was moved from the chair and carried unanimously.

VI. A CONSTITUTION FOR THE CONFERENCE.

(a) This Conference is opinion that the Provincial Co-operative Conference be held annually in future also and that the Executive Committee of the P.C.U. be constituted the Standing Committee of the Conference to make arrangements for the convening of the Conference and publication of literature connected with its proceedings.

(b) This Conference requests the Executive Committee of the P.C.U. to draft bye-laws for the conduct of the Conference and send them up to the constituent institutinns for their approval before the next Conference.

This resolution also was moved from the chair and carried unanimously.

VII. PROPOSALS FOR THE BANKING ENQUIRY COMMITTEE.

This Conference accepts the recommendations contained in the Joint Memorandum of answers to the Questionnaire of the Madras Provincial Banking Enquiry Committee by the M.C.U.B. and the P.C.U. and in the memorandum of answers to the Central Committee's Questionnaire and requests the Central and Provincial Committees to adopt and to press those recommendations on the authorities concerned.

Mr. V. C. Rangaswami (Madras): Gentlemen, I move before you this resolution concerning the Banking Enquiry Committee. The Committee have finished taking evidence and they are now drafting the report to be sent to the Central Committee. This resolution has come up before you so that all the co-operators assembled here would give the weight of their support to the memorandum that has been placed before the Provincial Banking Enquiry Committee by both the Madras Central Urban Bank and the Provincial Co-operative Union. In the memorandum that was placed before the Provincial Banking Enquiry Committee certain demands have been made to the local Government as well as the Government of India with regard to banks and banking facilities. In the reply to the Central Banking Enquiry' Committee's questionnaire by the M. C. U. B., certain demands have been placed before the Government that the help now rendered by the Imperial Bank to the Co-operatiye Institutions should be placed on a statutory basis and not left to the will and pleasure of the Imperial Bank.

Further concessions have also been asked that the Government paper in which some of the institutions have got to invest their surplus funds be exempted from income-tax and super-tax. We have also asked that the Government of India should on the opening of the Reserve Bank of India organise a separate section called the Rural Section in accordance with the provisions contained in the Bank Act of Australia and Newzealand.

We have also asked the Government to provide godowns for storing agricultural produce. It is a matter of common knowledge that for want of proper godowns in the mofussil area, people who produce commercial crops, like ground-nut, cotton and other things, cannot raise sufficient credit upon their produce.

Another demand asked from the Government of India is that co-operative banks must be permitted to do inland exchange business. Now, of course, the question is engaging the attention of the M. C. U. B. At present they are not permitted to do inland exchange business, because the Imperial Bank would not grant sufficient facilities for the transfer of funds from one place to another. I request the members here to accord their vote to demands made by the Madras Central Urban Bank and the Provincial Co-operative Union in the joint memorandum submitted to the Provincial Baaking Enquiry Committee as well as in the replies of the Apex Bank to the Central Committee.

This resolution was seconded by Mr. C. Subba Rao of Vizianagaram and carried unanimously.

VIII. CO-OPERATIVE INSURANCE.

This Conference recommends to the Government the desirability of Co-operative Insurance Societies being registered under the Co-operative Societies Act.

Rao Sahib V. Sreenivasa Iyer (Tanjore) in moving the resolution said :— Mr. President, and Gentlemen, the idea of forming insurance societies and working them on a co-operative basis is to make the profits available to the members who insure their lives and property against death, fire, accidents and so on. You are aware, gentlemen, that in other countries almost everything is insured. We have Insurance against fire, accident, diseases like small-pox, loss in trade; in fact all varieties of insurance are prevalent in other countries. Of course it is not possible for us to start all varieties of insurance all at once.

If we start insurance societies and work them on a co-operative basis, there are three advantages :—

(1) the profits derived from the working of these societies will go to the members themselves.

(2) The money collected by these insurance organisations will be invested in this country for the benefit of its people.

(3) Insurance is now resorted to by the higher classes of people. Ordinarily it is not possible for a poor man, for instance a man earning about Rs. 20 or Rs. 30 a month, to insure his life. But if we have insurance societies on a co-operative basis it will be possible for even the poor man to take advantage of insurance.

Therefore, it seems to me that if this conference will be pleased to make a recommendation to the Government that Insurance Organisations may be developed in this country on a co-operative basis, it may be possible for us to successfully carry out the scheme. I understand that in Burma, Cattle Insurance Societies are being tried and they have worked with some success. Such varieties of insurance may be tried first. We must formulate the scheme at present. The whole thing will have to be considered by the Government and by Co-operators.

Mr. G. Ramachandra Rao of Gudivada seconded the motion.

Prof. S. K. Yegnanarayana Iyer of Madras gave a brief account in Tamil of the possibilities of starting Insurance Societies in this country on a co-operative basis and commended the adoption of the resolution. Then the resolution was unanimously passed.

IX. LOAN AND SALE SOCIETIES.

(*a*) *This Conference notes with regret that no adequate progress has been made in promoting the Loan and Sale Societies and urges on co-operators the necessity of improving their working.*

(*b*) *This Conference invites the attention of all primary societies to the following resolution (V) B (b) of the last conference and urges them to give effect to the resolution.*

> "*This Conference is of opinion that every primary society in the area of a loan and sale society should finance the cultivation expenses of its members and insist on its members' selling their produce through the Loan and Sale Society or with the knowledge of the Panchayatdars of the primary society.*"

Mr. B. Narayana Rao in moving the resolution said:—"Gentlemen the loan and sale societies are in a very backward condition in the Co-operative Movement. Similarly we find here that the subject of the loan and sale societies has been relegated to the last part of the programme (a voice, not the least) I should like to invite your attention to the function of the Loan and Sale Societies so that you will appreciate its value and the work it does in the co-operative movement. The loan and sale society is, I may say, the collecting agency for the central bank. It is also the collecting agency for the village credit society. In the bye-laws of the loan and sale society it is definitely stated that it acts as the agency of the central bank. Therefore it is the collecting agency, I may say, to the central bank and the village credit society. In taking a loan of about of Rs. 25 or 50 the agriculturists promise to invest the money on agricultural operations. To pay up the loan will not be a hardship for him, because the agriculturist on getting the loan from the village credit society is being insisted upon to enter into a contract that he will sell the produce through the loan and sale society. The village credit society need not remit cash but ask the loan and sale society to act as its agent between itself and the central bank. Thus the overdues of members of the village society and the overdues of the societies to the central bank may be reduced.

With these few words I move the resolution for your acceptance.

This resolution was seconded by Messrs. B. Narayana Rao and M. M. Krishnaswami Pillai and supported by Messrs Venkataranga-chariar and R. Sundaram Iyer and carried unanimously.

X. STORE SOCIETIES.

This Conference is of opinion that the establishment of a Co-operative Wholesale Society for the province is a matter of great and urgent necessity and requests the T.U.C.S. to take the necessary steps in this behalf.

Rao Sahib T. K. Hanumantha Rao (Madras) in moving the resolution said:— Mr. President, brother co-operators and gentlemen, the proposition that I have been accorded the privilege of placing before you is about the formation of a Wholesale for the Province. From the point of view of one of those who have made a theoritical study of the consumers' movement, and watched the progress of it in European countries, I venture to state that the consumers' movement is a growing movement. It is the privilege of the Triplicane Urban Co-operative Society to be now invited to take the lead in the Store Movement. The Consumers Movement requires very little stock for its starting. It requires the mentality of the consumer.

The Triplicane Store has got a history behind it. After a few months of its starting the sale amounted only to a few rupees a day. The then manager and the salesman, the only two employees of the society, suggested to the then directorate that the best thing would be to close the Stores. If we had done that, I would not be here to move this resolution before you. I am proud that evil days were got over. There is the Triplicane Stores which has reputation, perhaps beyond its worth. I say, the Store Movement has a greater potentiality for the good of the consumer than the credit movement and all the other things put together. The wholesale society which is the next stage we are going into, will be as it were the stepping stone to the industrial regeneration of India.

This resolution was supported by Mr. K. L. Narasimha Rao and carried unanimously.

XI. CO-OPERATORS' HALL.

This Conference expresses its agreement with resolution XV of the Third Madras District Co-operative Conference and requests the P.C.U. and the M.C.U.B. to take steps for providing a Co-operators' Hall in the City.

This resolution was moved from the Chair and carried unanimously.

Chairman's Concluding Remarks.

Gentlemen, I do not want to inflict very lengthy remarks upon the Conference at this stage. All the same, I cannot refrain from expressing my sincere thanks to you all for having helped me to bring our deliberations to a successful close. I am aware that there has been some heat in the discussion of certain resolutions. But as my friend Mr. Nagaswamy points out, heat is natural at this season in Madras. This Conference has shown mutual goodwill, a great deal of sound common sense and harmony and we have, as practical men, arrived at a common understanding, even on resolutions involving difference of opinion. That shows that the spirit of Co-operation has taken a strong root in this Province.

Further, I cannot but give a brief expression to the impressions that have been left on my mind by all that I have heard and seen in connection with this Conference.

The first impression I have formed is, that in this Province there is a very large number of public-spirited gentlemen, who have been spending their time, energy and money in the cause of Co-operation. It is a very hopeful sign, as the success of the movement must ultimately depend upon the part taken in it by the people themselves. It is the educated people who can and must lead and guide the movement. Today, we find that there is, in this country, a gap between the higher educated classes and the masses. Now, the gap has to be bridged and the only way by which it could be done is by the extention and the intensification of the Co-operative Movement. One of the resolutions which have been passed by this Conference relates to the work of Rural Reconstruction. I am glad to find that there is unanimity of opinion that this work should be vigorously and carefully carried on, so that the whole movement may be placed on a sound footing.

we had a resolution on Consumers' Co-operation carried on in this province. We have looked to the Madras Presidency for inspiration and guidance, in the matter of Consumers' Co-operation. In Bombay, I find that the movement, for various reasons, has not, so far, proved a success. In fact, the Triplicane Stores has been a place of pilgrimage for people coming from other Provinces and it is a thing for which this province deserves praise. I shall hope and trust that the Consumers' movement will spread more widely in this Province. I do not want to take much of your time by speaking further on this aspect of the Movement.

Another question, on which a resolution has been passed, is Co-operative Insurance. I am entirely in agreement with the several gentlemen who spoke on that resolution. As pointed out by some, though there will be a few difficulties in the beginning, I am of opinion that it is ultimately bound to succeed.

Gentlemen, I do not want to offer any more remarks on the Co-operative Movement itself. But this I must say that Co-operation, in the real sense of the word, is the only salvation of the masses in India to-day. We all agree on the point that poverty in this Country is something of which we ought to be ashamed. If it is to be removed or remedied, various methods will have to be adopted. Agriculture being the most important industry in India, our attention must first of all be focussed and concentrated upon its improvement and if agriculture is to be improved and the mass of our cultivators are to be raised economically, it is necessary that the Co-operative Movement should be run on more sound and systematic lines. One resolution has been passed regarding the subject by the Conference. We have not got experts to carry on supervision over the Co-operative Movement. It should be remembered that the movement is allied to Banking. It differs from the working of the ordinary Money-lenders, in this, that Co-operation is organised while ordinary money lending is not. Co-operation is again a mass movement, while money lenders' working is individualistic. But if a mass movement or democracy is to succed, it must have discipline. So, to improve the movement, we require experts to lead. Some people are likely to doubt whether the assistance of experts is necessary. In running our village banks, Central Banks, and the various other branches of the Co-operative Movement, expert knowledge is absolutely essential. In this connection, we cannot indeed ignore the importance of the assistance of laymen. They are found equally necessary elsewhere. In Germany and other countries, laymen have always taken the lead.

Gentlemen, I shall carry very happy memories and your message to my Presidency and enlighten my people as to the points wherein thye lag behind. When compared with my Province, Madras is in no way backward. In fact we have much to learn from it.

Vote of Thanks

MR. V. RAMADAS PANTULU

Gentlemen,

It is now my pleasant duty on behalf of you, all, to express our heartfelt thanks to Professor Kale for having come down to Madras to preside over the Conference. He is now very busy, strenuously working at the preparation of the report of the Bombay Banking Enquiry Committee of which he is an important member. He left it in the middle and came here unmindful of the discomforts of the long journey. Many of you must have read his excellent volumes on Economics which are used as text books in colleges all over India. The Fergusson College is naturally proud of such a man.

I express my thanks to all those officials and non-officials, that have sent their fraternal greetings and especially my friend Mr. Mihir Nath Rai; I thank all the delegates for having come here at considerable sacrifice and for contributing their best to all the discussions.

Then I should thank the Boy Scouts who acted as volunteers and rendered very useful service during these two days. Our thanks are due to Mr. Strathie and other departmental officers who have been here, assisting the proceedings and rendering us valuable help by their timely suggestions. It is a good sign that the Registrar is taking such a keen interest. Actually he has been present throughout the session of the conference from morning to evening. He is trying to acquaint himself with all our problems. We hope he would carry the impression that this conference was not in any way antagonistic to the Government, as his predecessor in office ungraciously recorded in his last report.

I should render my thanks to the Industrial and Agricultural Departments for their demonstrations. They supplied water to all the delegates for bathing purpose.

My thanks are also due to the Central Co-operative Printing Works for the excellent and prompt execution of their work in spite of the short time at their disposal.

We are much indebted to the Triplicane Stores for having opened their stall in the premises to enable us to purchase the necessary articles. We are thankful to Mr. Parthasarathy Iyanger, Director, T. U. C. S. and Mr. S. R. Venkataraman, Probationer of the Servants of India Society, who rendered invaluable help in the matter of boarding arrangments.

Finally my thanks are due to the authorities of the P. S. High School who readily placed this palacial building at the disposal of the Conference.

The next session, I hope, will be equally largely attended. I shall do all I can to give better facilities. Gentlemen, I hope you will excuse us for any shortcomings in the arrangements made for your boarding and lodging.

The President then declared the conference closed.

Proceedings of the meeting of the General Body of the Provincial Co-operative Union

Held at 2 p.m. on the 19th April 1930 at the P. S. High School, Brodies Road, Mylapore, Madras.

Mr. V. Ramadas Pantulu was in the chair:—Mr. V. Ramadas Pantulu requested Mr. V. Venkatasubbiah, Joint Secretary to read the Administration Report which he accordingly did. Copies of the Report in English, Tamil and Telugu were circulated to the members.

Chairman:—Gentlemen, You are at liberty to give your opinion about the Adminstration Report, because it is the privilege of the members of the General Body to bring under review the entire administration of the Union on this occasion. The Executive of the Union will welcome frank and full criticism and it will be accepted in the spirit in which it is offered and every endeavour will be made to remove the defects in the working of the Union.

Mr. K. L. Narasimha Rao of Madras moved that the Administration Report be adopted.

Mr. V. Sreenivasachariar of Cuddalore seconded the motion.

Mr. C. V. Venkataramana Iyengar (Coimbatore):—Gentlemen, I have got a few words to say regarding Rural Reconstruction. Of course we have got a few centres working in this province. I do not know whether there is any limitation with regard to the number of centres. I should like to know whether District Banks can make their own efforts in starting such centres. In this connection, I think it is better, if the committee also attempts to get into touch with all concerned. If individuals come forward with offers of financial help, I want to know whether the Central Banks or the unions will be prepared to contribute towards the same. We should increase the number of the centres. At least the Executive Committee should not rest satisfied until they add five or six every year. I want to know what the chances are of starting them and, if so, in what districts ?"

Mr. V. C. Rangaswami:—(Madras) Brother delegates, we are glad that a good report regarding the activities of the Madras Provincial Co-operative Union has been placed before us for consideration and remarks. We all should feel thankful for the amount

of work that the P. C. U. has done in the year under review. But one fact, to which I must draw the attention of the co-operators assembled here, is the want of finance in the P. C. U. If it is expected that the P. C. U. must undertake more work of Rural Reconstruction, education and propaganda and must contribute towards the improvement of the supervision of primary societies, it behoves us all co-operators to see that more finance is placed in the hands of the P. C. U. so that it may function more efficiently for the benefit of co-operation in the presidency. How and in what way the finances of this institution can be improved is a matter that requires deep consideration and I hope that the prominent co-operators assembled here, will put their heads together and devise a scheme by which more finances will be brought into the coffers of the P. C. U. May I appeal to Mr. C. V. Venkataramana Iyengar, who was asking for the improvement of village reconstruction work and the addition of centres, to use his influence amongst his friends in his district and see that this Union gets that amount of finance required for the village reconstruction work ?

Gentlemen, one point I want to urge for the consideration of this house is the pooling of the large amount of supervision fund that is collected in this province to the tune of 9 to 10 lakhs a year. The centralisation of such a large amount in the hands of the P.C.U. will enable it to carry on the work of supervision and propaganda with more efficiency than spending it in small amounts through the various organisations scattered throughout the presidency. (A feeling of dissent manifested itself from many quarters of the House). People may treat lightly the suggestion of centralising the finance spent on supervision in the hands of a single Union. Let me say, sir, that centralisation of finance is the bed-rock of safety for supervision. A centralised institution with large funds can use it more efficiently than if the amount is scattered in various channels. Gentlemen, the suggestion may be unacceptable on this day the 19th of April 1930. But I assure you that the time will come for the centralisation of finance in the hands of the P.C.U.

With these few words I commend the adoption of the Report.

Mr. V. Krishna Menon:—Gentlemen, I believe there is want of co-ordination of the activities of the District Federations by the P.C.U. The P.C.U. is not fully in touch with the federations and the unions in the districts. I think it is high time that some special arrangements be made to have this defect rectified.

Chairman: I think that there is not much inclination on the part of the House to be critical.

With regard to Mr. C. V. Venkataramana Iyengar's suggestion of Rural Reconstruction being taken up on a wider scale, I must say that it is entirely a question of finance. The P.C.U. has taken up this experiment in order to create interest in the work. I hope the time is not far off when each central bank will make a contribution of Rs. 1,000 and the M.C.U.B. will also make a liberal contribution, and with that finance, the P.C.U. may be able to run more centres. I think, it is better in the meantime, we confine our attention to the few centres we have already agreed to run.

As Mr. V. C. Rangaswamy has pointed out, the P.C.U. really suffers from want of finance. The Bombay Provincial Institute and the Bengal Co-operative Organisation Society are getting a decent income and the Government make liberal grants. The Townsend Committee has recommended a State grant of Rs. 3 to be given to the P.C.U. for every Re. 1 collected by it. The suggestion made by Mr. Rangaswamy is one of far-reaching importance. This is done in the Punjab, where all the societies are represented in the Provincial Union."

"Gentlemen, I hope the Report as read may be adopted.

The Report was then adopted unanimously.

The next item taken up was the election of Honorary members. The following 11 gentlemen who were Honorary members till then were re-elected to continue as such :—

1. Prof. T. K. Hanumantha Rao, (Madras).
2. Mr. A. Ranganatha Mudaliar, (Madras).
3. Dr. B. Pattabhiseetharamiah, (Masulipatam).
4. Sir T. Desikachariar, (Trichy).
5. Mr. L. Dharmaraja Iyer, (Madura).
6. G. Ramachandra Rao, (Gudivada).
7. Rao Bahadur A. Vedachala Iyer, (Madras).
8. Mr. V. C. Rangaswami. ,,
9. Mr. C. V. Venkataramana Iyengar, (Coimbatore).
10. Mr. V. Venkatasubbiah, (Madras).
11. Dr. P. Gurumurthy, (Rajahmundry).

The following nine members were elected newly as Honorary members :—

1. Rao Sahib V. K. Menon, (Calicut).
2. B. Venkatarathnam, (Cocoanada).

3. Prof. N. G. Ranga, (Madras).
4. Dewan Bahadur R. Ramachandara Rao, (Madras).
5. Dewan Bahadur B. Munuswami Naidu, (Chittoor).
6. C. Gopala Menon, (Madras).
7. Prof. K. C. Ramakrishnan, (Madras).
8. Rao Sahib N. Ramaswami Iyer, (Madura).
9. Rao Bahadur M. K. Venkatachariar, (Conjeevaram).

The meeting then proceeded to elect the office bearers. Before doing so, the Chairman, Mr. V. Ramadas Pantulu informed the audience that since the term of the existing office bearers was over, he would vacate the chair and suggested Mr. A. Rajabadar Mudaliar occupying the chair. But the proposal was not accepted by the audience who said that Mr. Ramadas himself should occupy it. Then, on the proposal of Mr. C V. Venkataramana Iyengar, Mr. V. Ramadas Pantulu was unanimously re-elected the President. So also were re-elected Mr. A. Ranganatha Mudaliar as the Vice-president and Messrs. V. Venkatasubbiah, N. Satyanarayana, and G. Sriram Babu Naidu as Joint Secretaries. Mr. S. K. Yegnanarayana Aiyar was elected as the Editor.

ELECTION OF MEMBERS TO THE BOARD OF MANAGEMENT.

The different constituencies then met separately and elected the following members to the Board of Management, in accordance with the provisions of the existing bye-laws in this behalf.

		Name of Member	Institution Represented.
(a) Provincial Societies.	1	Rao Sahib T. Sreenivasa Rao.	The M.C.U. B. Ltd.,
	2	Mr. P. Ramanathan ...	The C.C.P. Works Ltd.,
	3	Mr. A. Sivarama Menon ...	The T.U.C.S. Ltd.,
	4	Mr. G. Sriram Babu Naidu...	The C. C. Bank Ltd.,
	5	Dewan Bahadur M. Ramachandra Rao.	The Madras Central Land M. Bank Ltd.,
(b) Language Federations.	6	Rao Bahadur T. A. Ramalingam Chettiar.	The Tamil Nadu Co-operative Federation.
(c) Central Banks (Tamil Districts).	7	Mr. E. S. Sunda ...	The Madura Ramnad Bank.
	8	Mr. A. Rajabadar Mudaliar.	The Conjeevaram ,,
	9	Mr. V. Srinivasachariar ...	The S. Arcot ,,
(Telugu Dts).	10	Mr. B. N. Sastry ...	Amalapuram. ,,
	11	Mr. B. V. Krishna Rao ...	Ramachandrapuram ,,
	12	Mr. J. Krishnamurthy Rao...	Cuddappah Dt. Bank.

(Malabar)	13 Mr. V. K. Menon	... Malabar Dt. Bank.
(S. Kanara.)	14 Mr. G. Venugopala Rao.	... S. Kanara Central Bank
	Messrs :—	DISTRICT REPRESENTED.
(*d*) Dt. Federations and Local Unions of each Dt.	15 L. Gangadhara Sastry	... Anantapur.
	16 K. M. Singaravelu Mudaliar	N. Arcot.
	17 R. A. Sivananda Mudaliar	... S. Arcot.
	18 A. Narayana Bhat	... Bellary.
	19 A. Krishnaswami Iyer	... Chingleput.
	20 N. Narayana Reddi	... Chittoor.
	21 G. S. Mahadeva Iyer	... Coimbatore.
	22 K. Gundu Rao	... Cuddappah.
	23 Mr. Ratho Mahasayo	... Ganjam.
	24 G. Lakshminarayana	... E. Godavari
	25 Ch. Seshagiri Rao	... W. Godavari
	26 G. Simhachalam	... Guntur.
	27 R. W. Bhandarkar	... S. Kanara.
	28 V. Rama Rao	... Kistna.
	29 G. Naga Reddi	... Kurnool.
	30 S. Raja Rao	... Madura.
	31 A. S. Menon	... Malabar.
	32 M. Venkatarangayya	... Nellore.
	33 R. G. Nallakuthalam Pillai	... Ramnad.
	34 K. Sundararaja Iyengar	... Salem.
	35 Rao Sahib N. Tiruvengada Mudaliar.	Tanjore.
	36 N. Venkataswami Naidu	... Tinnevelly.
	37 S. Annadurai Iyer	... Trichinopoly.
	38 C. Subba Rao	.. Vizagapatam.
(*e*) Non-Credit Societies.	39 Mr. K. L. Narasimha Rao	... Madras Vitamins Co-op. Stores.
	40 Mr. G. Venkatachalam	... The T.U.C.S. Employees' Co-op. Building Society.
	41 Mr. R. Krishnaswami Iyengar.	The Pudupalayam Co-operative Stores.
(*f*) Urban Banks.	42 Mr. P. S. Kumaraswami Rajah.	Bhupathi Raju C.S. Ltd.
	43 Mr. S. Nagaswami Iyer	... Sivaganga Urban Bank.
	44 Mr. M. K. Pattabhiram	... Tiruchengode Urban Bank.

The above 44 members then co-opted the following three members from among the Honorary members elected by the General Body:—

(*g*) *Honorary Members.* 45 Rao Sahib V. K. Menon.

	46 Dr. P. Gurumurthy.	
	47 Dewan Bahadur R. Ramachandra Rao.	
(*h*) Ex-officio.	48 Mr. V. Ramadas Pantulu	... President.
	49 Mr. A. Ranganatha Mudaliar.	(Vice President).
	50 Mr. V. Venkatasubbiah.	Honorary Joint Secretaries.
	52 Mr. G. Sriram Babu Naidu.	
	51 Mr. N. Satyanarayana.	
	53 Mr. S. K. Yegnanarayana Aiyar	... Editor.

AMENDMENTS TO THE BYE-LAWS.

The General Body then proceeded to consider the amendments to the bye-laws of the P.C.U. proposed by the Executive Committee of the P.C.U. and by Mr. G. Sreenivasaraghavachariar. As regards the latter they were ruled out of order, since they did not emanate from the Institution which Mr. Sreenvasaraghavachariar represented, namely the Madura Ramnad District Co-operative Federation, but were only his personal proposals. The Chairman stated that he himself circulated to the Executive Committee certain changes in the constitution of the P.C.U. with reference to the altered conditions brought about the formation of the Tamil Nadu Federation and also stated that Rao Bahadur T. A. Ramalinga Chettiar informed him that he was in agreement with them, but no institution took them up.

The amendments proposed by the Executive Committee of the P.C.U. were then considered by the General Body and were adopted with a few changes. The bye-laws, as finally adopted, are as follows :—*

1. By-law IV.—Membership :—Add under IV (a) the following :—

(viii) Co-operative Training Institutes.

(ix) Primary Land Mortgage Banks.

2. Bye-law VI (1) :—Add the following clauses as (*f*) and (*g*)

(*f*) Every Training Institute shall pay Rs. 15.

(*g*) Every primary Land Mortgage Bank shall pay Rs. 10.

3. Bye-law IX ;—Omit the words "Bulletin......Tamil" and substitute for them the word, "Journals."

* Theses amendments have since been registered by the Registrar and his Certificate of Registration is printed on page 720 of this issue. The bye-laws of the P.C.U. including these amendments are published as supplement III to this issue.

4. Bye-law XX :—Add the following as (7) and (8) and renumber (7) as (9) :—

(7) Training Institutes—one delegate each

(8) Primary land mortgage banks—to delegates—one from the Tamil Districts and one from the Telugu Districts.

5. Bye-law XX (c) :—Add, "or until their successors are elected," at the end of the sentence.

6. Bye-law XXI :—Add "or until their sucessors and elected" after the words, "for two years," in line 7 of the Bye-law.

7. Add as bye-laws XXV and XXVI the following and renumber the existing bye-laws XXV to XXVIII as XXVII, XXVIII, XXIX and XXX.

Bye law XXV :—A Central Committee for the regulation of the work of the Rural Reconstruction Centres and of the Local Committees thereof shall be constituted with 7 members, including the President of the P.C.U. who shall be an ex-officio member thereof. At least four out of the seven members shall be residents of Madras. One member shall be elected by the Executive Committee of the M.C.U.B. The remaining five members shall be elected by the Executive Committee of the P.C.U.

Bye-law XXVI :—A Central Committee for the Co-ordination of the work of the Training Institutes, in accordance with the rules made in this behalf with the previous sanction of the Registrar shall be constituted. It shall consist of the representatives of the Institutes on the Board of Management of the P.C.U., the President of the P.C.U. and the Registrar who shall be ex-officio members and of two other residents of Madras who shall be co-opted by the other members of the Committee. The Central Committee shall have power :—

(1) to appoint teachers and lecturers,

(2) to prescribe courses and syllabuses of study,

(3) to conduct examinations, arrange for valuation of papers and issue certificates to successful candidates,

and (4) to discharge such other functions as may be decided upon by the Committee with the previous approval of the Registrar.

8. Add the following as bye-law XXXI :—

Notice of amendments to bye-laws and subsidiary rules and of resolutions to be brought up before the General Body should be sent so as to reach the Union not less then seven clear days before the date fixed for the meeting of the General Body. Notice of amendments or resolutions sent by the representatives of member-societies shall be accompanied by a resolution of the Executive Committee of the society concerned, approving of such amendments or resolutions.

PROCEEDINGS OF THE MEETING OF THE BOARD OF MANAGEMENT.

Saturday, 19th April, 1930.

The Board then met and the election of members to the Executive Committee was the first item taken up.

The following members were unanimously elected to the Executive Committee from Karnataka and Kerala respectively :—

1. Mr. A. Sankunni Menon (Kerala)
2. Mr. G. Venugopala Rao (Karnataka)

As regards the three members from the Tamil districts the following names were proposed :—

Messrs.
1. A. Rajabadar Mudaliar
2. P. S. Kumaraswami Raja
3. K. Sundararaja Iyengar
4. S. Nagaswami Iyer
5. E. S. Sunda
6. P. Ramanathan
7. M. K. Pattabhiram
8. A. Sivarama Menon
9. R. Krishnaswami Iyengar.

Messrs. Rajahbadar Mudaliar, Kumaraswami Raja and M. K. Pattabhiram secured the highest number of votes and were elected to the Executive Committee.

So also from the Telugu districts, the following names were proposed.

Messrs.
1. Rao Saheb T. Srinivasa Rao
2. C. Subba Rao
3. B. N. Sastry
4. K. Gundu Rao
5. K. L. Narasimha Rao
6. L. Gangadhara Sastry
7. Seshagiri Rao
8. G. Venkatachalam.

Messrs. K. L. Narasimha Rao, B. N. Sastry and C. Subba Rao secured the highest number of votes and were elected to the Executive Committee.

The meeting of the newly constituted Board was then adjourned by the President to 1-30 P.M., the next day (*i.e.*,) 20th April 1930.

Sunday, 20th April, 1930.

The Board accordingly met at 1-30 P.M. on Sunday the 20th April 1930. The first item taken up was the consideration of the budget. Printed copies of the budget for 1930—31* were distributed to all the members and it was unanimously passed by them.

The budget, as passed, is appended to this report.

The meeting then proceeded to constitute the various sub-committees and elect members thereof.

In addition to the four sub-committees, one other committee namely, the Urban Banks' Committee was also constituted with a view to study their working and suggest ways and means for their improvement.

NAME OF THE COMMITTEE	NAME OF THE MEMBERS ELECTED
1. *Editorial Committee*	1. Mr. S. K. Yegnanarayana Iyer (Editor, and Convener). 2. Mr. A. Sivarama Menon. 3. Mr. K. C. Ramakrishnan.
2. *Non-Credit Committee*	1. Mr. E. S. Sunda (Convener). 2. Mr. A. Sivarama Menon (T. U. C. S.) 3. Mr. V. Rama Rao (Masula Stores). 4. Mr. R. G. Nallakuthalam Pillai (Srivilliputtur). 5. Mr. V. Sreenivasa Rao (Cuddappa). 6. Mr. B. Narayana Rao (Vizagapatam). 7. Mr. R. Krishnaswami Iyengar (Cuddalore).
3. *Urban Banks Committee*	1. Mr. S. Nagaswami Iyer (Convener). 2. Mr. E. S. Ganapathy Iyer (Erode). 3. Mr. N. V. Krishnayya Chettiar (Salem). 4. Mr. M. Ramakrishna Rao (Nellore). 5. Mr. L. Gangadhara Sastri (Hindupur). 6. Mr. V. Manicka Mudaliar (Madras).
4. *Rural Reconstruction Committee*:—	1. Mr. K. M. Singaravelu Mudaliar (Convener). 2. Mr. C. V. Venkataramana Iyengar (Coimbatore). 3. Mr. Sanivaram Subba Rao (Tadepali-gudem). 4. Prof. N. G. Ranga (Madras). 6. Rao Bahadur A. Vedachala Iyer (Madras).
5. *The Education Committee*:	1. Rao Sahib T. Srinivasa Rao (Convener). 2. Mr. K. C. Ramakrishnan. 3. Mr. M. Venkatarangayya.

Resolved that the President of the P.C.U. be elected as an ex-officio member of all the above committees.

(Sd.) V. RAMADAS PANTULU,
President.

* Vide page 719 for the budget.

APPENDIX

Budget Estimate of Receipts & Charges for 1930—31.

Sources of Income.	Budget for 29—30		Actuals up to 31—3—30		Expected from 1-4-30 to 30-6-30		Total (Revised Budget for 29—30		Budget for 30—31	
RECEIPTS.										
	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.
1. Annual Contribution Under Bye-law	6,000	0	2,077	0	2,534	0	4,611	0	4,855	0
2. Individual subscriptions	5,400	0	2,358	9	2,669	7	5,028	0	5,000	0
3. Publications other than the Journal	1,000	0	119	9	130	7	250	0	500	0
4. Arrears of Bulletin Subscription	1,000	0	24	0	176	0	200	0	500	0
5. Miscellaneous	1,000	0	392	7	357	9	750	0	1,000	0
6. Grants	6,600	0	6,200	0	...		6,200	0	6,600	0
Total	21,000	0	11,171	9	5,867	7	17,039	0	18,455	0
CHARGES.										
1. Journal Accounts	6,660	0	4,149	3	1,610	13	5,760	0	5,880	0
2. Office charges	5,790	0	3,023	7	1,306	9	4,330	0	4,350	0
3. Library & Reading Room	1,700	0	987	10	187	6	1,175	0	1,200	0
4. Publications other than the Journal ...	500	0	19	14	100	2	120	0	500	0
5. T. A. of Board of Management members, E. C. members etc.	2,100	0	730	0	270	0	1,000	0	2,100	0
6. Propaganda tours	2.000	0	1,563	6	436	10	2,000	0	2,000	0
7. Training classes and Purchase of slides	1,700	0	1,159	1	540	15	1,700	0	1,700	0
8. Miscellaneous such as expenses for E. C. meeting, Donation lighting Etc.	...		287	7	112	9	400	0	400	0
Total	20,450	0	11,920	0	4,565	0	16,485	0	18,130	0

Certificate Of Registration.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
MADRAS.

B. 2523/30

Dated, 1st May 1930.

FROM

THE REGISTRAR,
Of Co-operative Societies, Madras.

To

THE SECRETARY,
Provincial Co-operative Union, Ltd.,
Madras.

SIR,

Subject—Amendments to by-laws—Certificate of registration.

[*Reference*—Your letter No. Nil, dated 23—4—1930, communicating the proceedings of the meeting of General Body Members held on 19th April 1930.]

I hereby certify that I have registered under clause 2 section 11 of Act II of 1912, the amendments noted below* to the bye-laws of your society :—

(Sd.) D. N. STRATHIE,
Registrar.

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*For the Bye-laws registered vide p. 715 and 716 of this issue.

ANNUAL REPORT ON THE WORKING OF

The Madras Provincial Co-operative Union

for the period from 1st July 1929 to 15th April 1930.

The Report on the working of the Union up to 30th June 1929 was presented to the General Body at its meeting of the 21st July 1929. The present report covers the period from 1st July 1929 to 15th April 1930. The General Body met once during the period on 21st July 1929 and adopted the report on the working of the Union for the period from 21—3—28 to 30—6—29. The meeting also adopted the recommendations of the Board of Management in respect of the transferring of the publication of the Tamil Journal of Co-operation to the Tamil Nadu Federation, Coimbatore, and also in respect of the Union being affiliated to the International Co-operative Alliance.

The Tamil Journal has accordingly been transferred to the Tamil Nadu Federation. As regards the affiliation of the P.C.U. to the International Co-operative Alliance the latter has been addressed on the matter and their reply is awaited.

OFFICE BEARERS

The same office bearers as also the members of the Board of Management and of the Executive Committee elected at Rajahmundry continued in office during the period under report as they were elected for a period of two years expiring in April 1930.

CONSTITUTION.

The number of members representing societies on the General Body of the P.C.U. rose from 374 on 30—6—29 to 430 on 15—4—30. Together with the 20 Honorary Members, the total number on date stands at 450. The number of different classes of members is shown below :—

	As on 30—6—29	As on 15—4—30
(*a*) Provincial Societies	4	5
(*b*) Language Federations	...	1
(*c*) Central Banks	28	29
(*d*) District Federations	19	22
(*e*) Local Unions	236	264
(*f*) Audit Unions	4	4
(*g*) Non-credit Societies	19	39
(*h*) Urban Banks	64	69
(*i*) Honorary Members	20	20
Total ...	394	453

From the above, it will be found that there was an increase under all categories of societies' membership except in the case of Audit unions which remained unaltered. In the case of Local Unions, while there was an increase of 31, the Unions at Bezwada, Tiruppur and Talaivasal had to be removed from membership, the former two on their application for disaffiliation and the third on its registration being cancelled by the Registrar, the net increase in their membership bring therefore 28.

THE BOARD OF MANAGEMENT.

For the second time after its constitution, the Board met on 19—1—29 and 20—1—29 and for the third time on 20—7—29. At the latter meeting, the Board resolved to recommend to the General Body the transference of the Tamil Journal to the Tamil Nadu Federation and to affiliate the P. C. U. to the International Co-operative Alliance, which two recommendations, as already stated, were adopted by the General Body.

THE EXECUTIVE AND OTHER COMMITTEES.

The Executive Committee met on four different occasions during the period under report. The proceedings of the meetings have been published from time to time in the Madras Journal of Co-operation.*

The resolution to appoint a paid Assistant Secretary passed in January 1929 was ultimately not given effect to in view of the transference of the Tamil Journal of Co-operation to the Tamil Nadu Language Federation and the fact that the scheme of centralising the work of the various Training Institutes in the P.C.U. has not been effected. It was felt that in the contingency of the educational work being so centralised the secretaries could not cope with the work without a competent full timed paid assistant. The looking after the rural reconstruction centres (7 in number) did also entail, as it was anticipated, considerable touring and preparation of reports. But it was done almost entirely by the Office Secretary, Mr. V. Venkatasubbaiya, as the experiment was in its initial stages. When the number of these centres and their activities increase and when financial assistance needed for the due execution of the scheme for a reasonable period is assured, the proposal for the appointment of a paid Assistant Secretary has to be revived, perhaps very soon.

The four committees appointed at Rajahmundry, namely, the Editorial, Education, Rural Reconstruction and Non-Credit, continued to function during the period.

ACTIVITIES.

The chief activities of the Union during the period under report are as follows:—

(a) *Publication of the Journal*:—The Editorial Committee was in charge of the publication of the Journal with Mr. S. K. Yegnanarayana Iyer

*Please vide pages 87, 265, 480 and supplement No. IV to the April issue of the Journal—Vol. XXI (1929-30).

as the Editor. The Journal has been issued, as far as possible, regularly at the commencement of every month and some improvement has also been effected both as regards its get up and its size. The publication of the Tamil Journal was transferred to the Tamil Nadu Federation from its issue for September 1929.

(b) *Pamphlets and other publications*:—Two pamphlets, one in English and the other in Tamil, were published during the period under report. The one in English is a reprint of the debate in the Council of State on the Resolution on the Report of the Royal Commission of Agriculture. The Tamil one is a translation of Mr. V. Venkatasubbiah's report on Rural Reconstruction in Alamuru which was issued as pamphlet No. 11 during the last year. The English pamphlet on Rural Reconstruction in Alamuru has run out of print and steps will be taken to bring out a revised edition of the same.

(c) *The Library and the Reading Room*:—Many new additions have been made to the library of the Union during the year under report, chiefly with the aid of the grants made by the M.C.U.B. and the Government for the library, which are thankfully acknowledged. A catalogue of books in the library has been prepared and published.*

The free Reading Room conducted by the Union continued to be popular and the number of visitors has been on the increase, the daily average being 20.

(d) *The Annual Provincial Co-operative Conference*:—The XVIIth session of the Conference was held at Madras on the 20th and 21st July 1929 under the presidency of M.R,Ry. Dewan Bahadur T. Raghaviah Garu, C.I.E. The proceedings of the Conference were published in the Madras Journal of Co-operation for August 1929. Necessary action to the extent possible has also been taken on the resolutions of the Conference. The action taken by the Registrar on the resolutions of the Conference is published on page 409 of the Madras Journal of Co-operation for January 1930.

The subsequent career of two of the resolutions of the Conference deserves special mention. The most important resolution passed at the Conference was that dealing with Rectification and Consolidation of the Rural Credit Societies. It is a matter for gratification that the Provincial Bank and the Central Banks, as well as District Federations, accepted the principle of the resolution and the outlines of the scheme embodied in it and engaged themselves in getting ready plans to execute the overhauling work. So far as information is available, the central banks of Aska, Kistna, Viziavada, Ganjam, Cocoanada, Cuddappah, Amalapuram and Salem seem either to actually maintain some kind of

* Please vide the supplement to the November 1929 issue of the Madras Journal of Co-operation.

administrative and field staff or to have agreed to do so at the earliest opportunity. In the banking areas of Vellore, Conjeevaram, Srivilliputur Malabar, Anantapur, Kurnool and Ramachandrapuram, the rectification and consolidation work seems to have been entrusted to the District Federations. It is said that the Anantapur Central Bank resolved to withdraw from the Federation service the three Inspectors lent by it and will work directly through them. In Srivilliputur, the Bank maintains an Inspector under it directly and it is said that the employment of two more Inspectors is under contemplation. Kurnool also maintains two Inspectors under the Bank; the other central banks also appear to be moving along one or the other of these lines and preparing to handle the work. The Madras Central Urban Bank has now got ready a sanctioned estimate of subventions for central banks for the carrying out of the scheme and substantial provision has been made in the budget for 1930-31.

The other resolution to which it is proposed to invite attention has, however, a different career. The Conference passed a resolution expressing the view that the employment of departmental officers by non-official orginisations was not in the best interests of the Movement. When the Conference passed the resolution in July 1929, the position as regards the number of departmental men whose services were lent to District Federations and the like stood thus; there were 48 departmental men on foreign service under 15 District Banks, 18 Federations, 11 Audit Unions and 4 other institutions. This number has been exhibiting a steady tendency to grow. The Townsend Committee recommended substantial addition to the departmental staff, because it was represented that the staff was undermanned for audit and administrative work. It was not expected that about 50 men could be drafted on to the service of non-official agencies. Again, it was felt that, in the execution of the policies and programmes of non-official organisations, there would be a certain amount of difficulty, specially where such policies and programmes did not fully meet with the wishes of the Department, if their execution is to be in the hands of departmental men, whose allegiance is divided between their non-official employers for the time being and the Department of which they are permanent limbs. The Registrar, however, seems to have very much misunderstood the spirit and the object of the resolution, as can be judged from his following observations on the resolution in the latest Administration Report:—

"The last Provincial Conference passed a resolution that it is undesirable to appoint departmental officers to federations! But in view of what is actually going on constantly and of the growing concord between the official and non-official sides of co-operative activities *it is difficult to attach much importance to this resolution.* The individuals concerned know that the departmental officers are actually doing their utmost in the best interests of co-operative societies, *but at the larger conferences a feeling of distrust of, almost of enmity to, the Government and all its works seems to persuade the discussions and colour the resolutions.*" (*vide page 22*)*

The Provincial Co-operative Union feels that the Registrar's observations are misconceived and regrets that he should have employed such language regarding the attitude of the Provincial Conference. The Union begs to assure the official and non-official co-operators that it has always endeavoured and will continue to endeavour to co-operate with the Department to further the aims and objects of the Movement and will do all it can to promote feelings of fellowship and trust between officials and non-officials, so as to make team work between them easier and more pleasant. But the official co-operators have to reciprocate too and at least avoid the use of provocative language such as that of the passage quoted above. Again, for instance, the Registrar's observations, in connection with the restriction on expansion, are needlessly offensive. His warning not to register new societies hastily is backed up by the assertion that "co-operative societies are not to be taken as platforms for ambitious souls to advertise themselves" and that "in the Movement there is no place for self-seekers." (Vide page 8 of his Report.) The Union is not aware that excessive expansion in the past was due to these causes. There are also other unfortunate passages in the Report which are not, to put it mildly, calculated to promote cordiality. The Union hopes that such aspersions on non-official co-operators will be avoided in future Reports. The Union submits that the resolution against the employment of departmental officials in Banks and Federations was intended to serve the best interests of the Movement and was not the outcome of the motives attributed by the Registrar, and feels no doubt that the non-official organisations will adhere to the decision of the last Conference.

(c) *Propaganda Tours.* Some of the members of the Board of Management and the Executive Committee toured in some of the districts carrying on co-operative propaganda throughout the period from time to time. A definite programme of tours was laid down by the Executive Committee, by which different groups of districts were allotted to different gentlemen for the purpose of carrying on propaganda. In accordance with this scheme, Messrs. G. Srinivasaraghavachariar, V. Venkatasubbiah, S. K. Yegnanarayana Iyer, N. Satyanarayana, S. Nagaswamy Iyer, E. S. Sunda, A. Sankunni Menon, R. Krishaswamy Iyengar, K. L. Narasimha Rao and K. G. Sivaswamy Iyer, undertook propaganda in the districts allotted to them. The members who toured have duly sent up their reports of the work done by them and they testify to the utility and quantity of the work.

In connection with the Conferences held at Dharwar and Travancore (Quilon) over which Mr. V. Ramadas Pantulu presided, representatives of the P.C.U., namely, Messrs. N. Satyanarayana, T. Sreenivasa Rao,

* Italics are ours.

S. K. Yegnanarayana Iyer and E. S. Sunda attended one or the other of the conferences and carried on active propaganda. The Union would also like to mention here that some of the members of the Union have also taken active part in the conduct of some District Co-operative Conferences. Mr. Satyanarayana, one of our Joint Secretaries, presided over the Kistna District Co-operative Conference held at Ghantasala on the 1st and 2nd February last. Messrs. T. Adinarayana Chettiyar and V. Krishna Menon presided over the Guntur and Salem District Co-operative Conferences held at Tenali and Attur one 15th and 16th February and 21st and 22nd February last respectively. Extracts from their presidential addressess have also been published at pages 568 to 595 of the Madras Journal of Co-operation for April 1930. Mr. G. Sriram Babu Naidu, also one our Joint Secretaries, attended the North Arcot District Co-operative Conference and carried on propaganda with the aid of Magic Lantern and Co-operative slides.

In this Connection, the P.C.U. wishes to offer its grateful thanks to the M.C.U.B. for the liberal grant of Rs. 5,000 which it has made to the Union. But for such assistance, it would not have been possible for the Union to discharge this most important of functions, namely, Co-operative Propaganda.

(*f*) *Educational Activities* :—The P.C.U. decided to discontinue, during the year, the Advanced Co-operative Training Class which was being conducted for the last three years, owing to a separate course on Co-operation having been instituted at the Government Institute of Commerce. The P.C.U. accordingly decided to divert the annual Government grant of Rs. 1,200 to the conduct of Panchayatdar's Training Classes in the City. The Government also was pleased to approve of this proposal and accordingly a definite programme and syllabus was drawn up for these City Classes. The grant is now renewed for a period of two years and it is hoped that Co-operative Education among City Societies will be organised on a permanent basis. Mr. G. Sriram Babu Naidu was entrusted with the conduct of these classes. The classes were started in September last and they are being continued and are growing in popularity day by day. The Union has also purchased a Magic Lantern and slides on some aspects of Co-operation, namely, thrift, stores and credit.

Another aspect of the educational activities of the P. C. U. during the year was the attempts made to co-ordinate the working of the various Co-operative Training Institutes in the presidency, though the attempts have not yet fully materialised. There are at present 6 such Institutes as against 5 during the last Co-operative year. The latest to be added is that at Rajahmundry which is named the "Ramadas Co-operative Training Institute." Mr. Hood, I.C.S., the then Registrar, opened it in December 1929. A definite scheme by which such co-ordination could be effected was drawn up by the Union and the Registrar also appear

to be agreement with that scheme. By that scheme, the President of the P.C.U. and the Registrar were made ex-officio members of the Board of Management of the Institutes. Further, it was suggested that each of these Institutes should be represented on the Board Management of the P.C.U. Necessary amendments to the Bye-laws of the P.C.U. providing for such representation of the Institutes are being placed before the General Body which, it is hoped, will accept them. The President, Mr. V. Ramadas Pantulu, and Messrs. S. K. Yegnanarayana Iyer and V. Venkatasubbiah have visited various Institutes and, in addition to delivering lectures to the students, have also prevailed upon the local committees to agree to the scheme of the P.C.U. drawn up for their co-ordination. And we are glad to say that all the Institutes except Tanjore have so far fallen in line with the scheme and it is hoped that Tanjore also will follow suit very soon.

(*g*) *Non-credit activities* :—Propaganda work on the non-credit side was mainly confined to Stores and Loan and Sale Societies. Rao Sahib T. K. Hanumantha Rao, Prof. S. K. Yegnanarayana Iyer and Mr. K. L. Narasimha Rao were requested to do non-credit propaganda. Mr. Hanumantha Rao did not find it possible to take it up. Prof. S. K. Yegnanarayana Iyer during his visits to the Co-operative Training Institutes at Coimbatore, Vellore, Ananthapur and Bezwada made propaganda to popularise the Consumers' Movement among the public and the students. Mr. K. L. Narasimha Rao visited the non-credit societies at Bellary, Hospet, Cuddappah and Ananthapur centres and addressed meetings on the working of these societies. He has also collected some information about the working of some Loan and Sale Societies for the use of the P. C. U.

(*h*) *Rural Reconstruction* :—One of the most important activities of the P. C. U. during the year was the continuance of the conduct of the Rural Reconstruction Centres. All the 6 centres referred to in the report of the previous year (the year ending 30th June 1929) have been kept going. During the current year, the Alamuru Rural Reconstruction Centre in East Godavari District was also brought under the scheme of the P. C. U. so that the Union now conducts 7 Rural Reconstruction Centres as detailed below :—

1.	Lepakshi Centre	...	Ananthapur Dt.
2.	Melpanagudy Centre	...	Bellary Dt.
3.	Gudlavalleru Centre	...	Kistna Dt.
4.	Indukurpet Centre	...	Nellore Dt.
5.	Alamuru Centre	...	E. Godavari Dt.
6.	Elur Centre	...	Salem Dt.
7.	Tirupachanur Centre	...	S. Arcot Dt.

In addition to these 7 centres, the P. C. U. has decided to start two more centres, one in the Ramnad District and the other in the Guntur

District. The Central Banks of these two districts have agreed to make an annual grant Rs. 1,000 as the local quota of contribution for the work for a period of at least three years. In this connection, the P. C. U. wishes to express its grateful thanks for the liberal contribution of Rs. 9,000 which the M. C. U. B. has made for the 9 Rural Reconstruction centres (including the two to be started.) The thanks of the Union are also due to the Central Banks concerned for their co-operation and financial assistance in this behalf. The District Banks and District Federations of the two districts, Ramnad and Guntur, have been addressed to take the necessary steps for starting the centres in those districts. They have taken up the work in right earnest and the centres will come into existence very soon. It is felt that the continuance of the work should be assured for at least 3 more years to show tangible results and steps are therefore being taken to ensure the grants of the M. C. U. B. and the concerned local Central Banks for a period of 3 years from now.

Mr. V. Venkatasubbaiya, the convener of the Rural Reconstruction Committee of the P. C. U., visited during the year all the centres except Alamuru which he had visited earlier and delivered lectures at these centres and elsewhere on Rural Reconstruction and Co-operation. His tours have been very useful in that they have created public enthusiasm and support for the work. This is specially true of the Lepakshi and Gudlavalleru Centres. He also visited the Y. M. C. A. centre at Ramanathapuram (Coimbatore) and some of the centres conducted by the Chingleput and West Godavari District Boards.

Such of the detailed reports on the working of some of the centres, as were received, have been published from time to time in the Madras Journal of Co-operation. A short consolidated report of the activities of the several centres is furnished below :—

Dates of Starting :—The oldest of the centres is the Alamuru centre which was started on 1-5-1928 under the guidance of Mr. N. Satyanarayana, one of the Joint Secretaries of the P. C. U., though it came under our scheme only during the current year. The centres that came into existence next were those at Elur, Gudlavalleru, Indukurpet and Melpanagudi. Of these, the Elur and Melpanagudi centres were started in August and October 1928 respectively. The supervisors for Gudlavalleru and Indukurpet centres were appointed in September 1928, but were sent to Madras to undergo training till the end of December. The actual work of these centres commenced on 8th and 27th January 1929 respectively. The remaining two centres, Tirupachanur and Lepakshi were started on 27-4-29 and 31-5-29 respectively.

Area of Operation :—All the centres except Elur in the Salem District have an area of operation of about 7 miles in radius, comprising a certain number of villages ranging from 10 to 20, while at Elur, the experiment of intensive reconstruction is being carried on in that one village.

Management :—As per the original scheme drawn up by Mr. V. Ramadas Pantulu and adopted by the P. C. U., the management of each centre is in the hands of a Local Rural Reconstruction Committee one of the members being the convener of the Committee. In addition, to these local Committees, there is a central committee in the P.C.U. which meets as often as necessary for co-ordinating the activities of the various centres. The names of the Conveners of the 7 existing centres are given below :—

1. Lepakshi Rural Reconstruction Centre ... M.R.Ry. L. Venkatanaranappa Garu.
2. Malepanagudi ... Dr. Naganna Goud. Ph. D., M.L.C.
3. Indukurpet ... M.R.Ry. M. Venkatarangayya Garu, M.A.
4. Gudlavalleru ... Rao Sahib G. Venkatarathnam Pantulu.
5. Alamuru ... M.R.Ry. N. Satyanarayana Garu.
6. Elur ... „ Dewan Bahadur R. Ramachandra Rao, C.S.I.
7. Tirupachanur ... „ R. Krishnaswami Iyengar Avl., B.A., B.L.

The local committee of each Centre ordinarily meets once a month to consider the report of the work done by the supervisor, passes the statement of expenses for the month and decides other matters connected with the management of the centre.

Staff :—Each of the centres, except Alamuru, has one full-timed supervisor to look after the work of the centre, while Alamuru has three workers. The minimum educational qualification for the supervisors is the holding of the S.S.L. certificate. The supervisor at Lepakshi is a B.A., B.L., who gave up practice at Ananthapur Bar out of love for rural work. The salaries of the supervisors are on the scale of Rs. 50-5-75; the supervisor at Lepakshi, however, was started on Rs. 75, the maximum in the scale. The supervisors are also paid a fixed T. A. of Rs. 15 per month. There is also a peon attached to each centre, to assist the supervisor in his office and out-door work. The supervisors work under the control and supervision of the Conveners of the Local Committees.

Activities —Freedom is given by the Central Rural Reconstruction Committee of the P.C.U. to each local committee to take up such work in the centre as is found most suitable to local conditions. While all the centres have in view the one common object of bettering the material and moral conditions of the villagers, the nature and details of work undertaken vary in some respects. The usual activities of the centres are :—The rectification and improvement of the co-operative societies, the starting of village panchayats and village libraries, Adult Education by means of night schools and lectures, reading of Puranams, improvement of agriculture, the introduction or revival of cottage industries, specially spinning and weaving and the improvement of sanitation. In certain centres physical instruction is also imparted.

One interesting feature of Alamuru for sometime was the presence of an educated lady worker who used to recite devotional songs and read out passages from books and newspapers and explain them to the women folk at Alamuru and other villages in the area. She gave up the work owing to domestic reasons and the centre has not been able to replace her. The services of such a lady worker will be invaluable if they can be secured for each centre.

In most of the centres, Bhajana parties are being organised. In most of the villages served by the centres, there are Bhajana Mandirams where people meet and perform Sankirtan at least once a week and on festival days. These Bhajana Mandirams are also made use of by the villagers as a place of meeting in connection with any disputes or quarrels arising in the villages and the people are induced to settle their disputes and quarrels in the villages themselves without resorting to courts. As observed in one of the reports of the Gudlavalleru centre these Mandirams, serve "as oases in the midst of the desert of factions that have invaded the village life."

In certain centres, special attention is paid to the improvement of depressed class people. Removal of untouchability, 'a blot upon society and a sin against God', is being preached in certain centres. These people are being induced to give up their drink habit.

The production of Khaddar is encourged in most of the centres. Cotton is purchased by the centres and supplied to the weavers. This has been found very useful to the villagers as an item of cottage industries which puts them in funds in the off sesson.

A fuller consolidated report of the different kinds of work done in each of the centres from their start will be prepared and issued at the end of the co-operative year 1929—30.

Financial Position :—Each centre gets a contribution of Rs. 2,000 per annum—Rs. 1,000 from the M. C. U. B. and Rs. 1.000 from the central bank of the district concerned. The maximum expenditure for each centre has been fixed at Rs. 1,750 per year, the balance of Rs. 250 being retained by the P. C. U. to enable the Central Committee to carry on its work of co-ordinating the activities of the various centres and to meet the expenses of the members of the Central Committee in their tours and visits to the various centres and defray the salary of a clerk on Rs. 50 per mensem. The amount spent upon each centre, out of the

contribution of Rs. 2,000, from the time of its starting upto 31-3-1930 is furnished below :—

No.	Name of the Centre.		Date of Starting	Amount spent. Rs.	A.	P.
1.	Lepakshi (Anantapur Dt.)	...	31— 5—1929	1,104	12	0
2.	Malapangudi (Bellary Dt.)	...	1—10—1928	1,761	11	0
3.	Indukurpet (Nellore Dt.)	...	27— 1—1929	1,841	11	0
4.	Gudlavalleru (Kistna Dt.)	...	8 —1—1929	1,972	11	0
5.	Elur (Salem Dt.)	...	2 —8—1929	1,761	11	0
6.	Tirupachanur (S. Arcot)	...	27 —4—1929	1,463	8	0
7.	The Central Committee of the P. C. U. ...	...	7 —5—1928	1,738	8	0

The Alamuru Centre was included, as already stated, under the scheme of the P. C. U. only during the current year and hence the figures from the time of its starting up till now are not available. From the report available, it is found that the total amount spent by the centre during the first year of its existence amounted to Rs. 4,556-6-0. This expenditure was met from the contributions of Rs. 1,000 each by the Madras Central Urban Bank and the Ramachandrapuram Central Bank directly made to the Centre and also from funds raised locally for the maintenance of the centre.

General. With a view to co-ordinate the working of the various centres, existing at present as well as those to be started, the addition of a bye-law to the Bye-laws of the P.C.U. has been proposed by the Executive Committee, providing for the formation of a Central Committee, with a suitable constitution.

In this Connection, the Union wishes to record its sincere thanks to the various Local Committees for their valuable co-operation and assistance, by which alone the P.C.U. has been enabled to carry on its experiment of Rural Reconstruction.

THE CITY OF MADRAS.

The Third Madras District Co-operative Conference was organised by the P. C. U. and held on 9th February 1930, under the presidency of Mr. K. T. Paul, O.B.E., National General Secretary of the Y. M. C. A. The resolutions passed at the Conference as well as a report of the proceedings of the Conference have been published at pages 517, 518 and 520 of the Madras Journal of Co-operation for March 1930.

Mr. G. Sriram Babu Naidu, one of the Joint Secretaries of the P. C. U., also organised a conference of the reperesentatives of the city societies for considering the feasibility of forming a District Federation and a District Bank for the Madras District. Most of the city societies and their financing institution, the Madras Christian Central Co-operative Bank, have agreed to the formation of a District Bank for Madras. Now that the unions in the City, except one, have been liquidated, the question of the formation of a District Federation or some other suitable agency for the supervision of the City societies has also to be considered and pushed through.

THE CENTRAL LAND MORTGAGE BANK.

Co-operators are aware that the formulation by the P. C. U. of definite steps to be taken for the organisation of a Central Land Mortgage Bank, dates back to the time of the XV Session of the Madras Provincial Co-operative Conference held at Madura in April 1927. In pursuance of the resolution of that Conference, a Committee consisting of the following gentlemen sat for formulating the scheme and prepared a set of bye-laws :—

1. Mr. V. Ramadas Pantulu, (Convener).
2. Dewan Bahadur R. Ramachandra Rau.
3. Sir M. C. T. Muthiah Chettiyar.
4. Dr. B. Pattabhisitaramayya.
5. Pandit Vidyasagar Pandya and
6. Rao Bahadur A. Vedachala Iyer.

The Committee also took steps to apply for the registration of the Central Land Mortgage Bank on the footing of the Bye-laws drawn up by them. That scheme was the subject of discussions at more than one conference convened by the Government. Mr. V. Ramadas Pantulu represented the P.C.U. at these conferences. Eventually, the Government adopted the general framework of the scheme drawn up by the said Committee of the P.C.U., but made certain material changes in the composition of the directorate and vested in the hands of the Registrar very large powers of control and interference in the internal management of the Central Land Mortgage Bank. The scheme as amended by the Government is now embodied in the bye-laws of the Madras Central Land Mortgage Bank which was registered on 12th December 1929. (vide supplement No. I to the January 1930 issue of the Madras Journal of Co-operation.) The present directorate of the Bank is a transitory one, virtually appointed by the Registrar; but, the General Body of the Bank is empowered to meet and elect its own directorate on or before 31st July 1930.

The Madras Central Land Mortgage Bank, Ltd., we are glad to mention, is affiliated to the P.C.U. as a Provincial Society.

THE ALL-INDIA ASSOCIATION.

The P.C.U. is now affiliated to the All India Co-operative Institutes' Association, the initiative in the organisation of which, as co-operators of this province are aware, was taken by Mr. V. Ramadas Pantulu, (the

president of our Union) who is now one of the Vice-Presidents of the Association. Mention may also be made here of the fact that Prof. S. K. Yegnanarayana Iyer, the Editor of the Madras Journal of Co-operation, has been elected by the Association as one of the General Editors for bringing out an All-India Co-operative Year Book.

BANKING ENQUIRY.

Another important event during the period is the submission by the P. C. U., jointly with the M. C. U. B., a memorandum of answers to the Questionnaire of the Madras Provincial Banking Enquiry Committee and also to that of the Indian Central Banking Enquiry Committee. The Memoranda that contain much valuable material regarding co-operative banking and agricultural finance were printed by the Union for being supplied to its members and to the subscribers of the Madras Journal of Co-operation.

CONCLUSION.

Certain new amendments to the Bye-laws of the P. C. U. are being placed before the General Body with a view to improve the working of the Union. Further steps will be taken in the coming year to enlarge and improve its activities and the Union hopes that necessary assistance and co-operation will be forthcoming from co-operators all over the province.

ROYAPETTAH,
10th April, 1930.

V. VENKATASUBBAIYA,
G. SRIRAM BABU NAIDU,
N. SATYANARAYANA,
Honorary Joint Secretaries.

AUDIT REVIEW

BY

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

(Deputy Registrar of Co-operative Societies, Madras).

ON THE ACCOUNTS OF

The Madras Provincial Co-operative Union, No. 1130,

For the Year Ending 30th June 1929.

The report on the working of the Madras Provincial Co-operative Union, No. 1130 for the co-operative year ending 30th June 1929 as prepared by M. R, Ry. Sankarasubramaniam Pillai B.A., Inspector of Co-operative Societies, Madras City, is accepted for review. The two imperial statements of receipts and charges, assets and liabilities are appended to this review.

2. *Membership*:—At the beginning of the year under review the Union had, on its rolls, 2 Provincial Societies, 25 Central Banks, 20 Non-credit societies, (including trading Unions and stores), 187 local supervising Unions (including 2 audit unions) 15 district federations and 57 non-agricultural primary societies on the limited liability basis. With the new additions, disaffiliations, and re-classifications, there were at the end of the year, 4 provincial societies 28 central banks, 19 district federations, 229 supervising unions, 4 audit unions, 19 non-credit societies and 64 non-agricultural primary societies on the limited liability basis.

3. *Demand, collection and balance of revenue*:—Out of a demand of Rs. 12,761-14-0 under current revenue, a sum of Rs. 12,122-14-0 was collected during the year, leaving a balance of Rs. 639-0-0 on the last day of the year. The arrear revenue on account of contribution from member societies and under sale of publications since 1924 and on account of subscriptions for the Bulletin prior to 30—6—1923 stood at Rs. 4,677-2-0.

4. *Board of Management*:—The Board met only once during the year. This meeting was held at Madras on the 19th and 20th January 1929. The appointment of an Assistant Secretary, the conduct of the Training Classes and co-ordinating the activities of the various Training Institutes were the chief subjects considered at this meeting. Besides these, the meeting chalked out a definite programme of propaganda tours to be undertaken by the members of the Provincial Co-operative Union.

5. *The Executive Committee*:—The Executive Committee met four times during the year.

6. *Sub-committees*:—There are four sub-committees, namely, the Editorial, the Educational, the Rural Reconstruction and Non-credit Committees. (These committees were appointed by the Executive Committee at one of its meetings held at Rajahmundry on 8—4—1928.)

7. *Activities*:—

(a) *The Editorial Committee*:—The Committee was in charge of the publication of the journal. The name "Bulletin" was changed into "Journal" to fit in with its enlarged scope and form and it is being issued as "The Madras Journal of Co-operation" from August 1928.

(b) *The Education Committee*:—The advanced co-operative training class which lasted for four months instead of three months as in previous years, began on 1—9—1928. 38 students sat for the examination which was held by arrangement with the Registrar; 29 students came out successful in the examination, 9 in the first class and 20 in the second class.

(c) *The Non-credit Committee*:—The members of this committee toured in different parts of the presidency to study the conditions obtaining in those places and to improve the various non-credit activities. The districts visited were Chingleput, Ganjam, Vizag, Guntur to study conditons of cotton and sugarcane, Malabar and South Arcot to popularise loan and sale societies, and Madura to develop Cardamon industry through co-operative methods.

(d) *The Rural Reconstruction Committee*:—Six centres, one in each of the following districts, namely Ananthapur, Bellary, Kistna, Salem, Nellore and South Arcot, were started by the Union, with the help of the grants made by the Madras Central Urban Bank and the District Banks of these districts. The activities of each centre are in charge of a Local Committee.

(8) *Financial aspect of the Journal*:—Out of the total contribution of Rs. 1,594-14-0 from unlimited and limited societies of less than Rs. 20,000 working capital, a sum of Rs. 1,185-13-0 was set apart for the supply of journals to these societies. The amount similarly appropriated from the contributions of member societies amounted to Rs. 1,066-0-0. The amount realised under journal subscription from persons other than members, advertisement charges, sale of old bulletins, postal fees, rebate etc., amounted to Rs. 4,002-1-0. Adding these together and a sum of Rs. 472 to be appropriated out of overdue contributions, the total income for the journal is Rs. 6,725-14-0. Against this sum, the expenditure involved in the issue of the journals during the year aggregated to Rs.6,418-4-0

inclusive Rs. 3,053-2-0 pending payment on 30-6-1929, thus working out to a surplus of Rs. 307-10-0 as against Rs. 506-10-0 of the previous year.

9. Several members of the Board of Management and the Executive Committee toured in various districts carrying on co-operative propaganda from time to time. They attended various District Conferences, meetings of the Board of Management of Central Banks and District Federations and Local unions and delivered lectures to students of Training classes in mofussil centres,

A sum of Rs. 4,119-1-0 was available from contributions from societies under by-law VI and from grants. The amount spent on propaganda tours, expenses in connection with the meetings held, reading room, etc. was Rs. 3,968-11-0 thus working out to a surplus of Rs. 150-6-0 as against Rs. 62-12-0 of the previous year.

10. *Conference*:—The XVII Madras Provincial Co-operative Conference which was to have been held during the year was postponed to July 1929.

11. *Library and Reading Room*:—Many valuable additions were made to the Library with the help of the grants made by the M.C.U.B. and the Government. Another important item of activity of the Union is the conduct of a free co-operative reading room which gets almost all journals and some local dailies for the use of the general public and co-operators.

12. *General*:—The Union is requested to take necessary steps towards the realisation of the arrears in respect of the Bulletin subscription prior to 30-6-1923 and of the annual contribution due from member societies.

OFFICE OF THE DEPUTY REGISTRAR OF CO-OPERATIVE SOCIETIES,
Dated 15th April 1930.

(Sd). S. P. PERUMAL PILLAI,
Deputy Registrar.

STATEMENT OF RECEIPTS AND DISBURSEMENTS OF THE MADRAS PROVINCIAL CO-OPERATIVE UNION.

for the year ending 30th June, 1929 (1928-29).

Sources of Income.	Amount. Rs. A. P.	Amount. Rs. A. P.
I. A. *Current Contribution under by-law VI*:—		
(a) Provincial Societies ...	400 0 0	
(b) Central Banks ...	650 0 0	
(c) District Federations ...	255 0 0	
(d) Local Supervising Unions ...	644 0 0	
(e) Audit Unions ...	10 0 0	
(f) Non-Credit Societies ...	37 0 0	
(g) Limited Liability societies of more than Rs. 20,000 working capital ...	280 0 0	
(h) Unlimited liability societies ...	1,526 2 0	
(i) Limited liability societies of less than Rs.20,000 working capital...	68 12 0	
		3,870 14 0
B. *Overdues under by-law VI*:—		
(a) Provincial Societies ...	100 0 0	
(b) Central Banks ...	50 0 0	
(c) District Federations ...	15 0 0	
(d) Local Supervising Unions ...	168 14 0	
(e) Non-Credit Societies ...	3 0 0	
(f) Limited liability societies of more than Rs. 20,000 working capital.	9 8 0	
		346 6 0
II. *Individual Subscriptions*:—		
(a) English Journal Subscription ...	3,473 11 0	
(b) Tamil „ ...	168 0 0	
		3,641 11 0
III. *Miscellaneous*:—		
(a) Realisation of V. P. Charges ...	114 14 0	
(b) Sale of old bulletins ...	27 15 0	
(c) Advertisement fees ...	65 12 0	
(d) Rebate ...	151 13 0	
		360 6 0
IV. *Publication other than the Journal*:—		
(a) Sale of pamphlets	114 0 0	
(b) Sale of leaflets (includes Rs. 8-8-0 of 26-27)	9 8 0	

Sources of Income.	Amount. Rs.	A.	P.	Amount. Rs.	A.	P.
(c) Sale of Training class lectures (includes Rs. 6 of 25-26) ...	40	0	0			
(d) Maclagan Committee Report ...	18	12	0			
(e) Conference publications ...	28	0	0			
(f) Relisation of Postage and other miscellaneous	22	3	0			
				232	7	0
V. *Interest on Investments and Deposits* :—						
(a) Interest on Current Account ...	61	12	0			
(b) " P. D. Account ...	39	5	0			
(c) " S. B. Account ...	0	5	0			
(d) " Reserve Fund ...	12	5	0			
(e) " Fixed Deposit ...	170	0	0			
(f) " Dividend on Shares.	110	6	0			
				394	1	0
VI. *Grants* :—						
(a) From the Madras Central Urban Bank	7,500	0	0			
(b) From Government	2,625	0	0			
				10,125	0	0
VII. *Arrears of Bulletin Subscription (prior to 30-6-1923)* :—						
(a) English Bulletin	3	0	0			
(b) Tamil Bulletin	82	12	0			
(c) Telugu Bulletin	44	11	0			
				130	7	0
VIII. *Suspenses and Advances* :—						
(a) Suspenses	2,570	6	0			
(b) Advances (including Rs. 139 for 27-28 and Rs. 12-7-0) ...	3,350	11	0			
				5,921	1	0
IX. *Withdrawals from Banks* :—						
(a) Savings Banks Account ...	100	0	0			
(b) Current Account	13,621	15	0			
(c) Renewal of Fixed Deposit ...	3,500	0	0			
				17,221	15	0
X. *Assets Received (Written Off)* :—						
(a) Tamil Bulletin arrear subscription	22	8	0			
(b) English Bulletin arrear subscription	32	0	0			

Sources of Income.	Amount. Rs.	A.	P.	Amount. Rs.	A.	P.
(c) Stock of publications ...	552	2	0			
(d) Annual Contribution of Non-Credit Societies	10	0	0			
				616	10	0
Total				42,860	14	0
Opening Balance by Cash ...	143	5	0			
" by stamps ...	16	13	0			
				160	2	0
Grand Total				43,021	0	0

CHARGES

	Rs.	A.	P.	Rs.	A.	P.
I. *Journal Account* :—						
(a) Paper for printing ...	665	0	0			
(b) Printing charges ...	1,069	3	0			
(c) Stamps for V. P.s and despatch...	864	13	0			
(d) Honorarium ...	535	0	0			
(e) Blocks and drawings ...	220	6	0			
(f) Miscellaneous ...	10	12	0			
				3,365	2	0
II. *Office Charges* :—						
(a) Contingencies ...	232	11	0			
(b) Stationery ...	156	15	0			
(c) Establishment ...	2,154	8	0			
(d) Binding ...	24	2	0			
(e) Books ...	997	8	0			
(f) Rent (including Rs. 30 due for 27-28) ...	445	0	0			
(g) Stamps ...	221	8	0			
(h) Reading Room ...	120	0	0			
(i) Miscellaneous ...	57	12	0			
				4,410	0	0
III. *Publications other than the Journal* :—						
(a) Blocks and drawings ...	18	2	0			
(b) Postage ...	49	0	0			
				67	2	0
IV. *Propaganda Tours and Committee Meetings* :—						
(a) Propaganda tours (includes Rs. 80 for 27-28) ...	1,868	3	0			
(b) Executive Committee Meetings...	885	0	0			
(c) Board of Management Meetings...	738	14	0			
				3,492	1	0

Sources of Income.	Amount. Rs.	A.	P.	Amount. Rs.	A.	P.
V. *Miscellaneous* :—						
(*a*) Tiffin charges, donations etc. ...	110	2	0			
(*b*) Miscellaneous Printing Charges...	124	14	0			
(*c*) Periodicals for the Reading Room	21	11	0			
				256	11	0
VI. *Training Classes*	1,764	11	0			
				1,764	11	0
VII. *Arrear Account* :—						
(*a*) Stamps ...	10	10	0			
(*b*) Repair of furniture ...	155	2	0			
(*c*) Purchase of furniture ...	176	1	0			
(*d*) Shares refunded ...	0	5	0			
(*e*) Liability discharged to the T.U.C.S. ...	43	4	0			
				385	6	0
VIII. *Suspenses and Advances* :—						
(*a*) Suspenses ...	2,376	11	0			
(*b*) Advances ...	6,378	4	0			
				8,754	15	0
IX. *Remittance into Banks* :—						
(*a*) Into current account ...	15,127	7	0			
(*b*) Into Savings Bank account ...	0	5	0			
(*c*) Into Prudential Deposit account..	1,239	5	0			
(*d*) Fixed Deposit (By renewal) ...	3,500	0	0			
				19,867	1	0
X. *Investments* :—						
(*a*) In shares in the T.U.C.S. ...	11	5	0			
(*b*) Into Reserve Fund ...	12	5	0			
				23	10	0
XI. *Assets Received (Written Off)* :—						
(*a*) Tamil Bulletin arrear subscription ...	22	8	0			
(*b*) English Bulletin arrear subscription ...	32	0	0			
(*c*) Stock of publications ...	552	2	0			
(*d*) Annual contribution of Non-Credit Societies ...	10	0	0			
				616	10	0
Total ...				43,003	5	0
Opening Balance by cash ...				13	5	0
" by stamps...				4	6	0
Grand Total ...				43,021	0	0

STATEMENT OF ASSETS AND LIABILITIES.

Sources of Income.	Amount. Rs.	A.	P.	Amount. Rs.	A.	P.
I. *Cash on hand and in the Bank* :—						
(*a*) Cash on hand ...	13	5	0			
" Stamps ...	4	6	0			
(*b*) *Cash in Banks.*—						
1. In the Indian Bank in Savings Banks account ...	6	6	0			
2. In the M. C. U. B. in current account ...	1,560	4	0			
3. In the M. C. U. B. (Town Branch) in Prudential Deposit account) ...	1,239	5	0			
				2,823	10	0
II. *Investments* :—						
(*a*) *Shares in Co-operation Institutions.*—						
1. In the M. C. U. B. ...	100	0	0			
2. In the C.C.P. Works ...	1,000	0	0			
3. In the Sadananda Printing Works ...	25	0	0			
4. In the T. U. C. S. ...	16	5	0			
				1,141	5	0
(*b*) *Deposits.*—						
1. Fixed Deposit in the M.C.U.B.	1,500	0	0			
2. " in Chittoor Dt. Co-op. Bank ...	2,000	0	0			
				3,500	0	0
(*c*) *Reserve Fund.*—						
In the Christian Central Bank...	221	1	0			
				221	1	0
III. *Stock* :—						
(*a*) Library Books and furniture as they stood on 30-6-1928 ...	420	15	0			
Books purchased during the year.	997	8	0			
Furniture purchased ...	176	1	0			
	1,594	8	0			
Less depreciation 15 per cent ...	239	3	0			
				1,355	5	0
III. (*b*) *Publications for sale* :—						
Stock as on 30-6-1928 ...	1,315	3	0			
Sold during the year ...	210	4	0			
Balance on 30-6-1929 ...	1,104	15	0			
Less depreciation 15 per cent ...	165	12	0			
				939	3	0

Sources of Income.	Amount. Rs. A. P.	Amount. Rs. A. P.
IV. *Value of Bicycle* ...	62 3 0	
Value of typewriter ...	122 14 0	
	185 1 0	
Deduct depreciation 15 per cent ...	27 12 0	
Net ...		157 5 0
V. *Outstandings pending realisation*:—		
(a) Under Bye-law VI as annual contribution.		
1 For the year 1923-24 ...	33 0 0	
2 „ 1924-25 ...	75 0 0	
3 „ 1925-26 ...	85 0 0	
4 „ 1926-27 ...	174 0 0	
5 „ 1927-28 ...	306 2 0	
6 „ 1928-29 ...	639 0 0	
7 Tamil Bulletin contribution for 1925-26 ...	21 0 0	
8 „ 1926-27 ...	2 0 0	
		1,335 2 0
(b) Arrears prior to 30-6-1923—		
1 Tamil Bulletin subscriptions	2,815 3 0	
2 English „ ...	212 13 0	
3 Telugu „ ...	821 5 0	
		3,849 5 0
(c) Publications.		
1 For Maclagan Committee Report (due for 15-26) ...	18 8 0	
2 Training Class Lectures ...	46 12 0	
3 For leaflets ...	36 7 0	
		101 11 0
(d) Suspenses of 1925-26 ...	16 14 0	
(e) Advances of 25-26 ...	22 12 0	
„ 27-28 ...	46 0 0	
„ 28-29 ...	3,179 0 0	
		3,264 10 0
(f) Advertisement charges of 24-25...	30 0 0	
		30 0 0
Grand Total ...		18,718 9 0

LIABILITIES.

Sources of Income.	Amount. Rs. A. P.	Amount. Rs. A. P.
I. Shares and dividends to be refunded..	385 6 0	
II. Share Deposit of the Apex Bank ...	15 0 0	
		400 6 0
III. The Madras Central Agricultural Fund	1,453 11 0	
		1,453 11 0
IV. Out of arrear Collections in 27-28 due to the T.U.C.S.	3 0 0	
		3 0 0
V. Due to C. C. P. Works for Printing the journal, etc.	4,137 2 0	
		4,137 2 0
VI. Suspenses to be refunded of 23-24 ...	69 6 0	
„ „ 24-25 ...	40 5 0	
„ „ 26-27 ...	3 0 0	
„ „ 27-28 ...	117 4 0	
„ „ 28-29 ...	1,404 11 0	
		1,634 10 0
Total		7,628 13 0
Excess of assets over liabilities ...		11,089 12 0
Grand Total		18,718 9 0

C. C. P. WORKS, LTD., MADRAS.

REPORT

ON

The Work of the Non-Credit Committee

BY

MR. K. L. NARASIMHA RAO,

Convener, Non-Credit Committee, P. C. U.

After a tour in many districts in our province, a visit to Bengal, Bihar and Orissa, and Bombay provinces and a study of some literature concerning the actual working of some non-credit institutions, I have come to the conclusion that, for the present, the attention of all co-operators may usefully be concentrated on three types of Non-Credit Societies in our province, namely,

1. Loan and Sale Societies,
2. Building Societies and
3. Stores Societies.

LOAN AND SALE SOCIETIES

According to the administration report of the Registrar for the year 1928-29, there are 64 societies in our province. But, societies which are doing satisfactory work will not be more than a dozen. I have investigated on the spot into the working of Loan and Sale Societies in Vizianagaram, Anakapalli, Bellary and Hospet. I made general enquiries with regard to the possibilities of forming loan and sale societies in several other districts in our province. After my visit to Bengal, I considered the necessity and possibility of forming a Central Selling Agency for the sale of Agricultural Produce in our presidency. On these my suggestions are:—

1. The lack of proper men solely devoted to the working of loan and sale societies is responsible for the dormant nature of many societies. Where there are such men, the societies are working satisfactorily, e.g. Bellary, Anakapalli etc. More non-official co-operators must take to this work, though it is really taxing and arduous.

The Co-operative Department has at present got a Joint Registrar of Co-operative Societies, Deputy Registrars and some senior inspectors at the rate of one for each district to do non-credit work. My observation about the personnel and work of the senior inspectors is that firstly inspectors are inadequately equipped for the work, and secondly the jurisdiction of one district for each of them is too large to do any thing effective. The Deputy Registrars are fully engaged in the routine administration and they are not able to devote any good portion of their time to the specific work of developing non-credit societies with which they are specially entrusted. The Joint Registrar, I suppose, is merely the head to co-ordinate, direct and guide the work of non-credit societies. If the non-credit side of the movement is to be developed, the departmental staff must be reorganised as follows:—One inspector must be given in the beginning to the working of each loan and sale society. Special officers, who have knowledge of agricultural production and marketing should be deputed at the rate of one for two or three districts, in the beginning, for looking after the work of loan and sale societies and arranging specially for the marketing of the produce gathered by these societies, if the societies find any difficulty in disposing of their produce locally or if good price cannot be obtained locally. This special officer must have no other work than organising the loan and sale societies, and studying the crops and markets. If the Government is really anxious to help the poor agriculturists, then it should not grudge this additional staff to the department, because the agriculturists are actually losing more on account of the low price they are getting for their produce than by the usurious interest they pay on the moneys they borrow.

2 *Material*:—There are no proper data with regard to the local markets. The foreign and export markets, even for agricultural produce, are highly organised and every information about their working is available, but the internal markets are conducting their business according to time-honoured customs, but perhaps entirely out of tune with external markets. Harmony and even interrelations are necessary between the internal and external markets. My study of the markets in Anakapalli, Vizianagaram and Bellary show that the markets differ widely from one another in the practices of trade and commerce. So, absolute and rigid uniformity in the marketing processes cannot be insisted upon. For instance in the market at Anakapalli all the produce is sold at a central place. The sales are done by auction by bidders among themselves. The seller merely stands by, and if he is satisfied with the highest bid, he will part with the produce or else he will refuse to part with it. The money is paid for the produce after fifteen days only. And there are minor trade practices like paying for Kolagaram, Dharmam, Valtar (*i.e.* paying for the maintenance of mosques, as the buyers are Muhammadans who demand this in return for what they pay to the sellers as "dharmam") which need not be gone into in detail as they are not very material for our purpose of study of the general features of the market. As these bidders remove the produce immediately without giving even receipts and do not pay for a fortnight, the Loan and Sale Society at Anakkapalli felt difficulty in satisfying the Central Bank's requirements with regard to the security for the amounts borrow-

ed, for the payments are not secured by them. With great difficulty the bidders are induced to give receipts for the produce they take, to remove the difficulty raised by the Central Bank. But in Bellary there is no central market place. Buyers go from place to place of business and buy mostly individually. Auctions are held rarely. The Loan and Sale Society is trying to experiment the method of sale by auctions. The experiment up till now is a success. But it is yet to be seen whether sale by auction can be made a regular feature of the market in Bellary. There the members borrow little or no money, unlike in Anakapalli, and so there is more on the sale side of it than the loan side in the Bellary Loan and Sale Society. In both Anakapalli and Bellary the produce of members is sold more or less immediately without holding it over for any length of time. Thus there are differences in the working of loan and sale societies in the several places, I visited. But the more fundamental differences will be between the general markets. And it is essential to study these marketing conditions on some systematic lines like how much produce comes to the local market, how many persons and classes of persons are engaged in the trade of it, where is the produce finally going to from that market and what are the margins of profit in the trade, apart from illicit profits due to corruption and malpractices. My impressions are that there are more middlemen in each trade than necessary, and that there is great competition between one middleman and another, cutting the rates of commission and profit in the business, and that the present profits they are getting are dependent to a great extent on how far they are able to dupe or cheat the ryots by corrupt trade practices. So these things also must be investigated along with other matters.

3. *Finace*:—The Madras Central Urban Bank and almost all the Central Banks are willing to finance these loan and sale societies. So there will be no difficulty in the beginning at any rate with regard to the developing of loan and sale societies, so far as the financial side of it is concerned. The 60 lakhs of idle money of the Madras Central Urban Bank which is invested in 4½ or 5 per cent government securities can be usefully brought into the Movement, if the Central Banks' finances do not permit them of accommodating all the financial requirements of Loan and Sale Societies. This contingency, I do not think, will arise in the next two or three years at any rate. But there are some minor problems with regard to this. *Firstly* the Central Bank should lend money not up to a certain multiple of the owned capital of the society but up to say, 60 per cent of the value of produce in the hands of the society. I understand this is not the uniform practice in all loan and sale societies. Amalapuram Loan and Sale Society according to its report has failed to work, as this practice is not followed. *Secondly* the Central banks should not insist on reducing the balances to

nil as on 30th June, as it is not the close of the commercial year but the close of the official year only (This request is made by the Anakapalli Loan and Sale Society). *Thirdly* the rate of interest for which the amounts are lent by the central banks to these societies should be at 7 per cent or at $6\frac{1}{2}$ per cent, if that is possible. The reason for this request is, the Imperial Bank is lending large sums of money on produce at the Imperial Bank rate at Madras plus 2 per cent. So the individual is getting a loan on the produce at roughly $7\frac{1}{2}$ per cent from the Imperial Bank. If the loan and sale society wishes to lend, it must also do so at $7\frac{1}{2}$ per cent and in no case at more than 8 per cent. How can the societies lend to individuals at $7\frac{1}{2}$ per cent, if they borrow from Central Banks at $7\frac{1}{2}$ per cent? Further, if the rate of interest is high, the ryot cannot hold the produce for sufficient time, for fear that the accumulated interest on the loan may be more than the margin of profit he may make by a higher price, by holding up the produce. This is on the assumption that the price of the produce rises high, but if it falls by trade fluctuation, the individual's loss is still heavier on account of the high rate of interest. This is the experience of the Alamuru Society in East Godavari District.

4. *Relations with other co-operative institutions*:—The loan and sale societies are chiefly concerned with the Central Bank on the one hand, and the primary credit societies which may become their members on the other. For the better working of the Loan and sale societies, the Central banks should lend money on pledge of produce only through Loan and Sale societies in areas where there are such, instead of through primary credit societies as at present. The primary credit societies can help the loan and Sale societies by not only becoming their members but also by inducing all their members to sell their produce normally through the Loan and Sale Societies, whether they owe moneys or not to them. If the opinion is favourable, the primary credit societies may even go to the length of compelling every member of theirs to sell their produce through the loan and sale societies only. This compulsion, if properly understood, is to the advantage of all—the society which can easily recover its dues from members and the Central Bank which need not hereafter think that the moneys passing out of its hands to societies are becoming frigid and immobile instead of being liquid and mobile and the members who stand to gain by better prices.

Representation should be allowed to all Loan and Sale Societies in the District Federations and Central Banks, and if they so desire in local. supervising unions also. My information at present is that some Loan and Sale Societies have representation on one or the other of the above bodies while some have not got any representation.

Members:—The present difficulty in the working of Loan and Sale Societies is, that sufficient produce is not forthcoming from members for sale. So, if real working is to be attempted, methods must be devised

not only to increase the membership, but also to make the members loyal For increasing the membership, vigorous propaganda must be carried intensively and systematically in the area of operations of the loan and sale societies, both by paid and honorary workers, explaining the advantages of marketing their goods on a co-operative basis. As regards ensuring loyalty on the part of members better experience in countries like Canada, has shown that valid contracts for a specific period say three or five years (in the beginning, it may be for one or two years) should be entered into between the members promising to deliver all their produce to the society. I am glad to note that the Joint Registrar of Co-operative Societies has recently issued a circular permitting the societies to enter into such contracts. But, unless sufficient atmosphere is created and the members become convinced of the advantages of selling on a co-operative basis, this contract system will not only become unpopular but may also hamper the progress of the loan and sale societies.

Legislation:—In countries like England, Australia Newzealand South Africa, Canada, which are in the British Empire, not to mention of independent countries like America, Denmark, etc., legislation is passed to promote the co-operative marketing of the agricultural produce of the peasantry who form the back-bone of every country. For instance, in Australia there is legislation to the effect that if three-fourths of growers in any particular industry say fruit industry agree to combine to sell their fruits on a co-operative basis, the other one-fourth number of growers will be compelled to join the others, and made to sell through the common agency. The nature of legislation with regard to co-operative marketing varies from country to country.* Our province also requires some legislation. But what is to be its basis and scope can be determined only after studying the markets, trade and commerce in our province thoroughly and in detail, and after studying the conditions and the legislation in other countries through literature and by making a personal visit also, to some of those countries, if necessary. At present it is too early to think of any legislation in this direction in our province.

State Aid:—Whether any legislation is passed or not, the State should give aid to co-operative marketing organisations in all possible ways. For instance, it can lend money at a cheap rate of interest for constructing godowns. In our province, the Government is lending money for construction of godowns but the rate is high. This building of godowns nowadays, when the cost of construction of buildings and the value of house-sites in villages have risen high, will not be really paying to the loan and sale societies. So what I suggest is the government should

* I am trying to collect the Legislative Acts in the various countries. Canada Ireland and England have sent their literature up till now. I am expecting the literature from other countries soon.

give moneys by way of subsidies or donations to the extent of 1/3 to half the amount of the cost of godowns, up to the maximum limit of say Rs. 5,000, for each loan and sale society. In this connection, I may point out that various credit facilities are given by the state to the co-operative marketing organisations in other countries. I understand in Canada for the erection of elevators (i. e., buildings similar to godowns where the grain is dried, cleaned and stored) the Government is lending money at a cheap rate of interest of about 3 to 4 per cent. for a long period. If co-operative organisations in our province send produce to other countries, the government must stand guarantee up to 50 per cent of the value of goods exported. In England under Export Credits Guarantee Act the Government does stand guarantee up to a particular amount under certain conditions. On the same principles and basis, the Madras Government should be made to act in this matter. The Government can also compell or induce the railway companies and shipping companies to show some concession in the freight of agricultural produce sent or got by co-operative marketing organisations. In South Africa, the government is aiding co-operative marketing organisations, by compelling the shipping and Railway companies to give some concession in the freights for the produce of those organisations.

A Central Selling Agency:—In these days of large scale business and mass production, small organisations are not able to stand the swift and strong current of trade and commerce. As a result of keen competition, much profit cannot be made nowadays on small business as in the past. At present the motto is "to earn a smaller per cent of profit on a larger business." So, it is absolutely essential that if we wish to make our loan and sale societies function efficiently and grow in numbers and popularity we should organise a Central Selling Agency, where the whole produce can be pooled and sold directly to other countries. There are now several agencies to assist us, if we only organise ourselves here. For instance there is the Empire Marketing Board in London which will help us. There are several Consumers' Co-operative Whole Sale Societies in foreign countries which want to buy directly from Producers' Central Selling Agencies or Pools. The present tendency is to link the Producers' Societies to the Consumers' Societies and thus draw the producer and the consumer together in the Co-operative Commonwealth. If we only follow world events, and try to organise ourselves to benefit by such events, our progress is bound to be rapid.

In Bengal, several co-operative organisations have each got a Central Organisation. They have got a Wholesale society for jute, a Wholesale Society for Paddy, a Central Industrial Depot for the sale of industrial products. I have studied them carefully and I may say they are working satisfactorily. They have removed to a great extent the problem of marketing the produce by the local or primary organisations. On this

subject, I have written some articles in the Madras Journal of Co-operation last year suggesting that we may usefully start similar organisations in our province. I understand that the Joint Registrar is trying to form a Central Selling Agency at Cuddalore for ground-nut. I request the co-operators in the locality to give him the necessary help to achieve the object.

What is to be done in the future:—For the present the attention of the Non-Credit Committee will be concentrated upon (1) the improving of the working of loan and sale societies in select places, to demonstrate the possibilities of loan and sale societies, when worked on an intensive scale continuously for a sufficiently long period.

(2) The pulling up of bad societies and reviving the old ones, wherever, that can be done. We wish to show next year, more number of working societies than they are at present.

(3) Collecting information about certain important markets and about certain commercial crops, in so far as they affect or have relations to loan and sale societies.

(4) Doing general propaganda among the public and delivering pecial lectures to students in the Co-operative training institutes on co-operative marketing.

BUILDING SOCIETIES.

The Building Societies are growing in numbers and improving in transactions year after year. I have visited many building societies not only in our province, but also in Bombay. I have also studied the reports of some building societies in England namely, the reports of Halifax Building Society, which has got transactions of about 54 millions pounds and the Woolwich Equitable Building Society which has got transactions of about 20 millions pounds. Mr. G. Sriram Babu Naidu who is also a member of our committee is organising the Second Madras Presidency Co-operative Building Societies' Conference here, where matters relating to the Building Societies will be threshed out.

STORES SOCIETIES.

I am glad to report that the Triplicane Urban Co-operative Society has for the first time interested itself and taken the initiative of calling an informal Conference of the Stores Representatives at their head-quarters during the XVIII session of the Madras Provincial Co-operative Conference. The question of the formation of a Wholesale Society, will be discussed at the meeting, on the note submitted by me. And I trust that hereafter the Triplicane Urban Co-operative Society, in the main, will take up the responsibility of spreading the Stores Movement in our province. The Provincial Union's function will hereafter be to supplement the work of the T. U. C. S. by way of doing general propaganda whenever possible.

Stores Conference.

Messrs :—

The Board of Management of the T.U.C.S. invited all the representatives of Stores Societies and few prominent co-operators of the city that attended the Conference to meet them informally and have a discussion on the possibilities of starting a wholesale society for the Province. Prominent among those present were :

Messrs. A. Sivarama Menon	...	T. U. C. S. Ltd.,
T. K. Hanumantha Rao	...	do.
C. S. Srinivasa Rao	...	do.
E. S. Ramasubbu	...	Madura C. S.
V. Chinnakrishna Naidu	...	do.
A. Narasimhachariar	...	Chingleput C. S.
K. Nageswara Rao	...	
N. Ekambareswaran	...	
K. Ranga Rao	...	Usilampatti C. S.
V. Subba Rao	...	Madanapalli C. S.
A. V. Subbaroyadu	...	Co-op. Ayurvedic pharmacy Amalgoran East Godavari.
A. V. Subba Rao	...	Cuddappah C. S.
S. Srinivasa Rao	...	Cuddappah Stores.
V. Srinivasa Rao	...	Do.
R. G. Nallakuttalam Pillai	...	Srivilliputtur C. S.
K. S. Chengalvaroya Iyer	...	Krishnagiri Stores.
E. S. Sunda (President)	...	City Co-op. Union, Madura.
V. S. Kallibiran Iyengar	...	T. U. C. S.
S. R. Ganesa Iyer	...	do.
V. S. Narasimha Sastri	...	do.
K. Narasima Iyengar	...	do.
A. N. Venkatrama Iyer	...	Nangavaram Co-op. Trading Union.
S. K. Yegnanarayana Iyer	...	T. U. C. S.
R. Krishnaswamy Iyengar	...	Cuddalore C. S.
C. V. Narayanan	...	Peddapuram.
C. Z. Narayan	...	Z. C. U.
Chella Duraiah	...	Chairman Municipal Council Peddapuram.
G. Satyanarayana	...	
D. V. Neelameghachariar	...	T. U. C. S.
G. Ramachandran	...	do.
A. Narayanamurthi	...	Anakapalli.

T. S. Narasimhachariar	...	T. U. C. S.
V. Venkatasubbiah	...	do.
K. C. Ramakrishnan	...	do.
T. S. Krishnaswami	...	do.
N. Suryanarayana	...	do.
T. S. Rajagopala Iyer	...	do.
M. R. Ranganathan	...	do.
M. Subramania Iyer	...	do.
M. Padmanabhan	...	do.
M. Parthasarathy Iyengar	...	do.

There was a pleasant social after which Mr. A. Sivarama Menon, B.A., B.L., President of the T.U.C.S. welcomed the representatives and instituted a comparison between the condition of the T.U.C.S. and the English societies 25 years after their starting. He showed how circumstances were quite favourable for the starting of a wholesale.

Mr. V. Venkatasubbiah, the Managing Director, gave a brief account of the working of the T. U. C. S. The President then requested the members assembled to express their views on Stores Movement in general and on the possibilities of starting a Wholesale for the Province.

Mr. E. S. Sunda of Madura narrated the experience of the Madura Stores and showed how the system of opening branches was found to be working satisfactorily. He said that the Madura Stores has made some arrangements for the sale of fuel and the supply of some improved commodity which were much appreciated. He also deplored the general ignorance of the so-called enlightened people about Co-operation.

Mr. Watrap Subramania Iyer, president of the Local Panchayat, Mylapore Branch I of the T. U. C. S., said that the most pressing problem was the instituting of a common bureau of information. In the absence of any such bureau, stores scattered in different parts of the presidency would not be able to be of much help to each other as they could be. Speaking about the question of starting a Wholesale, he said that it may not be possible for the T. U. C. S. to convert itself into a Wholesale. It was only a primary distributive society and if a Wholesale is to be started, it must be a separate institution to which the T. U. C. S. may be a very important member with other Stores in the presidency also as members.

Mr. K. Ranga Rao of Usilampatti (Madura District) said that he was connected with the Co-operative Store of that village which was catering to the needs of a number of officials and vakils settled there, and doing business to the extent of about Rs. 1,000 a month. He mentioned how the Store was looked upon as a rival by local shopmen and how they tried to smother it. He also mentioned that they were very often put into difficulties in the matter of getting supply. He pleaded for the institution of a Central Bureau of Information and an agency which will put co-operative stores into touch with each other.

Mr. Ekambara Iyer of Usilampatti also narrated his experience as a worker of the Store in that village.

Mr. Suryanarayanayya, Director of the T. U. C. S and member of the Purchase Committee said how his experience in the matter of purchasing articles for the T. U, C. S. showed that it was very difficult for the consumer to get into touch with direct producers who were all slaves to middle-men and who were compelled to sell their produce to them only. He appealed to the mofussil gentlemen assembled to mobilise local forces and put the consumer in touch with the producer.

Mr. Annadurai Aiyar of Nungavaram Stores gave a brief account of the working of his stores which was originally started as a village credit society and how they went on to make joint purchase and sell things which the villager needs like groundnut, punnack, etc. When the business grew and the need was felt for starting a separate store, the Deputy Registrar would not encourage it, as he said the Townsend Committee was not in favour of the formation of co-operative stores in villages. They gave a guarantee as to the quantity of business that would be done and now it is registered and is working satisfactorily. Three neighbouring villages are also included in the sphere of operation. He assured us that the store was popular and was doing business which is increasing every day. It was gratifying to be told that, as a result of the starting of the Store, the price of kerosene and fuel in the village has come down.

Mr. S. Sathyamurthy a prominent member of the T. U. C. S. who was then called upon by the president said that in his own opinion the time was not ripe for the formation of a Wholesale Society for the province. From his own experience as chairman of a number of General Body meetings of the T. U. C. S., he said how members, as a rule were suspicious towards the directors, which was a very unhealthy sign. He added that the province as a whole was a very large one and that there was no unity at all except Government control. He suggested that the Triplicane Stores might attempt wholesale production like the Scottish Wholesale Society, which he said he had visited.

Rao Sahib T. K. Hanumantha Rao, one of the fourteen pioneers of the T. U. C. S. said that the T. U. C. S. should lead in the formation of a Wholesale. The T. U. C. S. succeeded so well because the pioneers had faith in it. What was required was efficient propaganda. He said that the T. U. C. S. is practically a Wholesale Society as it is. If each branch

would take charge of its internal management and leave the supply of articles and financing to the central office, it would automatically become a wholesale. The holding of a General Body meeting of 6,000 members is an impossibility, if all chose to come; and the present practice of conducting general body meetings with 30 and 40 was a farce. He said that local branches should be invested with responsibility and their tendency to complain should be considerably minimised.

Mr. Strathie, Registrar of C. S. who was then requested to speak, said that he had not consulted the Joint Registrar who was in charge of non-credit section of the Co-operative Movement; but his own opinion was, and in this he was glad to find himself in agreement with Mr. Satyamurthy, that the time was not ripe for the formation of a Wholesale.

Mr. K. L. Narasimha Rao, who it was that suggested to the Board of Management of the T. U. C. S. to have such a meeting, said that he had worked out a plan for the formation of a Wholesale, which was published in the April issue of the Madras Journal of Co-operation.* He thanked the T. U. C. S. for the opportunity given for the exchange of views and hoped that this practice would be continued in future years as well.

Professor S. K. Yegnanarayana Iyer, member of the Executive Council of the T. U. C. S. thanked all the delegates on behalf of the T. U. C. S. and then the pleasant function came to a close.

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* See page 608 of the April Issue.

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109, BIG STREET, TRIPLICANE, MADRAS.

All-India Co-operative Institutes' Association.

(9, Bakehouse Lane, Fort, Bombay)

1. *Minutes of the Meeting of the Standing Committee of the above Association held at Bombay on the 19th April 1930.*

A meeting of the Standing Committee of the All-India Co-operative Institutes' Association was held at the office of the Provincial Co-operative Institute, Bombay on Saturday the 19th April 1930 at 3 P.M., when the President of the Association, Sir Lalubhai Samaldas, C.I.E., was in the chair.

The following members were present :—

Professor H. L. Kaji, Mr. Chunilal M. Gandhi } Representing the Bombay Provincial Co-operative Institute.

Mr. S. K. Lahiri representing the Bengal Co-operative Organisation Society.

Mr. Ishverlal N. Gandhi, representing the Baroda Co-operative Institute.

Rai Bahadur Lala Mathura Prasad Mehrotra representing the U. P. Co-operative Union.

Messrs. R. R. Pawar, Registrar of Co-operative Societies, Baroda and Mr. V.L. Mehta, Managing Director of the Provincial Co-operative Bank, Bombay, were also present on invitation.

The minutes of the last meeting, held at Nagpur on the 15th December 1930 were read and confirmed.

I. *All-India Co-operators' Day* :—The views of the member-Institutes and Registrars of various Provinces and Indian States were placed before the meeting by the Secretary, Professor Kaji.

Resolved that the 1st Saturday in November be observed as the All-India Co-operators' Day from this year, and that Co-operative Thrift certificates be sold through special volunteers all over the country more or less on the basis of the Postal Cash Certificates. The Honorary Secretary was asked to put himself in touch with the All-India Provincial Co-operative Banks' Association to work out the financial basis of the Certificates, and to issue a circular to the member-Institutes and the Provincial Co-operative Banks.

II. *Uniform Co-operative Year* :—The existing practice having been ascertained and the views of member-Institutes and Registrars having been obtained, it was resolved that though there could not be an absolute uniformity in all areas in India, it was very desirable that for comparative statistics, the Co-operative year ended on any convenient date between the 1st June and 31st July, and that the Registrars of those Provinces or States which observed a different co-operative year be requested to adopt any convenient date in the period suggested.

III. *2nd Indian Co-operative Conference* :—It was resolved that the 2nd Indian Co-operative Conference be held at Calcutta in October of this year, the exact date to be settled by the Honorary Secretaries, who should invite suggestions about the subjects to be discussed at the Conference, and get notes prepared on the subjects accepted to serve as a basis of discussions. It was resolved to invite all Registrars of British Indian Provinces and Indian States and representatives of the Universities to attend the Conference. It was resolved further to request Sir Rabindranath Tagore to inaugurate the Conference, if he is then available. The details of the programme were left to the secretaries.

IV. *Co-operative Education* :—It was resolved that the existing arrangements in the different provinces and states for co-operative education be ascertained, as also the existing arrangements for supervision of co-operative societies and that a pamphlet be prepared on the subject. The whole subject of education and supervision be discussed at the Calcutta Conference, where the specific question of establishing the All-India Co-operative College also could be discussed.

V. *Grant from the Government of India* :—It was resolved that the Government of India be approached for a grant of Rs. 10,000 to the Association to enable it to undertake the publication of the Co-operative Year Book and to develop Co-operative Education, to establish a Co-operative College or otherwise, and to undertake the publishing of co-operative literature.

VI. As a special case, the Pudukkottah Co-operative Institute be admitted as a member of the Association on payment of an yearly subscription of Rs. 25, till its finances improve.

VII. It was resolved to discuss the question of admitting eminent individuals as members of the Association at the Calcutta Conference.

VIII. *Amendment of the Indian Trust Act* :—The letter from the Berar Co-operative Institute, regarding the resolution of the Berar Co-operative Conference on the subject was considered. It was not considered desirable to recommend the amendment of the Trusts' Act so as to permit deposits of Trusts' monies in approved co-operative banks as desired by the Institute and the Conference. It was, however, resolved that the subject be fully discussed at the All-India Co-operative Conference to be held at Calcutta.

IX. *Co-operative Literature* :—Mr. L. K. Bhagwat's letter, regarding his Marathi book-Shetaki Patapedhi, was read and considered. It was

resolved that the Secretary be requested to go through the book and if he found it useful, he might draw the attention of the Marathi speaking areas to the book

X. Rao Bahadur Kelkar's letter was read and it was resolved that the Secretary should write to him to kindly reconsider the matter.

XI. It was resolved that the Secretary should request the Institutes to send a copy of each one of the publications of co-operative subjects that they may have brought out.

XII. The Registrar be requested to invite a representative of the Institutes to the next Registrars' Conference, if at all he took a non-official with him. The Government of India might be similarly requested to invite a representative of the All-India Co-operative Institutes' Association to the next Registrars' Conference.

XIII. It was resolved that Sir Lallubhai Samaldas, Rao Bahadur Kelkar and Professor Kaji do represent the Association for the purpose of giving evidence before the Central Banking Enquiry Committee.

Mr. Lahiri suggested the desirability of introducing some sort of uniformity in the matter of audit of co-operative societies, particularly as regards control of auditors, conduct of audit, and payment. Hs also suggested that progressive deofficialisation should proceed faster and that the non-statutory functions and powers of the Registrar should be restricted. He further stressed the importance of a sound co-operative educational system.

After a vote of thanks to the President, the meeting terminated.

H. L. KAJI,
S. K. LAHIRI,
Honorary Secretaries.

II

2. Celebration of the All-India Co-operators' Day.

Circular dated, 23—4—1930.

At the meeting of the Standing Committee of the All-India Co-operative Institutes' Association held at Bombay on the 19th April, the views, opinions and suggestions received from co-operative organisations, Registrars and eminent co-operators in the country on the subject of selecting a more suitable day for observance as the Co-operators' Day than the 1st Saturday of July were considered. There was almost complete unanimity as to the desirability of change. Opinion was however divided as to whether the Day should fall in April or November. Considerations of suitability to agriculturists, and persons of small means for whom the Co-operative Movement has a great appeal and the possibility of inaugurating a Thrift propaganda with success turned the scale in favour of the latter month and the Committee has accordingly decided in favour of November.

Under direction of my Committee therefore, I have the honour to inform you that the All-India Co-operators' Day will be observed this year on the first Saturday of November, that is, on Saturday the 1st November 1930 and to request you to kindly adopt this date and arrange for a proper observance of the Day in your province or State.

The International Co-operative Alliance itself is aware of the unsuitability of the 1st Saturday of July for all countries, and as a matter of fact wrote to its members in 1928, asking them to suggest any other day that might be more suitable and observe that day, as some of the European countries were already doing. I mention this merely to make it clear that by observing the Co-operative' Day on the 1st Saturday of November instead of on the first Saturday of July, we shall in no way take ourselves out of the great International Brotherhood, to which we are proud to belong.

As regards the manner of observing the Day, there can of course be no uniformity prescribed. The following are however some functions which could be suggested as being appropriate and effective :—

1. Processions with flags and banners bearing co-operative legends.
2. Lectures and addresses.
3. Athletic Sports for children of co-operators.
4. Dramatic performances, concerts or variety entertainments in aid of specific co-operative activities.
5. Social gatherings and excursions.
6. Sending out Volunteers for the sale of Co-operative Thrift Certificates.

It is recommended that the sale of thrift certificates should form the most striking and outstanding feature of the observance of the Co-operators' Day in India this year. Details regarding the sale price, denominations, etc., will be issued a little later in consultation with the All-India Provincial Co-operative Banks' Association. Thrift propaganda by sale of Thrift certificates should be carried on in towns and villages. Towards that end, it would be desirable if the Provincial Co-operative Institutes began to enlist volunteers and formed bands of Rural Co-operative Scouts, who could be serviceable also in connection with the spread of Adult Education in villages.

H. L. KAJI,

Honorary Secretary.

Syllabus for "Co-operation" in the Schools the Cochin State.

IV, V AND VI FORMS.

IV Form :—Brief history of the origin of the modern co-operative movement :—In England, in Germany, in India. Reference to Robert Owen, Schedule Delitzch and Raiffesen.

How co-operation can help the middle and poor classes in general :—Union is strength—its application in the economic world—the principles illustrated by a few examples—agriculturists when united can raise the credit they need ; labourers when united can run their own shops. Also costly implements, irrigation works, marketting arrangements, etc., etc., brought within reach by this co-operation.

V Form :—Co-operation and agricultural reconstruction :—The problems of the agriculturist :—(1) Credit. Agricultural indebtedness in Europe ; in India. Remedy ; The Credit Society ; how it gives the Agriculturist cheap and facile credit. Long term credit and Land Mortgage Banks (The organisation and working of such Banks to be definitely excluded).

2. Purchase of agricultural requisites :—Good seed ; scientific manures, up-to-date implements, good cattle etc., Difficulties felt at present in these directions. Their remedy. Joint purchase Societies.

3. Irrigation. Difficulties when it has to be done individually ; heavy initial cost, fragmentation of property and scattered holdings etc., Remedy:—Combination among cultivators.

4. Marketing :—Difficulties and losses of the present system ; the exactions of the middlemen, etc., Remedy :—Co-operative marketing of Agricultural produce.

5. By-industries :—Such as Bamboo marketing, rattan works, bee-keeping, etc., a sure means of improving the economic condition of the farmers ; will provide spare time work. Present difficulties in this direction. Their remedy :—Co-operative Societies to find raw materials, provide requisites, and to secure markets.

VI Form :—Consumers Co-operation :—The need for it : the exactions of the profiteering middlemen ; the lot of the retail purchasers. The great success of British sale-societies illustrated by total sale figures.

Co-operative Stores in India :—The Triplicane Stores, Madras Co-operative Stores in Schools. The structure and working of the School Co-operative Societies.

Producers' Co-operation or co-operative organisations of industrial labourers, subscribing capital and owing the works : (in bare outlines).

Other forms of co-operation :—In elementary study—co-operative cattle breeding, dairy farming, insurance and such full time cottage industries as weaving, spinning, sericulture etc.

The general structure of the co-operative organisation :—1. The Primary Societies, 2. The local Unions and District Federations, 3. Apex Institutions :—(a) The Central Institutions for propaganda and initiative, (b) The Central Banks for financing, (c) The Co-operative Department for supervision and audit.

BYE-LAWS

OF THE

Madras Provincial Co-operative Union,

No. 3011.

(as registered by the Department on 1—5—1930).

Name and Registered Office.

I. The name of the society shall be 'The Madras Provincial Co-operative Union.' It shall be registered as a Co-operative Society under Act II of 1912. Its registered office shall be in Madras. Its operation may extend to any part of the Province of Madras.

Interpretation.

II. In these bye-laws, unless there is anything repugnant to the subject or context—

(*a*) 'Act' means the Co-operative Societies' Act II of 1912 or any other enactment which, for the time being, regulates the law relating to Co-operative Societies in the Province of Madras;

(*b*) 'Rules' means the rules for the time being in force under the Act;

(*c*) 'The Union' means the Madras Provincial Co-operative Union;

(*d*) 'Provincial Society' means a society having operations under its by-laws which may extend to the whole or any part of the Province of Madras;

(*e*) 'Central Bank' includes a 'Banking Union':

(*f*) 'District Federation' includes a 'District Council of Supervision' and a 'District Institute';

(*g*) 'Local Union' includes an 'Audit Union' and every other Federated Union of any type of Co-operative Organisations;

(*h*) 'Member' means a registered society which, or a person who, for the time being, is a member of the Union under these bye-laws; and

(*i*) 'Delegate' means a representative who is duly elected to the Union under these bye-laws.

Objects.

III. The objects of the Union are to promote the Co-operative Movement in the Province of Madras, to propagate the principles of Co-operation and to serve as the recognised exponent of non-official co-operative

opinion in the Province. In furtherance of these objects, the Union shall be at liberty to do all or any of the following acts :—

(1) to organise and develop diverse types of societies;

(2) to assist the work of Language and District Federations and Local Unions, in particular, and of other registered societies affiliated to it, in general;

(3) to publish Co-operative Journals;

(4) to publish, stock, distribute and sell leaflets, pamphlets and books dealing with Co-operation and allied subjects;

(5) to organise public lectures, conferences and exhibitions;

(6) to organise Co-operative Education, through training classes and other appropriate means, for supervisory and administrative staff of non-official agencies;

(7) to act as an information bureau for the affiliated societies and the public and to maintain a Co-operative Library in the City of Madras;

(8) to organise and promote Rural Welfare Schemes;

(9) to raise funds according to these bye-laws and to administer the funds so raised: and

(10) generally to do all such other acts as are incidental or conducive to the attainment of any or all of the objects aforesaid.

Membership.

IV. Membership of the Union shall be open to—

(*a*) Societies registered under Act X of 1904 or Act II of 1912 or any other Act, for the time being in force, and falling under any one of the following classes :—

(*i*) Provincial Societies,

(*ii*) Language Federations,

(*iii*) District Federations,

(*iv*) Local Unions,

(*v*) Central Banks,

(*vi*) Urban Banks whose working capital on the 30th June preceding the date of application for affiliation is not less than Rs. 20,000,

(*vii*) Non-credit Primary Societies, on limited liability basis, not falling under any of the classes above,

(*viii*) Co-operative Training Institutes and

(*ix*) Primary Land Mortgage Banks.

(*b*) Persons of knowledge and distinction in the field of Co-operation who may be invited by the General Body or the Board of Management to be honorary members of the Union. Their number shall not at any time exceed 20 and the term of their membership shall be 2 years; but they may be re-invited, from time to time, in the manner stated above to serve as honorary members for a fresh term. They shall not vote at General Body Meetings. The are eligible to all offices in the Union and may vote in the Board of Management and the Executive Committee.

Funds.

V. The funds of the Union shall be derived as under :—

(*i*) Subscriptions and Contributions as per by-law VI,

(*ii*) Sale of co-operative literature and publications,

(*iii*) Voluntary contributions,

(*iv*) Subsidies, if any, from the Government, and

(*v*) Loans.

VI. (1) Member societies shall pay annual subscriptions as provided below:—

(*a*) every Provincial Society shall pay Rs. 100.

(*b*) every Language Federation shall pay Rs. 25,

(*c*) every District Federation shall pay Rs. 15,

(*d*) every Local Union shall pay Rs. 5,

(*e*) every Central Bank, Urban Bank or other Primary Non-credit Society shall pay Rs. 5 on every lakh of its working capital as it stood on the 30th June of the previous year, or a fraction thereof, subject to a maximum of Rs. 25.

(*f*) every Training Institute shall pay Rs. 15 and

(*g*) every primary land mortgage bank shall pay Rs. 10.

The annual subscriptions from member societies shall fall due at the commencement of each co-operative year and be payable not later than the 31st October of the year. They shall be recoverable as debts due to the Union.

(2) Any primary society which is not eligible for membership under bye-law IV (*a*), but which by a resolution of its general body signifies its consent to contribute to the funds of the Union, shall pay annually Rs. 2, if it is one on unlimited liability basis and Rs. 2/8, if on limited liability basis.

In the case of non-member societies, their resolution to contribute to the funds of the Union, when once passed and communicated to the Union, shall be in force, until the original resolution is revoked by a resolution of the General Body of the society concerned. Such resolution shall not come into effect till it is communicated to the Union and till the commencement of the next co-operative year.

(3) Honorary members are not liable to pay any subscription.

VII. The funds of the Union shall be devoted to the promotion of any or all of the objects mentioned in bye-law III.

VIII. To carry on its work, the Union may raise loans, provided that the total amount of liability at any time shall not exceed half the amount annually falling due on account of subscriptions from member societies and contributions from non-member societies.

Supply of Publications.

IX. Journals, Pamphlets, Leaflets and other Publications of the Union will be supplied to member societies and societies contributing to the funds of the Union under Bye-law VI, in accordance with such terms as the Executive Committee or the Board of Management may from time to time prescribe in that behalf.

Constitution.

X. There shall be

(1) a General Body,

(2) a Board of Management and

(3) an Executive Committee.

General Body.

XI. The General Body of the Union shall consist of delegates of member societies and Honorary Members.

XII. Every member society shall appoint one of its members as its delegate to the Union for each co-operative year, by a resolution of its General Body or Managing Committee.

XIII. Every Delegate shall have one and only one vote.

XIV. General Meetings of the Union shall be held at such places and on such dates as the Board of Management or the Executive Committee may from time to time decide. At least one such shall be held in the course of each co-operative year. It shall be also the duty of the Executive Committee to convene a General Meeting on the requisition of not less than 20 members.

XV. (*a*) The quorum for a General Body meeting shall be 35.

(*b*) If at the hour fixed for a General Meeting a quorum is not present, the Chairman shall have the power to adjourn it for an interval not exceeding 30 minutes and if no quorum is formed within that time the meeting shall stand dissolved. If the meeting was called at the requisition of members, it shall not be called again without a fresh requisition; in any other case, the Executive Committee may convene it at such time and place as it may think fit.

XVI. The President, or in his absence the Vice-President, shall preside at such meetings. In the absence of both, any delegate or honorary member may be elected by the meeting as Chairman

XVII. All questions shall be decided by a majority of votes; and in the case of equality of votes, the Chairman shall have a casting vote,

XVIII. The supreme authority shall be vested in the General Body of the Union. Besides exercising general supervision and control, the General Body shall have power to

(i) elect the President, the Vice-President and the Secretaries (not exceeding three in number) and the members of the Board of Management as provided hereunder once in two years;

(ii) define, alter, amend or modify or repeal any of the bye-laws or subsidiary bye-laws of the Union;

(iii) consider and adopt the annual report and accounts presented by the Board of Management, with such remarks or modifications as may be resolved upon;

(iv) remove members, hear and decide upon appeals or complaints against the Board of Management, or the Executive Committee, or individual members thereof;

(v) define or alter the policy or programme of the Union; and

(vi) transact all other business incidental to the General Meeting.

Board of Management.

XIX. (*a*) The Board of Management shall have, subject to the supervision of the General Body, control of all business carried on by, or on account of, the Union and shall meet at least twice a year.

(*b*) The quorum for a meeting of the Board of Management shall be 12.

XX. (*a*) The Board of Management shall consist of the President, the Vice-President and the Secretaries elected under bye-law XVIII (i) and of the delegates elected and co-opted from among the members of the the General Body as provided hereunder :—

(1) Provincial Societies—I delegate each.

(2) Language Federations—I delegate each.

(3) District Federations and Local Unions in each district (together) —I delegate for the district.

(4) Central Banks—8 delegates, 3 from Tamil districts, 3 from Telugu districts, I from Kerala (Malabar) and I from Karnataka (S.Canara).

(5) Urban Banks—3 delegates.

(6) Limited Liability Primary Non-credit Societies not falling under any other class :—3 delegates.

(7) Training Institutes—I delegate each

(8) Primary Land Mortgage Banks—2 delegates, one from the Tamil districts and one from the Telugu districts.

(9) Honorary members – 3.

(*b*) The members of the Board of Management (except Honorary Members) shall be elected by the respective constituencies aforesaid at the

Annual General Meeting of the Union. If any district was wholly unrepresented by the delegate chosen by the District Federation and the Local Unions therein, the district so unrepresented may elect its delegate within 2 months from the date of the Annual General Meeting. The 3 Honorary Members on the Board shall be co-opted by the elected members of the Board.

(*c*) The Board of Management shall hold office for a term of 2 years or until their successors are elected.

(*d*) Interim vacancies on the Board of Management may be filled up by co-option by the remaining members of the Board from among the members of the General Body, having regard to the constituencies in which they occur.

Executive Committee.

XXI. Subject to control and delegation by the Board of Management, the administration of the Union shall vest in an Executive Committee consisting of the President, the Vice-President, the Secretaries elected by the general body as aforesaid, and eight other members elected by the Board of Management, three from Tamil districts, three from Telugu districts, one from Kerala (Malabar district) and one from Karnataka (South Canara District.) They shall hold office for 2 years or until their successors are elected. The quorum for a meeting of the Executive Committee shall be 5. Interim vacancies may be filled up by co-option by the remaining members of the Executive Committee, from among the members of the Board of Management.

XXII. The Executive Committee may decide the manner in which the funds of the Union shall be invested.

XXIII. The Executive Committee shall have power to appoint and remove all officers of the Union other than those elected as provided above; and shall also have power to appoint, remove, suspend or fine its employees and to fix their duties, salaries and allowances.

XXIV. Within fifteen days after the close of the co-operative year, that is, after the 30th June of every year. the Executive Committee shall prepare (*a*) a statement showing the Receipts and Disbursements of the Union during the previous year, and (*b*) a statement showing the Assets and Liabilities as they stood on the last day of the previous year. These two statements shall be submitted to the Registrar without delay. After the Registrar has verified the statements and granted his Audit Certificate, the Union shall publish them in the manner approved by him.

XXV. A central committee for the regulation of the work of the rural reconstruction centres and of the local committees thereof shall be constituted with seven members including the President of the Provincial Co-operative Union who shall be an ex-officio member thereof. At least four out of the 7 members shall be residents of Madras. One member shall be elected by the Executive Committee of the Madras Central Urban Bank. The remaining 5 members shall be elected by the Executive Committee of the Provincial Co-operative Union.

XXVI. A central committee for the co-ordination of the work of the Training Institutes in accordance with the rules made in this behalf with the previous sanction of the Registrar, shall be constituted. It shall consist of the representatives of the Institutes on the Board of Management of the Provincial Co-operative Union, the President of the Provincial Co-operative Union and the Registrar who shall be ex-officio members and of two other residents of Madras who shall be co-opted by the other members of the Committee.

The Central Committee shall have power

1. to appoint teachers and lecturers,
2. to prescribe courses and syllabuses of study,
3. to conduct examinations, arrange for the valuation of papers and issue certificates to successful candidates, and
4. to discharge such other functions as may be decided upon by the Committee with the previous approval of the Registrar.

Subsidiary Bye-laws—Amendment—and Interpretation.

XXVII. The General body of the Union shall have power to make subsidiary bye-laws for carrying out the objects of the Union and for administering its bye-laws; provided that nothing in the Subsidiary Bye-laws so framed shall be repugnant to any of the provisions of the Act, the Rules or these Bye-laws. The subsidiary bye-laws shall not require the approval of the Registrar for their operation.

XXVIII. No alteration in, addition to, or amendment of these bye-laws shall be valid unless it is registered by the Registrar under the Act.

XXIX. Should any doubt arise either in the construction of the Act, or of the Rules, or of these Bye-laws or Subsidiary Bye-laws, or in regard to any other matter, the Union may obtain the advice of the Registrar and shall abide by it.

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

XXXI. Notice of amendments to by-laws and subsidiary rules and of resolutions to be brought up before the General Body should be sent so as to reach the Union not less than seven clear days before the date fixed for the meeting of the General Body. Notice of amendments or resolutions sent by the representatives of member societies shall be accompanied by a resolution of the Executive Committee of the society concerned approving of such amendments or resolutions.

Indian Central Banking Enquiry Committee.

Replies by the Madras Central Urban Bank Ltd., Mylapore, Madras, to the Questionnaire issued by the above Committee.

SECTION I.—QUESTIONNAIRE.

INDUSTRIAL BANKS AND CREDIT FACILITIES FOR INDIA'S MAIN INDUSTRIES.

1. State with reference to one or more industries which you had opportunities to observe the credit facilities required with special reference to *(a)* fixed capital expenditure or block, and *(b)* current requirements or floating capital.

State also how far in your opinion these requirements are met by various types of banks and bankers and how far the present facilities of financing fall short of the actual requirements.

2. Different methods of financing and different classes of paper or documents are used in industries in connection with production, import and export. In some cases it is the buyer who finds the money himself or through his banker; in other cases it is the seller who finds the money for himself or through his banker; and in others it is the middleman, merchant, or commission agent who does this. Describe any prevailing trade or business practices relative to these which have come under your observation and suggest any improvements in the present organisation which, in your opinion, will benefit the different classes of producers and merchants or the community at large.

3. Give particulars of the rates of interest which are charged at present on loans and advances and also of the different classes of securities which are approved by banks, financial houses and commission agents.

Indicate any difficulties experienced on account of lack of credit facilities or on account of high interest or discount rates or on any other account and suggest remedies therefor.

4. If in your opinion banks in India have not financed industries, large or small, freely, to what causes do you attribute their

reluctance? Do you think financing of industries is possible by banks as they exist at present and by their present methods?

If not, do you suggest the establishment of any other machinery?

Are you in favour of trade banks, *i. e.*, banks which specialise in dealing with special trades?

Do you favour the establishment of an industrial bank in each province?

If so, what constitution would you suggest for such a bank?

What are the facilities which in your opinion should be given to such a bank either by Government or any other agency?

Would you suggest any restrictions on the grant of loans by such a bank in order to secure reasonable safety for the bank while providing finance for industries?

SECTION I—ANSWERS.

Q. 1. Credit facilities are required in the case of indigenous industries not for purposes of floating the concerns or finding the capital outlay, but in order to help the industries in their current requirements. Considering the formative period of these industries and the early undeveloped conditions in which they find themselves at present, it is necessary that in order to enable the management to place the industry on a self-supporting basis, the advances made should not be of a character always returnable within six months or one year, but must cover longer periods and for this purpose they perhaps will have to depend upon the floatation of stocks or debentures. These requirements are not adequately met by the existing banks, so far as the nascent industries are concerned.

Agriculture may now be classed as an industry which needs balanced investments of the three factors of production, land, labour and capital, for it has long ceased to be a mere investment of labour on free land. The importance of agriculture as a basic industry which produces raw materials for major industries is increasingly being realised. In certain localities commercial crops have replaced food crops. Moreover the methods of marketing of agricultural produce, which after all is an integral part of production process, are also undergoing changes and the seller, buyer and the middle-man, who play very important parts, look for facile credit. The existing banking organisation is obviously unsuited to supply the capital and credit required for the agricultural industry. Agriculture has to be financed on a radically different basis. Agricultural finance or rural credit must be linked up with the banking system of the country.

An organised system of rural credit now obtains in most self-governing countries, especially in Dominions like South Africa, Australia and New Zealand, whose main function is to find money for agriculture and discount agricultural paper. The Federal Banks in U .S. A. and the Agricultural Credits Act of 1928 in England provide rural credit.* In India, the whole banking system is confined to commercial banking, very often to the detriment of agriculturists. So, the defect of the system can be summed up in one word—the absence of a rural credit agency in the banking system of the country.

There is no co-ordination among the various credit agencies including the Government. There should be co-ordination between the State Bank and the Co-operative Societies. Without a Central Reserve Bank for India, it is not possible to co-ordinate the existing banking agencies and correlate circulation of capital to promote agricultural industries.

In the meantime the assistance which the Joint Stock Banks, specially the Imperial Bank of india, can render to agricultural finance is by way of discounting agricultural paper and strengthening existing provision for overdraft on the backing of approved promissory notes of Co-operative Central Banks and Primary Societies. The doubts that were recently cast upon the soundness of this paper, specially on its liquidity, have had a very unfortunate effect, as the Imperal Bank of India is virtually withdrawing the existing cash credit facilities on the backing of Co-operative paper. That a certain amount of rigidity exists in co-operative paper cannot of course be denied and agricultural paper cannot in its very nature be as liquid as ordinary trade bills. At the same time the unimpeachable security behind this paper and the consequent absence of risk of losing the money, must weigh with the Imperial Bank in continuing this accommodation. After all, in this province the total amount of accommodation afforded to the 30 central banks and the Provincial Bank put together, on the backing of co-operative paper is roughly 55 lakhs; and having regard to the large resources of the Imperial Bank, even assuming that this paper does not conform to the

* (i) The Land Bank Act XVIII of 1912 of South Africa & Act XL of 1926.

(ii) The Federal Farm Loan Act of 1916 as amended and the Agricultural Credits Act of 1923—U. S. A.

(iii) Commonwealth Bank (Rural Credits) No. 16 of 1925 Commonwealth of Australia.

(iv) Agricultural Credits Act of 1928 England.

(v) The long term mortgage department of the New Zealand Bank Act.

standards of liquidity accepted by the Imperial Bank, the business of the Imperial Bank is not likely to be in the slightest degree affected. Moreover there has not been hitherto a single instance of default on the part of any central bank in meeting its obligations. The resources of co-operative central banks are expanding and their credit in the money market is growing. A hypothetical question as to what a central bank will do if all its assets get frozen, is more easy to ask than to answer. Similar questions may be asked about the operations of any bank. The accommodation given by the Imperial Bank goes to finance agriculturists and the circumstance that the imperial Bank has large free balances derived from the land revenue obtained by the Government from the agriculturist, gives the latter an undoubted moral claim upon the Imperial Bank and the State for a certain amount of financial concession. The effect of insisting on co-operative banks the need to maintain cash balances or investments in gilt-edgd securities as fluid resources, will inevitably result in retrenching their margin of working expenses and the consequent necessity to raise their lending rate of interest. So any curtailment of existing facilities is bound to have its reaction on the existing lending rates to the ultimate borrowers. So if agriculture is to be financed adequately and if it is conceded that the co-operative credit societies are the most suitable agencies for dispensing such credit, the object can be achieved only by affording a certain amount of accommodation to these credit societies on the backing of their paper, which of course must be short-dated and otherwise subject to conditions which ensure its easy realisation. Such precautions are now taken in this province and they are as follows:

(i) Interest is payable quarterly at the Bank rate calculated on daily debtor balances; (For central banks at the flat rate of $6\frac{1}{2}$ per cent);

(ii) The cash credit should be utilized only as fluid resource to cover deposits, or as short-term loans repayable within a year;

(iii) As a general rule, the cash credit will not be allowed to an amount exceeding the owned capital of the central bank concerned;

(iv) The central bank concerned should, in addition to the promissory note executed by it, furnish collateral securities in the shape of promissory notes of unlimited liability credit societies in the case of district central banks, and promissory notes of district central banks in the case of the Provincial Co-operative Bank.

(v) The actual value of the collateral securities furnished should be in excess of the cash credit sonctioned by at least $33\frac{1}{3}$ per cent;

(vi) Each central bank should forward to the Imperial Bank every quarter a list of promissory notes lodged as collateral securities, showing the amount outstanding on each promissory note together with a certificate to the effect that the promissory notes lodged as collateral securities are in order. The list and the certificate are verified every half-year by the Deputy Registrar concerned, and the certificate of each verification is forwarded to the Imperial Bank through the Registrar;

(vii) Such of the promissory notes lodged as collateral securities as have become three years old, or are discharged, should be substituted by fresh promissory notes.

Q.-2. Taking the financing of cotton and ground-nut for export trade, it is found that these commodities are mainly in the hands of the middlemen and mercantile houses controlled by large European capitalists having their ramifications through out the country. These merchants advance money direct to the producers, fix the prices far in advance before the harvest and move them for shipping to the ports in the various provinces. Many of the merchants are themselves financers being enormously rich and in their case, both the Exchange Banks and the Imperial Bank go to their help by advancing freely upon the goods that have been placed in their hands.

The Co-operative movement has attempted to finance those producers during the earlier stages but the recent decision of the Imperial Bank of India not to accept co-operative paper as collateral securities for the overdrafts granted has greatly embarrased the Co-operative movement in regard to financing this aspect of producers' activities.

With reference to the Hides and Skins trade, financing is done primarily by the producer who turns out the finished goods for the market. He has got to find out the market through exporting houses. In order to provide sufficient capital for himself to pay the dealers and to keep his tannery going, he has got to approach the exporting house for advances against hides and skins to be shipped to foreign countries. It is at this stage that the banks render financial help and the help so rendered goes to the exporting houses which are mostly European. Thus the producer gets precious little help in the early stages.

The present state of things can only be improved by extending the facilities provided by bills. hundies and other forms of short term credit recognised by the commercial banks to the ryots and the producers themselves and this can be done only through the agency of the co-operative movement. It is only then that the benefits of banking arrangements can flow direct to the producers instead of being limited to the already well-to-do and influential middlemen and traders, *most of whom are of European origin.*

It is necessary, in order to benefit the producers and the industrial concerns, that a separate organisation should be brought into existence mainly for this purpose and it should finance them on the basis of long term credit. The long term credit need not be for such long periods as are required to deal with agricultural indebtedness but they should be for periods ranging from two to *five years in the case of industries.*

The 230 and odd Crores of rupees of paper currency and gold standard reserves now in England, are not now being utilised for the benefit of the Indian Trade. The Hilton Young Commission has recommended the transfer of this fund to India, but it has not been done though two or three years had elapsed since those recommendations were made. The potentiality of this money to improve Indian trade, industry and agriculture will, we hope, be fully investigated by the Committee.

Q.-3. The rate charged by Joint Stock Banks in the presidency is usually 2 per cent above the Imperial Bank rate, subject to a minimum of 8 to 9 per cent. We are more intimately concerned with the rates of interest charged for agricultural finance. The position so far as this province in concerned is as follows:

The Provincial Co-operative Bank has definitely agreed with the Central Banks to lend them at 6 per cent. The Central Banks in their turn have agreed to lend to Primary Societies at rates varying between 7 to 8 per cent. The Primary Societies in their turn lend to their members at 9⅜ per cent. A few societies charge a little more but they are negligible. This arrangement is becoming increasingly difficult to carry out. In the current co-operative year our Provincial Co-operative Bank had to borrow from the Imperial Bank, at 7 per cent, a sum of roughly 40 lakhs, which it lent out at 6 per cent under its obligations to the central banks, thus losing one per cent on this large amount at least for that portion of the year till the overdraft is reduced. This sum of 40 lakhs represents about 1/3 of the loan balance on date. Last year sums borrowed at 8 per cent, the then Imperial Bank rate, were similarly lent out at 6 per cent. By reason of the sound position of the Provincial Bank, which is able to bear this loss without seriously affecting its financial position, the Central Banks and the societies have not suffered any set back and they were able to maintain their own lending rates of interest. So the arrangements between the ultimate borrower of the societies and those between societies and central banks regarding the rates of interest, have not been disturbed fortunately for the present. But it is not possible to assure that the Provincial Bank will be able to stand the same strain for a continued period or even for short periods in coming years. unless it enjoys reasonable credit facilities for discounting co-operative paper on favourable terms. The potential dangers to the co-operative credit movement do not seem to have been vividly realised by those who light-heartedly advocate the curtailment of overdraft facilities now given by the Imperial Bank and in insisting on the substitution of cash or gilt-edged securities for Co-operative Paper. The loss sustained by the Provincial Bank by depreciation in the value of its holding in Government securities is Rs. 3,07,410 as on 31-3-'30.

The dependence of Co-operative Banks on the Imperial Bank and the Government for financial aid partly arises from the absence of a rational system of Co-operative Finance. It is expected of co-operative banks that they should finance agriculture as an industry mostly at the productive stage, as no Joint Stock Bank does this. The finance of movement and marketing of crops is done mostly by the Imperial Bank and Joint Stock Banks. So one would naturally expect that between June and December when agricultural operations are in full swing, the village societies will be actively financing their members for seasonal operations from sowing to reaping and that the demand of the agriculturists will be transmitted to the central banks and the provincial bank. Again it would be naturally expected that after harvest from January to June the repayment of agricultural loans will be coming in. If this happens, then the busy season of commercial banking will coincide with the slack seasen of the co-operative banks and vice versa. But nothing of this sort now happens. The primary agricultural credit societies are most dull in the agricultural season, when they should be most active. All the energies of the supervisors, non-official leaders and departmental men are engaged in the preparation of statements etc., from June to August, and in order to reduce the balance to demand, the collections are speeded up towards the end of the co-operative year in May and June where there is little harvest. The Madras Registrar publishes a series of interesting charts in his latest report (1928-29) to exhibit this unhealthy phenomenen. To illustrate our point we give below a few figures showing the in-comings and out-goings of the Provincial Bank in the two half-years of the last three Co-operative Years.

Year.	November to April.		May to October.	
	Disbursements.	Receipts.	Disbursements.	Receipts.
	In lakhs.	In lakhs.	In lakhs.	In lakhs.
1927—'28 ...	32'60	17'46	17'73	28'96
1928—'29 ...	37'63	24'79	22'97	38'68
1929—'30 ... (up to 31st March.)	53'78	14'77	...	...

Q. 4. Our experience in this province is that Joint Stock Banks have not freely advanced to industries large or small and that many promising industrial concerns have failed or have been abandoned owing to want of credit facilities. In this province to our own knowledge at least 3 good industrial concerns have been starved, the Carnatic Paper Mills at Rajahmundry, the Sugar Factory at Masulipatam and the Spinning and Weaving Mills at Bezwada. They were all started after expert advice and great care and if only they enjoyed reasonable credit facilities, they would have been successful. It may be that the Banks do not find it possible to finance such industies under their present constitution and working and the methods pursued by them. We are not complaining against any deliberate with-holding of assistance. All that we are concerned in pointing out is that, with reasonable credit facilities, many industries large and small, will thrive. We are of opinion that industrial banks should be established in each province. But their success will largely depend upon the nature of the industries that are financed in the beginning and also upon the general industrial policy of the State towards the industrial development in this Country.

Industrial Banks will only venture to finance industries if they have a reasonable belief that the State will so regulate its tariff and monitary policies as to help the industrial advancement of this country and also if there are reasonable chances of the State being interested in helping industries with subsidies, bounties and the like,

whenever there is a prospect of the industries surviving foreign competition and becoming successful with such help rendered of course not for all time but at least for reasonable periods. So the success of industrial banks largely depends upon the industrial policy of the Government of India. It seems to us to be fairly well recognised that industries which are comparatively less speculative in their character, should first be attempted to be financed by these banks. Key industries wherein this country is more or less self-contained, should be naturally less risky. Again public utility concerns dealing with supply of electricity, water, transport and the like, are less risky than other industrial ventures and there is large scope for their being financed by well-constituted industrial banks.

The exchange banks cannot be expected to help local industries and the Imperial Bank is prevented under the Charter from lending for periods ranging above 3 to 6 months. Even other Joint Stock Banks do not extend their credit facilities beyond 6 to 12 months. Banking help to industries, to be useful, must be for longer term. The need therefore for the establishment of industrial banks is, in our view, clear.

SECTION II.—QUESTIONNAIRE.

FINANCING OF FOREIGN TRADE.

1. Would you state, with reference to any trade that you have had an opportunity to observe, the credit facilities which are required and to what extent banks supplying these facilities fulfil the present requirements?

In your opinion, is there any class of merchants who are unable to secure all the assistance they need either in India or in foreign countries, and if so could you give any reasons for this state of affairs?

What remedies do you suggest?

2. What are the credit instruments in use with regard to foreign trade?

In what conditions is credit available against these documents and in what conditions is clean credit available? What are the rates charged by the banks?

Are there any seasonal fluctuations in these rates?

What are the facilities existing at present in the export trade for discounting export bills?

Are there any restrictions that you have to complain of?

Have you any remarks to make with regard to the exchange rates which are charged for the conversion of rupee into sterling or other foreign currencies,and *vice versa* or for the remittance of funds to and fro?

3. (*i*) Have you any suggestions to make with regard to—
   (*a*) the establishment of bonded warehouses,
   (*b*) the present practice of port trust warehousing,
   (*c*) the practice by banks of releasing goods on trust receipts, or
   (*d*) any other methods in vogue for the convenience and facility of merchants engaged in the import trade?

   (*ii*) Do the interests of the traders and the public suffer in any way through any defects in the present organisation, and have you any suggestions for its improvement?

SECTION II.—ANSWERS

Q. 1-3. Taking into consideration the trade in oil-seeds, it is found that, due to the want of a system of licensed warehouses it is found necessary to transport goods from the interior centres to the port centres in order to get accommodation on the pledge of produce. If warehouses are licensed in the same manner as they are done in America, the receipts issued by such licensed warehouses will be a ready means of raising credit. It will also facilitate easy movement of produce from the interior to the ports of export, without creating undue flooding of produce in the port towns.

The small producer sells his produce at deflated prices, parting with some portion of it to the local money lender and the rest to the middlemen in the nearest marketing centre. In the case of commercial crops, in many instances, they are sold through forward contracts to foreign houses who advance capital, even before the crop is up. In a small number of cases, the produce is stored in godowns locally and advances are taken from the Banks and held up for a favourable market. There is no organised system of marketing anywhere in this province. Co-operative marketing is not tried anywhere to any extent worth mentioning. There is great scope for co-operative effort generally in marketing produce, specially of the commercial crops. There are no pools and the possibilities of forming pools are very great. The grading of crops and their preparation for the market develop with the forming of pools and the system of auction which is tried in some places has been found beneficial to the producer in the way of fetching better prices. For instance in the cardamom societies in Madura, auctioning is tried with advantage. The

formation of pools for the marketing of commercial crops on a co-operative basis is very desirable and should be encouraged.

The credit instruments that are largely used with regard to foreign trade are the bills of exchange, hundies etc. Against these instruments the merchants are able to raise credit either from the local banks or from indigenous bankers and the rates charged by the merchants or the indigenous bankers generally are 5 to 6 per cent over the then prevailing rate of the Imperial Bank of India.

The facilities existing in the case of foreign trade are those created by the Exchange Banks discounting bills drawn against goods that are shipped to foreign countries. The facilities for internal trade are very few. For example: If "A" dealing in piece goods sends goods from Madras to a village in the interior or vice versa and draws upon the local merchant, those bills are not discounted by Exchange Banks, because there are no banking facilities. On the other hand if the same "A" ships goods to a foreign country and draws upon the foreign merchant, he readily gets them discounted.

With regard to the encouragement of the use of these bills, the suggestions which we have to make are firstly that the stamp duty upon the usance bills should be reduced, the scheduled rates in article 13 of the first Schedule to the Indian Stamp Act being in our opinion high; secondly, negotiation of bills drawn in the vernacular languages of the province must be made far more easy and banks should employ competent officers knowing the vernaculars. The insistence on a vernacular signature being attested before a magistrate and other restrictions discourage in practice bills drawn in the vernacular. To popularise bills of exchange and extend their use, the insistence upon their being in the English language should be relaxed, as the percentage of English-knowing population is infinitesimal and encouragement of banking habit among the people cannot be achieved through English.

The legal position of the Bills of Exchange in the vernacular languages in use and the well-recognised incidence attached to them by local custom and usage which are invariably acted upon, are clearly explained in their treatise on the Negotiable Instruments Act by Messrs. Bhashyam and Adiga, pages 19 to 24 (Fourth Edition) attention to which is respectfully drawn.

The fluctuations in the rates of interest charged are rather violent and embarrassing to traders. The exchange also has introduced a great complication in the transaction of business, both export and import. It is the practice of the civilised world to conduct sale and purchase on terms of mutuality between the buyer and seller. The traditional privilege of the seller to fix the terms of money in which he must receive his price are denied to the Indian and this has introduced uncertainties in the market and also speculative enterprises, which are ruinous to a degree.

SECTION III.—QUESTIONNAIRE.

REGULATION OF BANKING.

1. Are you in favour of audit and examination of bank accounts by examiners?

If so, how should these examiners be appointed and by whom?

What should be the duties of such examiners? What should be their qualifications and how should their cost be met?

2. Are you in favour of any kind of restrictions being imposed on the business of all banks?

For example, should there be any restrictions of the nature imposed on the Imperial Bank of India under Section 8 of the Bank of India Act?

(*N.B.*—Parts I and II of the schedule referred to in Section 8 of the Act which indicate the business which the Bank may *and* may not transact are printed as an annexure to the questionnaire for ready reference.)

3. In your opinion is it desirable that the use of the word "bank" should be restricted, and if so, what restrictions do you suggest?

Also state whether you suggest any additional provisions for special application to (*a*) a private firm in India doing banking business, (*b*) a branch of a firm, whose head office is located outside India, doing banking business in India, and (*c*) a branch of a company whose head office is located outside India, doing banking business in India?

Through what agency and in what manner would you have these provisions enforced?

4. Are you in favour of defining by legislation or otherwise the sphere of operations of any class of banks, *e.g.*, Co-operative Banks, Exchange Banks, etc.?

5. Do you think that foreign banks should not be allowed to do banking business in India unless they received a license? What authority, in your opinion, should have the power to issue, renew and cancel such licenses? What regulations should in your opinion be prescribed for governing the operations of such a foreign bank?

6. A Bank which is a limited liability company registered in India is at present governed by the law of Joint Stock Companies in India.

Do you consider that position satisfactory?

If not, what additional provisions for special application to such banks would you suggest. particularly with reference to (*a*) authorised and subscribed capital, (*b*) capital that should be paid up before business is started, (c) provision of reserves, (*d*) proportion of cash balance to time and demand liabilities, (*e*) publication of balance sheets, their form and frequency, etc.?

7. Have you any suggestions to make for the regulation of expeditious liquidation and advance payment to depositors in case of failure of banks? (*Cf.* case of the Alliance Bank of Simla.)

8. Would you state the principal causes which in your experience or observation have led to bank failures in India?

What remedies would you suggest to prevent a recurrence of such failures or to secure timely assistance in such cases?

9. It has been suggested that in some actual cases in the past where banks have been in difficulties, some plan for amalgamation or reconstruction instead of liquidation would have been in the public interest. Would you state your views on this suggestion and would you recommend any provision for securing that, before liquidation proceedings are enforced, adequate opportunities should be given for exploring the possibility of arranging a scheme for amalgamation or reconstruction? If your answer is in the affirmative, please make suggestions as to the sort of provision which you have in mind.

10. It is complained that the cost of liquidation is high at present. Have you any suggestion to make regarding this point and for the reduction of such cost?

11. Are you in favour of making any distinction between current accounts and other deposits in the matter of protection of depositors and do you suggest any legislative measures for the purpose?

Do you recommend the creation of a special class of deposits as distinguished from current and fixed deposits under the existing system and the passing of any special legislative measures for the protection of such deposits with a view to encouraging the investment of savings?

12. Have you any suggestions to make in regard to the proposal that is sometimes made that banks which are really stable should be legally protected against unjust attacks on their stability?

If so, please give your views as to who is to determine the cases in which such protection should be extended and in what circumstances, and also the nature of the protection to be granted.

13. What are the various taxes paid by banking companies? Do any of these taxes interfere with the development or amalgamation of banks?

Have you any suggestions for modifying, removing or readjusting these taxes?

Do you recommend any special concessions, etc., in respect of particular classes of banks, *e.g.*, Co-operative Banks? State your reasons.

SECTION III.—ANSWERS.

Q. 1-5. It is necessary that the audit and examination of bank accounts should be done by examiners duly qualified and appointed for the purpose. They should appraise the financial position of the banks, the correctness of the fluid resources held by them, the reasonableness of the reserves laid aside every year from out of the profits, and they must be appointed by an Association of Bankers in the Country. In order to prevent banking crashes it is necessary that the banks should be required to insure their own stability with the Banks' Association by the formation of a pool to which they should contribute at a stated rate to be agreed upon by the Banks. The word 'Bank' should be strictly limited to institutions doing not merely money lending but all kinds of banking business, including discount of bills, hundies etc., and banking business should be prevented from being done by firms, not exclusively committed to and carrying on this purpose. A disciplinary control over such institutions should be maintained. It is necessary that private firms or even individuals doing banking business must take out a license. Even money-lenders' profession may be brought under disciplinary control by demanding that a license should be taken out for the purpose. The books of such firms and individuals should be open to public examination of Banking Examiners.

Foreign banks doing banking business in India, should also be subject to the same rules of license and they should be insisted upon to publish periodical reports and returns appertaining to the transactions in the place in which they carry on the business. The license must be issued by the Banks' Association. The consolidated audited balance-sheets issued by the Head Offices of Non-Indian Banks, do not contain information about their operations in India in a form which is of any use to us.

Q. 6. The Joint Stock Companies Act is inadequate to control the operations of a banking organisation. The subscribed and authorised capital must have a definite relationship, while the capital that is paid before the business is started must also have a definite relationship to the subscribed capital, ordinarily not being less than one half.

With regard to the matter of reserves also it must be laid down that the amount carried to Reserve Fund from the annual net profits, should be not less than $\frac{1}{4}$ of the net profits and after a certain stage the figure may be worked down to $\frac{1}{8}$ as in the Co-operative Banking. This may not involve any hardship as the banks use their reserves in their business. Likewise the proportion of the borrowings to the paid-up share capital, must also be fixed somewhat on the lines of the Co-operative Banks so as not to exceed 10 to 15 times the paid-up capital. Similar rules must exist in regard to the proportion of fluid resources and the system adopted in respect of the Co-operative Movement, may be made applicable to commercial banks as well.

Q. 7-10. It must be possible for a bank, whenever it is weak or embarrassed, for it to seek amalgamation with a larger bank, without passing through the process of liquidation, on terms and conditions to be agreed upon by the larger bank, through the intercession of the Banks' Association or apart from it. In case of liquidation, assistance similar to that rendered in the case of Alliance Bank should be resorted to, in order to safeguard the interest of the creditors and to prevent avoidable depreciation in the assets of the Bank undergoing liquidation. When once a bank's condition is considered to be weak and a proposal for amalgamation is taken up, a kind of temporary moratorium must be permitted so that it is not open to current account depositors to withdraw the money straight away and the claims of all the depositors must be equitably setttled whether in liquidation or in amalgamation.

Q. 11. There is no need to create any special legislative facilities for inducing special class of deposits, as banking is becoming more and more popular daily and deposits are not wanting for ordinary banking purposes. This does not apply to any long term deposits that have to be secured for aiding industrial enterprises.

Q. 12. It is very necessary that banks should be protected against the unjust attacks on their stability by cantankerous critics. There must be an emergency machinery to be operated, the verdict of which should enable the Central Reserve Bank to come to the rescue of a bank, on which there has been a run.

13. Co-operative Banks do require special concessions, for without them agriculture cannot be adequately financed. We commend the following :—

(1) Placing on a footing of statutory or contractual guarantee the financial facilities at present enjoyed by the co-operative banks at the hands of the Imperial Bank, and the enlargement of the scope of those facilities by the provision of finance on favourable terms on a longer term basis and at reduced rates of interest for periods of twelve months and under. Loans for periods of over 12 months, but not exceeding twenty-four months, should be granted at bank rate on pronotes or on bonds of provincial banks with fixed instalments, and short term loans for periods of 12 months and under, on pronotes to 1 percent below the bank rate.

The ultimate solution depends upon the creation of a rural credit section to the future Reserve Bank by whatever name it may be called, which must be subject to an obligation to finance Co-operative Societies, especially of discounting and encashing co-operative paper.

(2) The grant for co-operative banks of cash credit for agricultural operation and the discounting of their bills of exchange.

(3) The recognition of approved co-operative central banks in areas where the Imperial Bank has no branches, as agencies for the management of Government sub-treasuries.

(4) The recognition of inland exchange business as a legitimate part of the operations of the co-operative banks and the grant of further facilities for transmission of funds through the treasuries, particularly in taluka towns, with a view to encourage the opening of urban banks and branches of provincial or central banks at those centres.

(5) Provision for cheap capital for the acquisition or construction of godowns in rural areas in order to encourage the marketing of agricultural crops financed on co-operative basis.

(6) Exemption to co-operative societies from payment of incometax on earnings from investments in public securities or land mortgage debentures.

SECTION IV.—QUESTIONNAIRE.

BANKING EDUCATION.

1. What are the existing facilities for banking education in schools, colleges and universities in India ?

Is there any co-ordination of effort between such institutions and the banks ?

2. Do banks provide any facilities for the training of boys in banking business ?

What is the present method of recruitment of staff by the Imperial Bank of India, the Indian Joint Stock Banks, the Exchange Banks and the Co-operative Banks.

3. How far is instruction in banking, theoretical and practical, combined at present ?

4. Can you give any information regarding the facilities afforded in other countries in the matter of banking education ? Have you any suggestions to make regarding the facilities that should be made available in India ?

Have you any suggestions to make in regard to the grant of facilities for higher training outside India to bank probationers and bank assistants in India ?

5. Have you any suggestions regarding the constitution of the Indian Institute of Bankers ?

6. What is the present position and what in your opinion should be the future position of the Indian Institute of Bankers in regard to Banking Education ?

7. What is the training of indigenous bankers at present ?

Have you any proposals of a practical nature for the provision of special training for this class ?

8. What are the prospects, present and future, of boys trained in banking in India ?

Do you attribute the slow development of banking and specially branch banking to absence of trained men in India ?

SECTION IV.—ANSWERS.

BANKING EDUCATION.

Q. 1. At present there are not sufficient facilities in the country for banking education in schools and colleges: A few universities in India have established degrees in Commerce. It is a pity that there is very little co-ordination between the institutions which train candidates in banking and the banks.

Q. 2. The existing banks do not provide sufficient facilities for the training of boys in the banking business. The Presidency Banks before they were amalgamated into the Imperial Bank, used to take apprentices for training, but they were not able to attract proper persons on account of the low start they gave.

The other Joint Stock Banks have not so far as we know any definite efficient system of training boys for banking business. The Imperial Bank at present recruits its staff mainly by importing young men from England. These people are started on good pay, with a time scale and other facilities. Recently for some years they have been selecting probationers for training in banking methods, who after two years' probation, are confirmed and put in charge of various duties in Branches and in the Head Office. The start given to Indian recruits is not on the same scale as that given to the European recruits, though the academic qualifications of the latter are not on a par with those of the Indian recruits. The Indian Joint Stock Banks have not any definite scheme of training or probationership for young men. The exchange banks as a rule do not take any Indian for training in the business of exchange banking. The recruitment is generally confirmed to the clerical line and the highest post that any Indian can fill up in the exchange bank is that of a Cashier or a Shroff.

Regarding the Co-operative Banks, attempts are being made to enlist into their service educated young men. But the necessary facilities for training in methods of banking and co-operation are still lacking. Recently the Government of Madras have opened a training class in the local School of Commerce for training recruits to the Co-operative Department. As yet no definite scheme of training for Co-operative Banks' employees is to be found in the country up to the requisite standard.

Q. 3. Instructions in banking—theoretical—is generally looked after by the commerciali nstitutes and colleges of commerce established under the aegis of the Universities, but there is no co-ordination between theoretical training and practical work. If the instructions in banking is to bear fruit, it is necessary that some co-ordination has to be established between the theoretical studies provided for by the existing institutions, and practical work in banking institutions.

Q. 4. So far as we know very good facilities are afforded for banking education in the United Kingdom. The Institute of Bankers

hold periodical examinations for employees in banks and large number of employees sit for those examinations held by the Institute. Further the banks in the United Kingdom pay bonuses to the candidates, who pass the examination of the Institute of Bankers.

The various Chambers of Commerce and other Associations also conduct examinations in commercial subjects and grant certificates, the holders of these certificates being generally preferred to others for employment in the banking institutions.

The only suggestion that we can make with regard to making such facilities available in India, is that the banks here must insist upon minimum qualifications for employment in banking houses and also give sufficient facilities for their employees to improve their knowledge by granting bonuses as in the United Kingdom to candidates passing examinations held by responsible authorities. Further if a bankers' association is formed in the country and they come to the conclusion that only persons who have received a certain minimum education in banking and commercial subjects, should be entertained in their institutions and give preference to persons holding certificates from responsible authorities, the question of banking education can well be solved. It will greatly facilitate higher training if suitable candidates, who are already employed in banking institutions are selected and given scholarships to get higher training outside India if necessary. The scholarships may either be instituted by the Government or the Universities or the Association of the Bankers.

Q. 5 & 6. When the Indian Institute of Bankers was started, not one of the co-operative banks, was consulted. There is not even now a single representative of the co-operative banks on the governing body of the Institute. In India, the Co-operative Banking Movement is a factor not to be ignored: The sum total of funds handled by the co-operative movement in India, is next only to that of the Imperial Bank of India and nearly equals half that handled by all the Indian joint stock banks put together. The joint stock banker ought to know all about " Co-operation " and vice versa. At present a subject like Commercial Geography is included in the compulsory subjects of the Associate Examination, but not co-operative banking. It is worthwhile considering whether " Co-operation " should not be prescribed as one of the subjects for the examination of the Institute of Bankers. It is equally worthwhile to press the claims of Co-operative Banks for representation on the Institute.

Q. 8. The prospects at present for boys trained in banking in India are very meagre. There are not large Joint Stock Banks with huge branch ramifications to employ trained staff. The Imperial Bank to a certain extent selects young men with university qualifications for probationerships in their institutions. So far as we know the Exchange Banks will not take Indians for employment in their organisations. The manning of Indian Joint Stock Institutions is being done in a haphazard fashion, being private institutions, and nepotism is generally the order of the day. Till banking organisation grows on a large scale, it does not seem that there is any present or future prospect for boys, who specialise in banking. To a certain extent the slow development of branch banking may be due to want of sufficient number of trained men in the country. But more than this, it is the difficulty in coping with the competition of the Imperial Bank that stands as a bar to the quick growth of branch banking.

SECTION V.—QUESTIONNAIRE.

GENERAL BANKING ORGANISATION AND MONEY MARKET.

1. Do you find in the present organisation of Banks and the Money Market in different parts of India any defects which are likely to be remedied by

(*a*) administrative measures of Government,

(*b*) legislation, and

(*c*) co-operation amongst bankers themselves?

2. Have you any suggestions to make regarding greater co-operation between indigenous banks and other banks in India?

3. Have you any suggestions to make with regard to the organisation and functions of Clearing Houses in India?

4. Have you any suggestions to make with regard to the regulation of the bank rate?

5. Can you describe from personal observation any financial panic which arose in any centre in India?

Explain its causes and state if you have any suggestions to make with a view to preventing any unjustified panic?

6. Can you indicate the nature of frauds and malpractices which have been experienced by banks in India and which have from time to time led to stricter regulation and restriction of credit by these banks thus making *bonafide* constituents suffer?

To what extent have such frauds and malpractices to be attributed to the inadequacy of existing legal provisions and defective nature of business practices? Can you suggest any change which will afford protection to the banks against such malpractices without entailing any hardship on *bona fide* customers?

7. Have you any suggestions to make with regard to Banking organisation in India by which—

(*a*) the cost of management may be reduced,

(*b*) the rate of interest on advances can be brought down,

(*c*) greater stability of banks can be assured, and

(*d*) the cash resources of the various banks can be mobilised to meet any emergency or unexpected situation that may arise?

8. Considering that the dividends of established banks are fairly high, what in your opinion prevents more capital being invested in the expansion of existing banks or the establishment of new banks?

9. Do you support the suggestion that banks in India do not find a sufficiently large number of bills against which they could make advances and that this particular instrument of credit of which the banking systems in other countries make large use is not available in sufficient quantities in India? If so, what are the causes of this and what remedies do you suggest?

10. Have you any suggestions to make regarding the organisation of the Indian Money Market with reference to settlements on stock and produce exchanges?

11. Can you describe the relationship that now exists in India between the banks and the various classes of brokers, such as finance brokers, hundi brokers and exchange brokers?

12. Have you any information regarding the general agency business done by banks in India for their constituents?

13. How far have banks in India found the maintenance of their own godowns successful in meeting the trade requirements of their constitutents?

14. Have you any suggestions to make for augmenting the resources of banks so as to enable them to afford further facilities to commerce, industry and agriculture?

Would you recommend any one or more of the following methods for securing the increase in capital or would you suggest any other method:—

(a) by way of foreign capital, *i.e.*, by direct floatations in other countries or through Foreign Banks; or
(b) by attracting the savings of the community; or
(c) by funds made available by Government *e.g.*, a proportion of the receipts from Cash Certificates and Savings Bank deposits?

15. To what extent has the Imperial Bank of India been serviceable in the past—
(a) to the main industries of India, such as Cotton, Coal, Jute Metals, Sugar, Electrical undertakings (including Hydro-Electric projects);
(b) to the movement of crops;
(c) to the Exchange Banks;
(d) to ordinary Banks—Indigenous and Joint Stock;
(e) to the Indian States; and
(f) to the Indian Provincial Governments?

16. To what extent has the Imperial Bank of India been useful in regard to the liquidation or other banks?

17. Have you any views regarding the present position of the Imperial Bank of India and the position it should occupy in the future?

18. What facilities and concessions has the Imperial Bank of India enjoyed from Government, Municipal and other Corporations and Indian States?

Should all these continued or restricted?

State if in your opinion Joint Stock Banks in India should also be afforded similar facilities and concessions.

SECTION V.—ANSWERS.

GENERAL BANKING ORGANISATION AND MONEY MARKET.

Q. 1. This question must be answered from the stand-point of whether the trade is export trade or internal trade. Most of the export trade is chiefly financed by the Exchange Banks and Commercial houses. These houses have their own finances or depend on Exchange Banks and to a certain extent on the Imperial Bank of India, in an indirect way. Really, what suffers is the internal trade and the export trade of the Indian producers and the Indian merchants who are not linked to export houses. The exchange banks mostly finance European mercantile export houses. The Imperial Bank practically possesses a monopoly having branches all over India, and therefore facilities for mobolising money from district to district through the various branches in the country. The joint stock banks

that exist are detached bodies linked in no way to each other and therefore cannot mobilise money except through the Imperial Bank. If all these Banks are organised in such a way as to work together, they could facilitate the remittance of money from one end of the country to another. There are fortunately Central Co-operative Banks almost in every district in India now and all these could be linked together through their provincial organisations to mobilise their resources through the aid of the State Bank. If they are permitted to discount bills and advance monies on documentary bills, then the facilities for marketing would undoubtedly be improved and made cheaper.

We, as a Co-operative Bank, are vitally interested in the question of movement of funds from one place to another because our organisations are widespread and the success of agricultural finance through co-operative credit societies will largely depend upon the ease, readiness and cheapness with which funds can be moved.

We do not think that the Co-operative Banks can solve this problem for themselves by establishing an All-India Co-operative Bank. The Provincial Banks' Conference considered the scheme impracticable. No All-India organisation of that nature can function profitably, unless large free funds are made available and wide fields of investment are also open. In both these respects the All-India Bank will suffer and will not be in a position to help the provincial banks.

Q. 2. It is possible and highly desirable to link indigenous banks and bankers with the central money market and provincial capitals. The existing branches of joint stock institutions and co-operative central banks can be utilised to facilitate the business of indigenous bankers. These institutions can be made use of for collection of the Hundies that an indigenous Banker might have discounted or by special arrangements to get his bills discounted by them on business terms. In this way, it is possible to open up areas which are now suffering from want of banking facilities. At every District Headquarters, there is a central co-operative bank whose services also may be utilised for this purpose with advantage. Such local joint stock and co-operative banks will inspire great confidence among the indigenous bankers, if the services of the latter are utilised for the purpose of opening and giving credits to members of the public that may deal with the banks through them. Such an arrangement would, to an extent, benefit the indigenous banker and he will feel attached to a joint stock bank for pushing business through him. Further, the local knowledge of the indigenous bankers will be of great help to the banking institutions to fix the credit-worthiness of various parties.

The indigenous banker usually does not deposit his surpluses in slack season in the joint stock banks, but retains in his chest portions of them after reducing part of his liabilities; but, when there is stress for money, he resorts to joint stock banks for borrowing. So, these bankers have idle resources at certain seasons, while they are maintaining practically no resources at other times. The joint stock banks on their part, are compelled to continuously maintain large resources owing to the absence of a Central Reserve Bank. The result is that such needless and idle portion of the reserves scattered among the numerous indigenous and joint stock bankers do not play their part in developing the resources of the country, by being profitably employed. If there are proper arrangements to enable both indigenous bankers and joint stock bankers to rely upon each other and upon a central reserve institution in times of need, the resources that are idle at present can be more profitably employed.

Undue emphasis is laid upon the risks involved in connecting co-operative banks with this kind of business. There is no ground for such fear, as many of these co-operative institutions have run a life of 20 to 25 years and are found capable of handling business with due care and caution. They are also getting to be manned by well-paid, qualified and trained staff, and in the interests of improving the banking facilities, these institutions must take up courage in their hands and connect themselves with the business world.

Q. 4. We feel that so long as the Government of India have the control over currency operations, even the Imperial Bank is unable to so regulate its rate as to safeguard its own banking interests. This we gather was the effect of the non-official opinion expressed in the Central Legislature during the budget debate in March 1929. So the right solution of this question seems to be inextricably connected with the organisation of a central bank, which will control both the currency and credit.

Q. 7. The management of Co-operative Banks is economical, for it is still partly honorary and where the services are paid for, the salaries of even the higher officials are smaller than those of men occupying similar positions in commercial banks, because competent men are attracted to the movement by idealism and love for the movement. The Co-operative Banks are bound by statutory rules to maintain certain standards of fluid resources and are also precluded from declaring high rates of dividends and are compelled to build up reserves rapidly by diverting 25 per cent of their annual net profits to the Reserve Fund. In our answer to question No. 2 of Section III,

we have indicated our view that similar, though not exactly the same obligations should be cast on commercial banks regarding the maintenance of liquid resources, reserves and the like.

Q. 12. Some of the co-operative banks like other banks do small services to their constituents such as collecting interest on their securities, payment of insurance premiums, purchase and sale of Government Paper and the like. We are not sure whether the word 'agency' used in the question refers to such services; otherwise we are not aware of any other kind of agency work done by co-operative banks.

Q. 14. We feel that indigenous capital must be preferred to foreign capital. We are in favour of a proportion of the receipts from cash certificates and savings bank deposits being diverted to give facilities to commerce, industry and agriculture in this country.

We have already stated that the Gold Standard and the Paper Currency Reserves must be transferred to India. We also feel that the resources of the Insurance Companies may be diverted to long term investments in Co-operative Land Mortgage Banks. The interest on the debentures of these banks is already guaranteed in all the provinces, either by the Government of India or the Provincial Governments and they can be easily declared to be trustee securities, if necessary, by rules made by the High Court in each province. Even if they are not so declared, the insurance companies can create power for themselves to so invest their money, which for practical purposes is long-lying money, in this very safe mode of investment, i.e., debentures of the Land Mortgage Banks.

Q. 15. In the province of Madras, the Imperial Bank advances large sums to certain class of agriculturists on the pledge of produce. Except in the case of large producers this form of accommodation does not however ordinarily reach the agriculturist. It is the middlemen, who store the produce and get advances, that are so accommodated. When the co-operative banks try to reach the smaller agriculturists by lending on produce, we notice a certain amount of dissatisfaction on the part of the Imperial Bank. We think that the Imperial Bank should encourage co-operative banks to supplement the work of facilitating produce loans through co-operative institutions to small agriculturists.

Q. 17 & 18. The question of the Imperial Bank's status is bound to arise, either when the period of its contract with the

Government is extended or when the question of starting the Reserve Bank is revived.

We may point out that in this province the funds of the local boards and municipalities are allowed to be invested in co-operative banks and the extent of such investment to-day is approximately 2 crores. We understand that in this matter the Imperial Bank has practically a monopoly in other provinces. It is worth while considering whether the co-operative banks in other provinces might not also be entrusted with local and municipal money. Similarly we see no reason why all departments of Government should be obliged to resort to only one Bank. We understand that in Ceylon the different departments of the Government are permitted to invest their funds in different banks approved by Government. We do not see any reason why such co-operative and joint stock banks as are approved by the Government of India should not also be trusted with the funds of the different departments of the Government.

V. C. RANGASWAMI,
Secretary.

C. C. P. Works Ltd., Madras

LIST OF DELEGATES

TO THE

XVIII Madras Provincial Co-operative Conference

PROVINCIAL SOCIETIES

Name of Institution	Name of Delegates
	Messrs.
The Madras Central Urban Bank ...	1 Rao Saheb T. Sreenivasa Rao
...	2 Rao Saheb V. Krishna Menon
The Triplicane Urban Co-operative... Society	3 A. Sivarama Menon
	4 Parthasarathy Iyengar
The Christian Central Co-operative... Bank	5 G. Sriram Babu Naidu
	6 S. Krishnaswamy Iyengar
The Central Co-operative Printing ... Works	7 T. V. Tirunavakarasu Mudaliyar
The Madras Central Land Mortgage... Bank	8 Dewan Bahadur M. Ramachandra Rao

LANGUAGE FEDERATIONS

	Messrs.
The Andrah Provincial Co-operative... Union	9 S. V. Narasimha Sastry
	10 G. Ramachandra Rao

CENTRAL BANKS

	Messrs.
Ananthapur Dt. Co-operative Central Bank	11 Pappu Ramacharyulu
	12 B. Bheemeswara Rao
North Arcot Dt. Co-operative Central Bank	13 V. Murugesa Mudaliar
	14 V. A. Subbarayulu Naidu
S. Arcot Dt. Co-operative Central ... Bank	15 V. Srinivasachariar
	16 P. A. Sivananda Mudaliar
Hospet Co-operative Central Bank ... Bellary	17 P. Krishnachariar
	13 P. Uddanayya
Chingleput Dt. Co-operative Central... Bank, Conjeevaram	19 Rao Bahadur M. K. Venkatachariar
...	20 K. Rangasami Iyengar
Chittoor Dt. Co-operative Central ... Bank Chittoor	21 D. Vasudevarao
	22 M. Balaramier

NAME OF INSTITUTION		NAME OF DELEGATES
		Messrs.
Coimbatore Dt. Urban Bank ...	23	T.S. Venkataramanayyar
	24	Rao Saheb K. M. Chinnarangiah Gounder
Cuddapah Dt. Co-operative Central ...	25	V. Srinivasa Rao
Bank	26	Subbaramayya
Ganjam Dt. Co-operative Banking ...	27	G. Dharma Rao
Union Berhampore	28	Rao Saheb V. Appa Rao
Aska Co-operative Central Bank Aska.	29	Sriman B. K. Ratha Mahasayo
Ramachandrapuram Co-operative ...	30	B. Venkataratnam
Central Bank	31	B. V. Krishna Rao
Sri Konaseema Co-operative Central...	32	V. Ramamurty
Bank Amalapuram	33	B. N. Sastry
Godavary Dt. Co-operative ...	34	N. Srinivasa Rao
Banking Union	35	L. Subba Rao
W. Godavary Co-operative ...	36	B. Krishnamurty
Central Bank, Ellore	37	G. Anjaneya Chowdary
Guntur Dt. Co-operative Bank ...	38	Ch. Ayyapparaju
Tenali	39	P. C. Sarma
South Kanara Dt. Co-operative Central Bank, Kodailbail, Mangalore ...	40	G. Venugopala Rao
Kistna Co-operative Central ...	41	K. Lakshminarayana
Bank, Masulipatam	42	K. Lakshmayya Naidu
Viziavada Co-operative Central ...	43	P. V. Krishna Sastry
Bank Bazwada	44	B. Purnayya Pantulu
Kurnool Dt. Co-operative ...	45	S.V. Narasimha Rao
Central Bank Kurnool	46	R. Ayyakutti Iyengar
Madura Ramanad Dt. Co-operative ...	47	E.S Sunda
Central Bank	48	L. Dharmarajayyar
Malabar Dt. Co-op. Central Bank ...	49	P. S. Nambiar
Nellore Dt. Co-operative ...	50	O. Viswanadha Rao
Banking Union	51	V. Narasinga Rao
Srivilliputhur Co-operative ...	52	G. Alagiriswami Naidu
Bank, Srivilliputhur	53	P.S. Subbaraju
Salem Dt. Urban Bank ...	54	S.C. Venkatappa Chetty
	55	T.R. Nagaraja Rao
Tanjore Co-operative Central ...	56	Rao Saheb K. S. Srinivasa Iyer
Bank Tanjore	57	R. Sundaram Iyer
Tanjore Dt. Co-operative Central ...	58	G. Venkatarangachariar
Bank Kumbakonam	59	V.R. Srinivasan
Tinnevelly Dt. Co-operative ...	60	Nelliappa Pillai
Central Banking Union	61	Shanmukha Sundara Mudaliar
Trichy Dt. Urban Bank ...	62	P. Srinivasaraghava Iyengar.
Trichinopoly	63	Vadamalai Konar
Vizagapatam Co-operative ...	64	C. Subbarao Pantulu Garu
Banking Union	65	K. Kalidas
Rajahmundry Co-op. Central Bank ...	66	Dr. P. Gurumurthy

DISTRICT FEDERATIONS

NAME OF INSTITUTION		NAME OF DELEGATES
		Messrs.
N. Arcot Dt. Council of Supervision ...	67	V.D. Arunachala Mudaliar
Vellore	68	R. Mohanam Naicker
S. Arcot Co-operative Federation ...	69	K. Balasubramanya Naidu
Cuddalore	70	Bangarusamireddi
Bellary Co.operative Federation ...	71	Dr. Nagannagoud.
Chingleput Co-operative Federation...	72	K. Venugopal Mudaliar
Conjeevaram	73	K. Raghavachariar
Chittoor Dt. Co-operative Federation..	74	C. Venkataramana Iyer
	75	C.P. Sarathy Mudaliar
Coimbatore Nilgiris Federation ...	76	V. Subramanya Iyer
Coimbatore	77	A.R. Gurumurthy Naidu
Cuddapah Co-operative Federation ...	78	K. Gundu Rao
	79	A. Parasurama Rao
Aska Co-operative Federation Aska ...	80	Sriman B.K. Rath Mahesayo
Ganjam Dt.		
East Godavari Dt. Co-operative ...	81	N. Satyanarayana
Federation Alamuru	82	M. Narasanna
West Godavary Dt. Co-operative ...	83	K. Brahananda Rao
Federation Nidadavole		
Guntur Dt. Co-operative Federation...	84	G. Simhachalam
Guntur	85	J.V. Subbarao
Kistna Co-operative Federation ...	86	G.V. Appa Rao Pantulu garu
Bezwada	87	A. Ramasastrulu garu.
Kurnool Dt. Co-operative Federation...	88	K. Ramanadha Iyer
Kurnool	89	M. Kondareddi
Madura Ramnad Dt. Co-operative Federation Madura ...	90	G. Srinivasa Raghavachariar
Vizagapatam Dt. Federation ...	91	C. Subba Rau
Malabar Co-operative Federation ...	92	M.P. Govinda Menon
Chalapuram Calicut	93	R. Suryanarayana Rao
Nellore Dt. Co-operative Federation...	94	M. Venkatarangiah
Nellore	95	M. Ramakrishnayya
Ramnad Dt. Co-operative Federation Ramnad ...	96	Nallakuthallam Pillai
	97	P. S. Chinnavenkata Raja
Trichinopoly Dt. Co-operative Federation Trichinopoly ...	98	M.M. Krishnaswamy Pillai
	99	V. Rangaswamitatachariar
Ananthapur Dt. Co-operative Federation ...	100	K. S. Raghavacharlu
Taniore Dt. Co-operative Federation ...	101	O. A. Narayanaswamy Iyer
	102	A. M. Gnanamuthu Pillai

LOCAL CO-OPERATIVE SUPERVISING UNIONS.

ANANTHAPUR DISTRICT

Name of Institution	Name of Delegates
	Messrs.
Dharmavaram Local Co-operative Union	103 T. Krishna Rao
	104 D. Chayyappa
Gooty „ „ ...	105 Y. Ramaswamy
	106 C. Ranganadha Iyengar
Hindupur „ „ ...	107 P. Krishna Rao
Penukonda „ „ ...	108 C. Ranga Rao
Tadpatri „ „ ...	109 A. Srinivasiah
Kadiri „ „ ...	110 K. Vasanthacharlu
Lepakshi „ „ ...	111 L. Ramachandra Rao
Madakasira „ „ ...	112 A. Krishnamurty Rao
Ananthapur „ „ ...	113 S. Srinivasulu

NORTH ARCOT DISTRICT

	Messrs.
Arkonam Local Co-operative Union ...	114 A.R. Munuswami Reddiar
	115 N. G. Chengalraya Mudaliar
Arni „ „ ...	116 S. Singara Mudaliar
Cheyyar „ „ ...	117 S. Chengalraya Mudaliar
Ambur, „ „ ...	118 A.N. Krishnamurthy Rao
Kalavai „ „ ...	119 K. M. Singaravelu Mudaliar
Kaverpiauk „ „ ...	120 D. Devaraja Mudaliar
	121 J. Ramaswamy Mudaliar
Mailputty „ „ ...	122 P. Adimoola Mudaliar
Pallikonda „ „ ...	123 K. A. Venkatasami Mudaliar
	124 P. Duraisamy Mudaliar.
Timiri „ „ ...	125 V. A. Vadivel Mudaliar
	126 K. S. Rajagopala Mudaliar
Tirupathur „ „ ...	127 K. M. Vijiaraghavulu Goundar
	128 V. Manikkam Chettiar
Vaniyambadi Co-operative Union ...	129 R. Govindasami Goundar
	130 T. Karia Goundar
Wandiwash „ „ ...	131 V. Arunachala Mudaliar
Then Iluppi „ „ ...	132 Periya Thambiar
	133 Murugesa Mudaliyar

SOUTH ARCOT DISTRICT

	Messrs.
Katumannargudi Co-operative Union ...	134 S. Srirangachariar
Cuddalore Co-operative Union ...	135 Syed Khadar Saheb
Kallakurichy Co-operative Union ...	136 D. P. Tathachariar
Tindivanam „ „ ...	137 T.J. Mahammad Ismail Sahib Bahadur

Name of Institution	Name of Delegates
	Messrs.
Valavanur „ „ ...	138 Kanaka Venkataramanayyar
Villupuram „ „ ...	139 R. Srinivasayyar
	140 A. Nagarajayyar
Vridhachalam „ „ ...	141 M. G. Parthasarathy Mudaliar
Chidambaram „ „ ...	142 C. S. Ranganatha Iyengar
Parvathipuram „ „ ...	143 T. Veeraswami Reddiar
Sankarapuram „ „ ...	144 Venkatachellam Iyer
Mudiyanur „ „ ...	145 Rao Saheb Kolandavelu Udayar
Rettani „ „ ...	146 Ramasami Reddiar
	147 Lakshmana Chettiar
Alampundi „ „ ...	148 P. Vedappa Naicker
	149 Nallan Pillai

BELLARY DISTRICT

	Messrs.
Adoni Co-operative Union ...	150 M. Venkobasastry
Hadagalli „ „ ...	151 H. K. Basavaraj
Harpanahalli Co-operative Union ...	152 A. Narayana Bhatt
Bellary „ „ ...	153 K. Ramarao
	154 Sivachennabasavappa
Rayadurg „ „ ...	155 B. Venkatappa Garu.
Siruguppa „ „ ...	156 J. Venkobachariar

CHINGLEPUT DISTRICT

	Messrs.
Conjeevaram Non-Agricultural Union...	157 A. V. Subramanya Iyer
Conjeevaram	158 V. Gnanadhikam
Maduranthakam Co-operative Union ...	159 M. Krishnaswami Iyengar
	160 M. Vedagiri Mudaliyar
Madhrumangalam „ „ ...	161 K. Raghava Pillai
	162 P. Innayya Naidu
Nagalapuram „ „ ...	163 V. M. Janardanam
Nelvoy „ „ ...	164 P. Rangaswamy Iyengar
	165 N. Srinivasachariar
Padalam „ „ ...	166 N. K. Ganapathi Mudaliar
	167 Nathamuni Reddiyar.
Pallavaram „ „ ...	168 A. Krishnaswami Iyer
	169 S.K. Govindarajalu Nayakar
Poonamalle „ „ ...	170 P. Krishnamurthy Rao
	171 Ranganadha Mudaliar

Name of Institution		Name of Delegates
		Messrs.
Mukundagiri „ „	... 172	T. K Gopalasami Naidu.
Uttukottai „ „	... 173	Chinnasami Chettiyar
	174	C. Gopalachettiar
Salavakkam „ „	... 175	S. V. Srinivasa Iyengar
Chingleput „ „	... 176	K. M. Narasimhachariar
	177	V. Vijayaraghavachariar
Tinnanur „ „	... 178	K. Raghavachariar
Ponneri „ „	... 179	T. Syama Rao
Karumbakkam „ „	... 180	S. M. Subbaraya Mudaliar
Marudalam „ „	... 181	A. N. Narasimhareddiar
	182	A. M. Munusami Reddiar
Sriperambudur „ „	... 183	M. Papiah Naidu
	184	P. Rayappa Naidu
Kanniapperi „ „	... 185	M. Uddandi Mudaliar.

CHITTOOR DISTRICT

		Messrs.
Chittoor Co-operative Union	... 186	M. Chengareddi
	187	M. Kalapareddi
Punganur „ „	... 188	P. Ramireddi
Tiruvelangadu Co-operative Union	... 189	T.K. Viswanadha Pillai
	190	T. C. Nataraja Mudaliar
Tirupathy „ „	... 191	K. Srinivasa Iyer
Vayalpadu „ „	... 192	N. C. Rama Reddi
	193	B. Venkatasami Reddi

COIMBATORE DISTRICT

		Messrs.
Erode Co-operative Union	... 194	T. Srinivasa Mudaliar
Kambiliampatty Co-operative Union	... 195	Rao Saheb K. M. Chinnarangayya Goundar
Satyamangalam „ „	... 196	S. K. Krishnaswami Goundar
Palladam „ „	... 197	S. P. Palanisami Goundar
Gobichettypalayam „ „	... 198	C. S. Mahadeva Iyer

CUDDAPAH DISTRICT

		Messrs.
Cuddaph Co-operative Union	... 199	A. V. Subbarao
	200	S. Srininivasarao
Nandalur „ „	... 201	G. Sundararao
	202	K. Lakshminarasayya
Khajipet Co-operative Union	... 203	C. Jayarao
Yerraguntla „ „	... 204	B. Narayanaswamy

EAST GODAVARI

Name of Institution		Name of Delegates
		Messrs.
Adduru Co-operative Union	... 205	U. Seetharamachandram
	206	N. Sambamurthy
Alamuru „ „	... 207	N. Kameswararao
	208	P. V. Subba Rao
Amalapuram „ „	... 209	K. Venkataratnam
	210	V. Subba Rao
Narendrapuram Co-operative Union	... 211	P. Ramabrahmam
Peddapuram „ „	... 212	G. Lakshminarayana
	213	C. Kamaraju
Ramachandrapuram Co-op. Union	... 214	T. Chalapathi Rao
	215	N. Sanaraju
Cocanada „ „	... 216	B. Jaggaraju
	217	M. Rangaiah Naidu
Island Polavaram „ „	... 218	A. Rajagopalam
Palivela „ „	... 219	Y. Ramachandra Rao
Pithapuram „ „	... 220	V. Kameswararao
	221	Varagaswami
Rajahmundry „ „	... 222	P. Suryaprakasa Rao

WEST GODAVARI DISTRICT

		Messrs.
Tadepalligudem Co-operative Union	... 223	T. Veeranna
Ellore „ „	... 224	Rao Saheb G. Venkayya Chowdary
Nidadavolu „ „	... 225	D. V. Krishna Rao
	226	T. Kutumbasastry
Penugonda „ „	... 227	Ch. Seshagiri Rao

GUNTUR DISTRICT

		Messrs.
Ponnuru Co-operative Union	... 228	K. V. Raghvayya
	229	M. Venkataramayya
Repalle „ „	... 230	Y. Satyanarayanarao
	231	P. Rangacharyulu
Tenali Co-operative Union	... 232	B. Hanumantharao
	233	M. Viswapathi
Guntur Taluk „ „	... 234	P. Koteswara Rao
	235	B. V. Subbarao
Piduguralla „ „	... 236	A. Vasudevarao
	237	D. Laksminarasimham

SOUTH KANARA DISTRICT

NAME OF INSTITUTION	NAME OF DELEGATES
	Messrs.
Mangalore Town Union	... 238 R. W. Bhandarkar

KISTNA DISTRICT

	Messrs.
Gudlavalleru Town Union	... 239 Chitta Suryanarayana
Gudivada „ „	... 240 L. Durvasulu
Devarakotta Town Union	... 241 P. Lingayya Garu
	242 K. Narasimha Rao
Addada „ „	... 243 V. Basaviahghodahi

KURNOOL DISTRICT

	Messrs.
Nandyal Co-operative Union	... 244 K. C. V. Seshacharulu
	245 R. Rama Rao
Kurnool „ „	... 246 T. R. Ramachandra Sastri
Koilakuntla „ „	... 247 G. Nagareddi
	248 Santiah Reddi
Atmakur „ „	... 249 Ramakrishna Singh
Pattikonda „ „	... 250 B. Rangaswamy Mudaliar
	251 T. Ramanujalu Chetty
Yerraguntla „ „	... 252 B. Narayanaswamy.
Dhone „ „	... 253 C. Veerachari
Pyapali „ „	... 254 R. Subbarayudu

MUDURA DISTRICT

	Messrs.
Dindigul Co-operative Union	... 255 T. M. Appavu
Palani „ „	... 256 C. Krishna Iyer
Periyakulam „ „	... 257 E. S. Sankara Iyer
Usilampathy „ „	... 258 K. Ranga Rao
Uthamapalayam „ „	... 259 M. Parimanam
Tiruparankunram „ „	... 260 S. Raja Rao
Vadamadura „ „	... 261 V. B. Ramanujalu Naidu

MALABAR DISTRICT

	Messrs.
Ottapalam Co-operative Union	... 262 A. S. Menon
Tellichery „ „	... 263 P. Achyutham.
	264 A. T. Nathaniel

NELLORE DISTRICT

	Messrs.
Sulurpetta Co-operative Union	... 265 Kamireddy
	266 Subba Reddi

NAME OF INSTITUTION	NAME OF DELEGATES
	Messrs.
Indukurpet Co-oeerative Union	... 267 J. Srihari Naidu
Allur „ „	... 268 V. Kamakshayya
Kovuru „ „	... 269 T. Malla Reddi
Muthukur „ „	... 270 B. Subbaiah

RAMNAD DISTRICT

	Messrs.
Mangalam Co-operative Union	... 271 Guruswamy Thevar
	272 Ayyappa Reddiar
Rajapalayam „ „	... 273 V. S. Ramakrishna Iyer
„ „ „	... 274 P. S. Subba Raju
Tirupathur „ „	... 275 P. A. Subrahmanya Iyer
Srivilliputhur „ „	... 276 Alagirsawmy Naidu
	277 P. S. Subbaraja
Sundarapandiyam „ „	... 278 S. Ganapathy Iyer
Ramanadhapuram „ „	... 279 M. S. Thurumalai Iyengar
Tiruthangal „ „	... 280 R. Venkataswami Naidu
Vachakarapathy Co-operative Union	... 281 V. Mukundaramanujadas
	282 Nallamma Naidu
Kallavanayakkanhatti Co-op. Union	... 283 A. Subba Naiker

SALEM DISTRICT

	Messrs.
Dharmapuri Co-operative Union	... 284 K. V. Rajagopala Iyer
Namakkal „ „	... 285 M. K. Seetharama Chettiar
Rasipuram „ „	... 286 Krishna Chettiar
	287 Karupana Goundar
Salem „ „	... 288 N. V. Krishna Chettiar
Anyampatti „ „	... 289 R. Subbaramier.
Kannadahalli „ „	... 290 K. V. Ponnusami
Uthankarai Taluk Co-operative Union	... 291 K. Pachayyappa Mudaliar

TANJORE DISTRICT

	Messrs.
Arantangi Co-operative Union	... 292 L. A. Abdul Majeeth
Melattur „ „	... 293 S. Kasinadha Iyer
Mayavaram „ „	... 294 V. Raghava Iyengar
Papanasam „ „	... 295 G. Ramamritham Iyer
Pattukottai „ „	... 296 Nadamuthu Pillai
Tanjore „ „	... 297 S. Thangavelu Pillai
Tirukattupalli „ „	... 298 G. Ramachandraier

NAME OF INSTITUTION		NAME OF DELEGATES
		Messrs.
Tirutharaipundi Co-operative Union ...	299	T. V. Chandrasekheram Pillai
	300	V. Vaidyanadha Iyer
Tiruvalur Co-operative Union ...	301	Rao Saheb K. V. Tiruvengada Mudaliar
	302	M. D. Thyagaraja Pillai
Urthanad North " " ...	303	V. M. Govinda Pillai
Shiyali " " ...	304	Srinivasa Mudaliar
	305	R. Krishnaswami Iyer

TINNEVELLY DISTRICT

		Messrs.
Ambasamudram Co-operative Union ...	306	S. C. Somasundara Mudaliar
Chinthamani " " ...	307	S. Savariperumal Chettiyar
	308	S. Muthukaruppa Pillai
Kayathur " " ...	309	V. Ramaswami Naiker
Kovilpatti " " ...	310	S. Venkataramier
Nangnneri " " ...	311	K. Sudalaikannu Devar
	312	N. Andiperumal Pillai
Ottaipidaram " " ...	313	A. Veerabhadra Pillai
	314	R. Narayanaswami Naidu
Sankarankoil " " ...	315	L. M. Kandasami Chettiar
Tisayanavilli " " ...	316	C. Kandasami Gupta
	317	D. Adhikari Pillai
Srivaikuntam " " ...	318	M. Vedanayagam Pillai
Tiruchendur " " ...	319	T. Dewanayagam Pillai
Ettayapuram " " ...	320	V. Subrahmanya Iyer

TRICHINOPOLY DISTRICT

		Messrs.
Andimadam Co-operative Union ...	321	A.N.K. Sivachitambara Mudr.
Karur North " " ...	322	P. S. Ramanadha Iyer
	323	N. K. Karuppana Goundar
Vengulam " " ...	324	N. P. M. Vijianatchi Reddiar
	325	K. Narayana Rao
Musiri " " ...	326	M. R. Rajagopala Pillai
T. Palur " " ...	327	P. Manikyam Chettiar

VIZAGPATAM DISTRICT

		Messrs.
Anakapalle Co-operative Union ...	328	B. Achanna Naidu
	329	K. Ramadas Pantulu
Narsapatnam " " ...	330	V. Ramarao Pantulu
Bobbilli " " ...	331	T. Ramabrahmam
Yelamanchili " " ...	332	G. V. Subbarao

AUDIT UNIONS

NAME OF INSTITUTION		NAME OF DELEGATES
		Messrs.
Dharmapuri Co-operative Audit Union Salem Dt.	333	S.R. Dharmalingam Pillai
Srivaikuntam " " ...	334	Kolap

NON-CREDIT SOCIETIES

		Messrs.
Coimbatore Co-operative Stores and Bank ...	335	P. N. Krishnaswami Iyengar
Pudupalayam Co-operative Store S. Arcot District ...	336	R. Krishnachariar
	337	R. Krishnaswamier
Tirutharaipundi Co-operative Stores ...	338	T. K. Krishnamurthy Iyer
Pedapalla Co-operative Stores Alamuru East Godavari	339	N. Sundararama Sastry
Madras City Co-operative Building Society Madras	340	S. Rajagopala Mudaliar
	341	S. Govindarajulu Naidu
Ootacamund Co-operative Building Society ...	342	Rao Saheb V. L. Munisami Pillai
Kothur Co-operative Building Society East Godavari ...	343	P. V. Subba Rao
Nallampatti Co-operative Society ...	344	S. Srinivasa Iyer
Andrah Ayurvedic Pharmacy Amalapuram ...	345	A. V. Subbarayudu
Anakapalle Co-operative Loan and Sale Society ...	346	B. Bhirvamurty
	347	K. Ramadas Pantulu
T.U.C.S Employees' Co-operative Building Society ...	348	G. Venkatachellam Pantulu Garu
Sankarankoil Weavers Co-operative Society ...	349	T. M. A. Chitraputta Mudaliar
Erode Co-operative Building Society ...	350	T. Srinivasa Mudaliar
	351	C. V. V. Subbayyar
Ambathur Venkatapuram Co-operative Building Society Venkatapuram ...	352	P. V. Tiruvenkatacharya
Trichinopoly Co-operative Building Society ...	353	M. Venkataramier
Salavakkam Co-operative Credit Society ...	354	Ganapathi Pillai
Gooty London Mission School Students' Co-operative Stores ...	355	C. Ranganadha Iyengar
Tirupathi East Co-operative House Building Society ...	356	T. Seshachellaiah
Soundalampatti Co-operative Society ...	357	Krishnaswami Reddy
Mamund Co-operative Credit Society ...	358	M. S. Subbaier
Anakapalli Co-operative Building Society ...	359	M. V. Kondala Rao

Name of Institution		Name of Delegates
		Messrs.
Bellary Loan and Sale Society ...	360	G. Therunappa
	361	K. Gundachar
The Aravapalli Loan and Sale Society...	362	K. Lakshminarusu
M. H. High School Students Stores ... Anakapalli	363	A. Narayanamurty
	364	P. Veeraraju
Tanjore Agricultural Co-operative ... Society	365	T. Kumaraswami Pillai
Harpanahalli High School Students' ... Stores	366	K. Srinivasa Rao
Madura City Co-operative Stores ...	367	V. Chinnakrishna Naidu
Rajapalayam Gokhale Co-operative Labour Society Rajapalayam ...	368	P. K. Subbaraju
Palani Co-operative Credit Society ...	369	S. Muthusami Mudaliar
Rampachodavaram Purchase and Sale Co-operative Society East Godavari ...	370	V. Satyanarayana
Musiri Co-operative Credit Society ...	371	M. N. Pichu Pillai
	372	M. Ramalingam Pillai
Nangavaram Co-operative Trading ... Union	373	S. Annadurai Iyer
	374	S. Venkataramier
Madras Co-operative Milk Supply ... Union Madras	375	Rao Saheb S. Venugopal Chetti
Chingleput Co-operative Stores ...	376	A. Narasimhachariar
Tanjore Labour Co-operative Union ...	377	M. S. Sundararaja Goundar
Dharmavaram Loan and Sale Society...		
Twenty Club Lawers Co-operative ... Building Society Coimbatore	378	Y. Hanumantha Rao
	379	N. Subrahmanyia Iyer
Salem Co-operative Building Society ...	380	C. S. Subrahmanya Sastry

URBAN BANKS

		Messrs.
Co-operative Town Bank Big ... Conjeevaram	381	A. Kuppuswami Sastriar
Co-operative Urban Bank Gobichetti-... palayam	382	B. S. Subrahmaya Iyer
Co-operative Town Bank Coimbatore...	383	K. S. Madhavarao
	384	S. Kannusami Goundar
Peddunaikenpet Co-operative Society ...	385	R. Madanagopal Naidu
	386	V. Manika Mudaliar
Co-operative Urban Bank Erode ...	387	M. Chikkaya Naiker
	388	A. Srikantayyar
Madras Teachers' Guild C. S. ...	389	B. Ramachandra Rao
Madura Urban Co-operative Society ...	390	Dr. E. S. Ramasubbayyar
Co-operative Urban Bank Melur ...	391	M. Venkatarangayyar

Name of Institution		Name of Delegates
		Messrs.
Co-operative Urban Bank Periakulam...	392	S. Narasingarao
	393	P. S. Sundaram Iyer
Dindugal North Co-operative Urban... Bank Dindugal	394	V. Parameswara Iyer
Nilgiris Public Servants' Co-operative ... Society	395	M. Padmanabha Naiker
Urban Co-operative Society Tirupathur.	396	S. Varada Chettiar
Co-operative Town Bank Tiruvanna-... malai	397	M. Seshachalaiyer
Co-operative Urban Bank Tirupathur...	398	Dr. J. S. Victor.
Co-operative Urban Bank Sivaganga ...	399	S. Nagasami Iyer
Co-operative Society Manamadura ...	400	C. Viswanadha Iyer
	401	V. T. Sanjeevapillai
Bhupathy Rajah Co-operative Society... Rajapalayam	402	P. S. Kumaraswamiraja
	403	A. K. Alagaraju
Salem Urban Co-operative Society ...	404	T. K. Balakrishnachettiar
Co-operative Urban Bank Tiruchengodu	405	M. K. Pattabhiram
Urban Co-operative Society Krishnagiri.	406	K. S. Chengalvaraya Iyer
	407	P. Krisnamurty
Co-operative Urban Bank Namakkal...	408	R. Seshagirirao
Urban Co-operative Society Shiyali ...	409	N. Rathnasabhapathy
Co-operative Urban Bank ... Tiruthuraipundi	410	G. Venkatarangachariar
	411	John David Pillai
Urban Co-operative Society, Pattukottai	412	S. Venkataramier
	413	P. S. Swaminadha Iyer
Nicholson Co-operative Bank, Tanjore..,	414	T. M. Seetharam Pillai
Co-operative Urban Bank, Mayavaram .	415	V. Krishnamurthy Iyer
Co-operative Credit Society, Srivai-... kuntam	416	S. Gopalaiyer
Co-operative Credit Society ... Thiruchendur	417	T. S. Subbarama Sastri
Co-operative Credit Bank, Trichinopoly.	418	N. S. Mani Iyer
Co-operative Credit Bank, Srirangam...	419	S. Krishnaswamy Iyengar
Co-operative Town Bank Hindupur ...	420	L. Gangadhara Sastry
Co-operative Credit Bank Kurnool ...	421	K. Achayya Chettiar
Co-operative Urban Bank Vizaya-nagaram	422	G. Subba Rao
	423	B. K. Viswanathan
Co-operative Town Bank Tirupathy ...	424	P. Radhapathy
Co-operative Urban Bank Guntur.. ...	425	Patri Venkata Hanumantha Rao
Co-operative Urban Bank Lalgudy ...	426	V. S. Ramachandra Iyer
	427	L. V. Gopala Krishna Sarma
Co-operative Urban Bank ... Dharmapuri	428	C. K. Srinivasa Rao

Name of Institution		Name of Delegates
		Messrs.
Co-operative Bank Rasipuram	... 429	Choundappa Chettiar
Co-operative Urban Bank Ramachandrapuram	... 430	M. Narasimha Rao
	431	Venkataramayya
Co-operative Urban Bank Chidambaram	432	C. V. Srinivasachariar
Co-operative Urban Bank Uttamapalayam.	... 433	S. Somasundaram
	434	A. S Lakshmana Iyer
Co-operative Urban Bank Ltd. Coconada	... 435	C. Satyanarayanamurty
Co-operative Urban Bank Usilampatti...	436	N. Ekambareswarier
Co-operative Urban Bank Anakapalli	... 437	K. Ramadas
	438	A. Satyanarayanamurty
Co-operative Town Bank Tadipatri.	... 439	P. Venkataratna Sastri
Co-operative Credit Society Musiri.	... 440	M. N. Pethu Pillai
	441	M. Ramalingam Pillai
Co-operative Urban Bank Tindivanam	... 442	T. E. Krishnamurthy Iyengar
	443	T. K. Kandasawmy Mudaliar
Penugunda Urban Bank	... 444	K. Subbaramayya
Co-operative Urban Bank Gudiyatham.	445	A. Margasagaya Mudaliar
Co-operative Bank Kavali	... 446	V. Subramanya Sastri
Co-operative Town Bank Chittoor.	... 447	V. Krishnaswamy Iyer
Srilakshmi Narayana Co-ope. Urban Bank, Vijapuram	... 448	K. Jayaramier
Co-operative Urban Bank Srivilliputhur	... 449	B. Meenakshi Sundaram Pillai
Co-operative Bank Alwartirunagari	... 450	P. Ramachandra Pillai
Co-operative Urban Bank Satyamangalam	... 451	S. A. Muthu Chettiar
Co-operative Town Bank Punganur	... 452	G. Somanna
Tirumalai Sree Mahant Prayagthorjee Silver Jublee Co-operative Society, Tirumalai Hills, Tirupathi	... 453	H. Narasimhulu Chetty
Co-operative Urban Bank Chingleput	... 454	P. K. Ananthasayana Pillai
	455	K. Devaraju Mudaliar
Mylapore Co-operative Credit Society	... 456	A. K. Krishnasawmy Iyer
Urban Bank, Mannargudi	... 457	T. B. Ratnachallam Iyer
	458	C. S. Rajagopala Iyer.
Udumulpet Urban Bank	... 459	M. Arunachalam Pillai
Adoni Town Bank	... 460	T. Hanumantha Rao
Srivilliputhur Urban Bank	... 461	V. Meenakshisundaram Pillai
Arni Town Bank	... 462	Y. N. Govindarajulu
Palani Co-operative Society	... 463	S. Muthuswamy Mudaliar
Dindigul North Urban Bank	... 464	V. Parameswara Iyer

PRIMARY SOCIETIES (UNLIMITED).

Name of Institution		Name of Delegates
		Messrs.
Vijayanarayanam Co-op. Society	... 465	A. Maila Pillai
Mettupatty Co-operative Society	... 466	S. Gurusawmy Iyer
	467	P. K. Pachaya Gounder
Ramayampatti Co-op. Society	... 468	Mukar Gounder
Karipatty Co-operative Society	... 469	S. Venkatachariar
Maddekera Co-operative Society	... 470	D. Sanjeeva Reddy
Yeletipalayam Co-op. Society	... 471	Kari Venkataratnam
Chintagunta Co-op. Society	... 472	Patil Konda Reddy
Perunapalayam Co-operative Society, Salem	... 473	Kandasawmy Gounder
Kombupalayam Co-operative Society; Trichy.	... 474	Karapana Mudaliar
Mallur Rural Co-operative Society; Salem.	... 475	Sundara Gounder
Vegurampatti Co-operative Society; Namakal	... 476	K. Pirbatha Sahib
Pattikonda Caste Co-op. Society	... 477	P. Ramanjulu Chetty
Vaddevaripalem Co-operative Society; Repalle.	... 478	Vadde Branayya
Ayyampalayam Co-operative Society; Trichy	... 479	Ramalingam Pillai
Menakurchi Co-op. Society; Salem	... 480	G. P. Somasundaram
Sankaran Koil Co-op. Society	... 481	S. K. Gopala Subramanya Iyer
Valasayar Rural Co-op. Society	... 482	Toppa Mudaliar
Ragimisalavada Co-op. Society	... 483	R. Gopala Rao
Ramaghatta Co-op. Society	... 484	R. Govinda Rao
Duggavati Co-operative Society	... 485	D. Lakshmikantha Rao
Nandiburur " "	... 486	A. Dyvanabhatt
Kadabagry " "	... 487	K. Pampapathy Rao
Pall 'Affath' " "	... 488	S. Kupuswamy Mudaliar
Tirumalapuram " "	... 489	Andiappar
Subramanyapuram Co-operative Society; Tinnevelly	... 490	Salvaperumal Pillai
Vaniambadi Co-operative Society Salem	... 491	L. Appaswamy
Ramayya Goundenpatty Co-operative Society Uthmapalayam	... 492	S. T. Appavu Gounder
Vangoor Co-operative Society Walajapet	... 493	Singaravelu Reddiyar
Periakolathur Pallayam Co-operative Society Karur	... 494	Ayyagounder

Name of Institution		Name of Delegates
		Messrs.
Tathaneri Co-operative Credit Society Tinnevelly	... 495	Sankara Pillai
Siva Pillanjars Credit Society, Pulianjudy, Tinnevelly	... 496	Arunachalla Pillai
Sakkampatty Co-operative Society	... 497	A. V. Goma Goundar
Veerapandiya " "	... 498	A.K. Venkataramana Iyer
Amur " "	... 499	C.M. Muthuperumal Naiker
Prudiyanur Co-operative Society	... 500	R. Kolandavalu Udayar
Nallasamudram Rural Co-operative Society	... 501	P. Narayanasawmy Iyangar
Nallur C. M. S. Officials Co-operative Society Alankulam	... 502	John Samuel
Konatheri Co-operative Society N. Arcot	... 503	M. Munisawmy Reddiar
Basavarajendara Co-operative Society ; Hadagalli	... 504	K. Krishnappa Naiker
Sri Venugopalasawmy Co-operative Credit Society Rapalle	... 505	Kalsu Subbayya
Ayakudi Co-operative Society	... 506	K. Velaydhaswamy
Pedapudy Co-operative Society East Godavari	... 507	Ayyagari Narayanagaru
Vilandai Co-operative Society Andimedam	... 508	A. N. K. Sivachitamlara Mudaliar
Anthakudi Sri Gopalakrishna Co-operative Credit Society	... 509	A. K. Narayanaswamy Sastri
Salem Satyamanglam Co-operative Society	... 510	K. R. Vijayaraghava Iyer
Kullampatti Co-operative Society Karipetti	.. 511	N. Rajagopala Udayar
Neykkarapatty Rural Co-operative Society Kondavarampatti	... 512	Ramasawmy Iyer
Ayyampalayam Co-operative Society; Trichi	... 513	Ramalingam Pillai
Sri Venugopalaswamy Co operative Society ; Veeralpathy, Madura	... 514	Trimalai Iyengar
Nallurupalem (Sri Sitharamaswamy Co-operative Society	... 515	S. Narayya
Attur Co-operative Society	... 516	A. G. Venkata Raju
Pittapuram Co-operative Society	... 517	Challa Dorayyagaru
Minampalli Rural Co-operative Society; Salem.	... 518	P. A. Sithambara Mudaliar
Vellore Co-operative Society	... 519	Govindaswamy Pillai
Cumbly Weavers Co-operative Society Bellary	... 520	K. Ramasastry Garu

Name of Institution		Name of Delegates
		Messrs.
Vanaramuti Labour Co-operative Society	... 521	M. Sankarapandi Reddiar
	522	M. Ovar Reddiar
Sonjadu Co-op. Society, Walajabad	... 523	Srinivasachariar
Rendadi Co-op. Society, Sholinghur	... 524	Muniappa Reddiar
Gorigapudy Co-operative Society	... 525	P. Kameswara Rao
Ramachandrapuram Co-op. Society	... 526	Ch. Subba Rao.
Castle Stuart Co-op. Society Peddapuram	... 527	Ch. Dorayya
Pypali Co-operative Society	... 528	S. Balaji Singh
Thentemperi Co-operative Society..	529	T. N. Krishnaswamy Iyangar
Puthuthal Co-operative Society	... 530	Arunachala Mudaliar
Pagavalli " "	... 531	Puvvana Pillai
Thalangai " "	... 532	Rangaswami Chettiar
Kalikiri Co-operative Society	... 533	P. Krishnaswami Aiyengar.
Aramadaka " "	... 534	A. N. Nalla Reddi
Volukur " "	... 535	Munusami Reddiar

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SUPPLEMENT No. VI.

Statement of Receipts and charges of the XVIIIth Madras Provincial Co-operative Conference.

(As on 31—5—1930).

RECEIPTS.

	Rs.	A.	P.
1. Donation	341	8	0
2. Delegation	1,072	0	0
3. Boarding and Lodging Fees including sale of tickets	580	0	0
4. Suspense recovered from Societies - ...	54	0	0
5. Sale of unused articles	14	0	0
6. C. A. withdrawal	514	10	3
Total Rs...	2,576	2	3

CHARGES.

	Rs.	A.	P.
1. Contingencies	91	14	0
2. Stationery	41	14	10
3. Establishment	41	2	0
4. Postage and Telegrams	133	5	0
5. Printing	127	9	0
6. Boarding	872	8	6
7. Pandal	90	0	0
8. Lighting	53	5	0
9. Conveyance cart hire, etc.	117	6	0
10. T. A. to President	75	0	0
11. Miscellaneous (Garlands Rs. 26) Mottos (Rs. 7-8-0) cheque commission (Rs. 1-2-0) and other miscellaneous (Rs. 7-8-0) ...	42	2	0
12. Remittance into current Account ...	812	13	0
13. Suspenses returned	2	0	0
Closing Balance	77	2	11
Total Rs...	2,576	2	3