Madras Journal of Co-operation

Vol XXII

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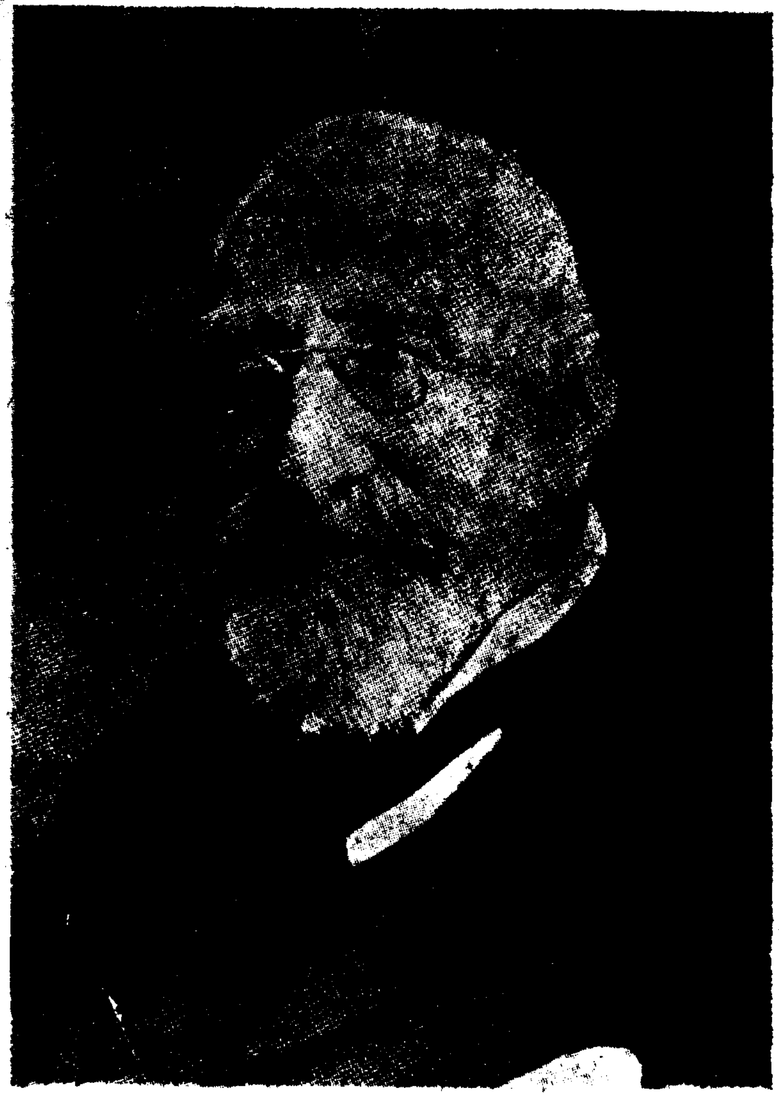

THE LATE MR. H. W. WOLFF.

IN MEMORIAM.

"It is with very deep regret that we have to record the death of our first President and old colleague, Henry H. Wolff, which took place at the Chaterhouse, London on 7th March last. It is a simply tragic circumstance that even the fact of the death of this Trojan amongst Co-operators was quite unknown to us until six weeks later, and then only by an accidental letter from his lawyers intimating that it was not necessary to continue to send publications of the Alliance to his address as he had been laid to rest six weeks before!".

The above extract from an appreciation published by Mr. May, the Editor of the "Review of International Co-operation" will explain the delay in our giving publicity to the sad news of the demise of Mr. Wolff, one of the oldest Co-operators of England. Students of Co-operation in India know under what great obligation the movement has been to the departed. From the moment the Government of India thought of framing a bill to within the last few days of his death, he was in intimate touch with the co-operative movement in India. That the Registrars of various Provinces and States in India should send him every year a copy of their Administration Report was a matter of course; but that the old gentleman should have found time to go through all the pages of these reports and write his own comments, as readers of Indian co-operative journals would have noted he has been doing, is testimony to the great interest which this Nestor of co-operation had for the movement in our land. It was our rare fortune to have attracted his attention by some notes of ours and his kind remarks upon them have been published in the pages of this journal. In him, India loses a trusted guide. May his rest in peace!

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Madras Journal of Co-operation

VOL. XXII] JUNE 1931 [No. 12.

The Editorial Committee do not hold themselves responsible for views expressed by contributors. Contributors are requested to write legibly and on one side of the paper. Manuscripts will not be returned unless stamps are sent to cover postage. Matter intended for the issue of any particular month should reach the Committee before the 15th of the previous month.

Editorial Notes

The English Premier on Co-operation.

When aristocrats like Lord Rosebury condescend to take interest in co-operation, their interest is purely intellectual or academic. They do not have an inside view of things as they belong to a strata of society that has not felt the need for the co-operative movement to make their pennies go as far as they could. Mr. Ramsay Macdonald is a poor man who has risen high by dint of merit and from his younger days, he has been a loyal member of some store or other. 10 Downing Street is now visited by lorries of the London Co-operative Store supplying provisions to the Prime-Minister's household. When he spoke about co-operation, he spoke with authority. On the occasion when the London Office of the Combined English and Scottish Whole Sale Societies which own vast tea estates in India and Ceylon opened an extension for coping with their increased business in tea, the Premier who proposed the toast of the Wholesale said as follows:—

> "I never face a co-operative audience nowadays without feeling a tremor of romance. As I speak, I think of the vision of the faithful men who stood behind the shutters of a little shop in

Rochdale. That was only a few years ago and to-day your flag flies on every sea, your warehouses are erected in every land, and your customers, patrons, and members unite from the rising to the setting of the sun in every quarter of the earth. Co-operators are opening new chapters of social organisation and reorganisation and I look to you as pioneers of what I hope might still be done.

The ideas that flow from co-operative sources are ideas that are not shallow, but ideas which have been tested by practical experiments. The movement has gone from stage to stage widening, deepening, and now occupies a most unique place in the history of human co-operation.

The Tea Society was only born in 1902, but made a good beginning by bringing Scotland and England together to pool ideas and provide great national characteristics. Only in 1924 was the society established in its present form: but to-day it occupies the premier position in the Empire as growers, importers, packers, and distributors of tea. It is the combination of ideas and practical experiments that has made the co-operative movement great. Speaking as a customer and a member, I say: go on pioneering; pioneering all the time as the Rochdale pioneers did in their day and generation".

Prof. Gide on Trade Depression

Even the darkest cloud has its silver lining. The economic depression from which the world suffers at present is admitted to be one of the worst. Persons affected are suggesting all sorts of desperate remedies such as state control of prices etc. It is very refreshing to read, therefore, the following view upon it expressed by the veteran French economist Prof. C. Gide who is of opinion that such artificial interference with the law of supply and demand has prevented the speedy restoration of equilibrium and that long period fluctuations in prices are not harmful.

"These alternate rises and falls of prices in long cycles are not an evil, and in our opinion the economists who try to avoid them to-day by a "price stabilisation policy" (the phrase of the moment) are engaged in a vain task and one of which the realisation would be of small desirability. There is a time for a rise: it acts like a rise in temperature: it stimulates activity and the spirit of enterprise. There is a time for a fall; it acts like a cold douche; it closes the pores; it obliges manufacturers to cut down production costs; it stimulates mechanical inventions, the results of

rationalisation. Spring is a good thing; winter is a good thing. It is good that there should be seasons. The so-called Fortunate Isles where reigns an eternal spring do not know economic crises but they have not seen the birth of any invention, or even a civilisation. Crises are the price which must be paid for progress; the price is not too dear."

Organisation of Our Trade.

One of the most burning co-operative problems of the hour is agricultural marketing on co-operative lines. It is necessary that in this we should grow wiser by our experience in the organisation of credit and take a long view of things and not be content with surmounting the difficulties of the hour.

In this connection what other countries are doing would be of use to us. Great Britain which has been holding the premier place in the commercial world is feeling that it is fast losing that enviable position and is making heroic efforts to retain it or to regain it if it is lost already. The visit of His Royal Highness the Prince of Wales to South America has a commercial aspect underlying as the U.S.A. have now captured the fine markets of Latin America. One Economic Commission was sent by England to the Far East and Sir Thomas Allen, an outstanding figure in the English Co-operative Movement was a member of this Commission. The following observations of Sir Thomas will, therefere, be read with interest.

"Governments have obligations in respect of national industry and prosperity, and the present Government may have concluded that the pure individualism of the past is no longer adequate to pursue its own undirected way in international commerce in face of a world of nationals becoming more and more industrially alive and organised.

My own view is that old forms of diplomatic relationships do not adequately serve modern needs. The business of aiding their commercials and industrials to seek a place in the world's markets for national staples is now the concern of every industrialised nation.

We cannot live on our past reputation, however good. Other nationals have learnt our secret and have become our competitors. To-day, we are up against the fiercest competition we have yet known, and as a nation we can no longer afford to be parochial or have a retail outlook. The crux of our modern problem is the recovery of lost markets or the discovery of new ones. Unorganised

British Trade cannot survive in a world which is being highly organised.

The general application of new methods is imperative if we are to abide amongst the first in international trade.

Private enterprise and public enterprise are instruments placed in men's hands to be used—not for class good but for community good and neither can be used effectively unless those who wield them work together in harmony and with a sincere desire to do the best for the community.

If a nation does not look after its own interests, it cannot expect others to do that for it."

If this be the state of affairs about English commerce, what about ours?

The Rochdale Museums.

The Toad Lane Store of Rochdale is known to every school boy. There it was that the tiny seed of consumers' co-operation was planted in 1844 which, as the Tamil proverb says, though smaller than the eye of the little fish has grown into a big world-wide organisation, a big banyan tree which with its thousands of branches can shelter a whole army under its cool shade. The old store passed into other hands in course of time though the Pioneers Equitable Society has also prospered very well. Co-operators of England thought it a duty they owed to the Poineers to get back that historical building and after some unavoidable delay the British section of the co-operative movement has subscribed money and bought up the building and has converted it into a Co-operative Museum. It is interesting to note that many other countries of the world have enjoyed the privilege of contributing their mite to this fund. The British Co-operative Union has secured the first minutes book of the Pioneers and some other interesting relics.

The ceremony of opening the building as a museum was performed by Mr. Ben Jones, an Octogenerian co-operator who had personally known some of the Pioneers. Tributes to the Pioneers were paid by co-operators all over the would and we print below the tribute of Prof. Charles Gide.

"That which is admirable in the early history of the Rochdale Pioneers is the practical sense with which these flannel weavers set about to frame the rules of the co-operative distributive society. Different peoples have entered the movement, and have brought with them their own genius and new methods; but experience has proved that if they should do their best, no matter of what nationality they may be, from India to California, they must adopt the method known as the Rochdale plan, and it is dangerous to set these rules aside.

Thus, all countries, in groping their way, finally recognise that they cannot do better than sit at the feet of the Pioneers, like children at the feet of the Master. And everywhere in all movements whether economic, political, or scientific, one sees the inventors surpassed by the progress of which they were the initiators. We see them all resting all along the road which we follow, and gradually they are left further and further behind us. But it is otherwise with the Rochdale Pioneers; they have not been surpassed. Although dead, they still lead us. Truly, they are our superiors to-day, by their practical sense, by their ideal, and by the broadness of their programme, each item of which calls for the work of a generation for its realisation.

Oh, Pioneers, I give thanks to you, not only for giving us an admirable organisation which has procured for millions of men a little more confort and material aid in their lives, but, above all, for having shown to us, by your example, that all our knowledge - the knowledge of the learned and of the scribes, the knowledge which we find in books and in laws, the knowledge in whose name we teach and govern—is worth nothing compared with the foresight, the creative genius, and the faith of those humble workmen who devotedly worked and hoped against all hope."

On behalf of India we offer our own humble tribute to the memory of the Pioneers and and our felicitations to British comrades on their securing the historic building.

Co-operation and Education.

The Rochdale pioneers whose experiment has succeeded so well were very practical men, but they had vision as well. They recognised the importance of education, general and co-operarive and set apart a fraction of their profit for educational propaganda. This excellent practice has not been strictly adhered to in India. We are of opinion that, if every co-operative concern in India from Provincial Banks down to prosperous Urban Banks set apart a definite portion of their profit for education purposes, much of the evils the movement in India is suffering from could easily have been avoided. Taking a co-operative society into consideration, the three branches of it, the members, the management and the employees must be well versed in the principles of co-operation and any amount spent by the movement in general on co-operative education would be money well spent. We say, "spent by the movement in general" advisedly; because we hold that richer institutions that can afford more should take a long view of things and be prepared to invest their spare money in co-operative education and not take a narrow and calculating view and ask, 'how would it profit me and my immediate and present clients?' Education, general and co-operative, is one of those good things of which you cannot have too much. We commend this generous policy in education to Central Banks and the Apex Bank and richer Urban banks and to all co-operative institutions that can spare some money from their profits.

Wanted a co-operative Party.

The need for a co-operative party pledged to carry out social and economic reforms according to the fundamental principles of co-operation has often been felt in this country though the demand for it has not been very vocal. Resolutions passed at some of the sessions of Provincial Conferences in our Province as well as in Bombay asking the Government to assign some seats in local boards and ligislatures to co-operators or to nominate co-operators, indicate this longing. Taking the Madras Council there are many members belonging to various political parties who are, in various ways, intimately connected with the co-operative movement in our Province. Now that the Bill to amend the existing co-operative act is to come up before the local legislature, the time is opportune for the formation of a co-operative party. The President disignate of the coming Conference, Rao Bahadur T. A. Ramalinga Chettiar is a member of the Townsend committee and the President of one of the most important of our Central Banks, that of Coimbatore. He is eminently fitted to be the leader of the party and we hope thot other co-operators will muster strong under his leadership. It may not be out of place if we point out that in England there is a co-operative party which began as an ally of Labour with Trade Union principles; but the party has been feeling its way gradually and at its session held at Blackpool in April last many important resolutions have been passed. We extract below some observations on the future of the party by our esteemed contemporary, the Manchester Co-operative News.

> "From the chairman, a former labour Whip, and the First Lord of the Admiralty, down to the most obscure delegate who spoke—even if only to say "hear, hear"—there was no attempt to conceal the fact that the Co-operative Party, the ally of Labour, did not intend to be regarded as a poor relation condemned to accept gratefully the crumbs that fall from the tables of their Trade Union and Socialist associates in the Labour Party. The Co-operative Movement must be accepted on terms of equality with the Trade Unionists.
>
> The Co-operative Party is not a mere tail to any other party. Except in some troubled localities, it works in harmony with the Labour Party; but that does not rob it of the right to be the political mouth-piece of the greatest and the most constructive democratic organisation that exists in this or any other country. It has a fund of experience no other wing of the democratic army has; and that experience must be made use of in solving our great national problems which are so closely akin to the problems the movement has already solved for itself."

Important Co-operative Pronouncements.

1. Mr. Ramadas Pantulu's Presidential Address at the Taluk Agricultural Co-operative Conferenee, Nidamangalam Tanjore District.

Those who have been reading the recent articles and utterances of Mr Ramadas would know that he has a way of his own of lifting the subject he heads with out of its cramped environment to a higher field and view the problem in its broad relations with the bigger economic problems. Consistently with this practice he showed how co-operation, as it is practised, cannot be expected to render maximum help to agriculture unless there is a definite change in the agricultural policy of the State and unless there is a national outlook on the part of the State in its various activities. He was ready with the facts and figures and showed how in problems dealing with sugar, wheat, artificial manures, oil-seeds etc. the agricultural policy was more in favour of foreign competitors than of the poor Indian ryots.

Coming to the constructive side, he laid emphasis upon the need for organising of agricultural marketing and for strengthening cottage industries. He showed how the recent investigations by Banking Enquiry Committees supported the astounding view that agriculture is mainly being financed by non-co-operative agencies, whereas the little help that co-operative societies are able to render to the agriculturists is being utilised for non-agricultural purposes.

The remedy he would suggest is that co-operation should make up its mind to finance agriculture adequately and promptly.

Referring to the cottage industry of weaving and spinning he showed by an irrefutable array of facts and figures how this indigenous industry could exist side by side with mills and factories and how the Government has been giving it but a step-motherly treatment. He pleaded for the co-ordination of the work of the farmer and the weaver and for the cancellation of the notorious G.O. about Khaddar. His address would be an eye-opener to many a cooperator.

2. *M.R.Ry. Rao Bahadur A. Vedachala Iyer's Presidential Address at the Salem Dt. Conference.*

One point becomes clear from the address of M.R.Ry. Rao Bahadur A. Vedachala Iyer at the Salem District Conference held at Tiruchengode that in spite of all the alarming features of the co-operative movement at present Mr. Iyer remains a firm optimist. It is because he has abundant faith in co-operation as an effective method of improving the lot of the agriculturists and because he has an equally abundant faith in the Indian ryot. The peasent is a hard working honest fellow and is prepared to pay up his dues to the last pie, unlike some traders and businessmen who are actuated by a desire to grab as much as possible and who are at times utterly impervious to moral principles. It was because of this faith in the movement and the man to be benefitted by the movement, that he speaks so fearlessly about other activities that are calculated to improve the condition of the peasant. Mr. Iyer who has been, in recent times, concentrating his efforts upon rural uplift will not allow co-operation to be isolated from other activities for the improvement of the ryot, such as promotion of cottage industries and encouragement of prohibition etc. Besides this general optimistic tone he also dealt with the two of the burning problems of the day, that is, revival of ten year loans and the increasing overdues. With regard to the former he agrees with the present Registrar that under proper safeguards it may be revived. With regard to the latter he is of opinion that if a free flow of credit is maintained, the agriculturists will have faith in their institutions. He also indulged in a somewhat straight talk to the representatives of the societies in the matter of utilising the services of individual shareholders in district banks and we hope his valuabie advice will be availed of and followed by the district banks all over the province.

We are unable to see eye to eye with him in the matter of giving greater powers to the Registrar and his subordinates to compel banks and societies to improve on particular lines. Barring this item with which we shall deal when we discuss the Co-operative Bill, we are in perfect agreement with what the veteran leader has said and we hope his advice will be followed not only in Salem, but in other districts as well.

3. *M.R.Ry. Rao Sahib T. Srinivasa Rao's Address at Tanjore.*

Mr. Srinivasa Rao is nothing if not logical. He has got a way of analysing complicated problems and presenting the various aspects in a neat and well co-ordinated manner. His Tanjore address is one more example of this. The audience consisted mostly of the paid workers working under non-official organisation and he gave them sound advice about the need for a central authority for co-ordinating the work of paid workers in the district, whether the authority be vested in the Central Bank or in the Federation. He deplored the lack of such co-ordination and the consequent wastage and inefficiency and showed by facts and figures how the non-officials in the province collect and spend a little more than what the Government is doing on the co-operative department and yet how not being so well organised as the department, their working is not appreciable. He made a clear distinction between the honorary workers and paid workers among the non-officials and pointed out that the former should be left to do as much as they pleased, but that the latter should be well organised and controlled and effectively supervised.

With regard to the question of provincialisation he was of opinion and we believe many would agree with him, that provincialisation is at present possible only with regard to the higher appointments like secretaries of district banks and that attempts on the part of paid workers in the district should be concentrated more on strengthening district organisations and bringing of paid workers working under different agencies, like District Bank, Unions and Federations under one efficient head. The address deals with one aspect of the Co-operative movement and it is thoroughly exhaustive so far as that aspect is concerned.

Co-operative Bill.

In response to the circular issued by the Provineial Co-operative Union we have received the views on the Co-operative Bill from nearly 30 persons, some writing in their own individual capacity and some embodying the views of the Institution they represent. Our original desire to publish them all in the pages of this journal is obviously impossible to be achieved and we have accepted therefore the offer of the Provincial Co-operative Union authorities to have them published separately as notes and papers submitted to the coming Conference. We are publishing in this number only a short note on the Bill by Rao Bahadur A. Vedachala Iyer.

Bill No. 4 of 1931—A Bill to consolidate and amend the law relating to Co-operative Societies in the Presidency of Madras.

(NOTES BY RAO BAHADUR A. VEDACHALA AIYAR.)

I have gone through the bill and noted the various Provisions inserted as compared with the old Act. One impression left on my mind is that the underlying idea of the alterations is apparently to get more powers to the Registrar and his staff so that they may discharge their duties satisfactorily and that the Registrar and his men feel that they should run the movement successfully especially in regard to money recovery. Unfortunately, the Registrar has been given more auditors than capable lower staff for undertaking the responsibility of running the movement.

The powers which the department thirsts after cannot and will not be exercised for the benefit of the movement and are likely to make the financially responsible people of the co-operative organisations become irresponsible and slipshod in their work. Any power to be conferred on a staff of men not financially responsible will be wasted, and even produce positive ruin, especially when such action by illequipped and inefficient executive is to be declared final and not fit to be questioned in a court of law.

I would therefore protest against the powers for attachment of moveables to be conferred on the Registrar and his staff under section 28 and 49.

The provisions regarding surcharge (Section 48 (i)) should, very properly, be left to be settled by the civil court and the conferment of such powers on the Registrar would lead to injustice besides diverting the Registrar and his staff from their regular duty of serving as "guide, philosopher and friend." Similarly, Section 49 tries to confer certain powers which ought to be exercised by the civil court, on the Registrar and his staff so as to overburden them with unnecessary work to which they could not do justice, even if they are competent to undertake the work.

Section 51 is the coping stone of all attempts to get powers over the co-operative movement to be run by non-officials. The existing definition of offences in the Penal Code are sufficient for bringing miscreants in the movement to justice. There will be

unnecessary prosecutions for even acts of omission to the harassment of co-operators. Panchayats and Directors will think twice before they care to accept such offices. The movement will get a setback by the insertion of provisions 51, 52, 53 (2), 54 and 55.

This so called adddition to the powers now possessed by the Registrar is not likely in any way to promote the better working of the movement.

It is a moot question whether the introduction of such provisions was ever asked for by the co-operators or the public. If the Government Department wants it, does it show that the movement is intended to be deofficialised ?

Commission of offences of the kind contemplated will be rare when careful watch is kept up and when honest and efficient men are managing the affairs. The mentality seems to be this. "I am unable to supervise the work of these institutions and I have no desire or am unable to employ efficient men, but I will try to rectify the irregularities in co-operative organisations by declaring certain acts as offences and by prosecuting the office bearers." In effect, the reply will be "we have come to help our neighbours. We are not given facilities to learn our work. We do not want to get into scrape for whatever we may neglect to do owing to ignorance or causes beyond our control. We have no confidence that honest people will not be prosecuted as Government staff in the lower ranks are not very capable men competent to sift matters and as they are likely in a number of cases to convert personal dislike into a weapon to be used against the office bearers of co-operative organisations. We would rather keep aloof from the movement."

The movement does not want such provisions. Banking concerns can get on with the existing law of the land. If the Registrar wants such powers, let him have it and take the entire responsibility of running the movement. The co-operative organisations will even pay for the office bearers, if the department will take the responsibility of selection and employment.

Section 21. The law proposed to be enacted is not clear as to whether previous encumbrances on immoveable property are to get cancelled when co-operative organisations advance money to previously encumbered lands. Admittedly it should not be. Section 21, clause 5 should apply only to cases of mortgages of immoveable property to a co-operative institution which has not been previously encumbered. This should be made clear.

Section 4. It is doubtful if any amendment other than those proposed by Government can be considered in the present Bill. The rural primaries are under the existing law to be *always* on unlimited liability basis. But this provision does not give any special advantage while its existence forms a stumbling block for richer men engaged in agricultural industry joining rural primaries. Hence the Registrar can be given discretion to allow rural primaries on limited liability in special cases or in cases in which he thinks it desirable to secure the advance of co-operation in rural parts,

Section 25. The liability of the estate of a deceased member to the debts of a registered Society is extended from one year in the present Act to two years in the new Act. The reason for this change is not understood. This provision will only be applicable to unlimited liability Societies but it does not constitute a charge on the estate. Hence the extension of the period seems to confer no benefits.

The concessions now given by Government as regards exemption from Stamp Duty, exemption from Income-tax on profits earned, free audit and staff to serve as guides and friends of the movement should be all that is required. Further powers given to the Registrar will make the movement an officialised one and when this position is reached, the death of the movement will be the result because of the inactivity of the non-official co-operators who have to look up to the department for everything. The new Act practically transfers the whole movement into the hands of the Registrar and his staff and the little freedom given to co-operators now will be lost and along with it the sense of responsibility and the spirit of initiative will be deadened. All the same, the co-operators will have to bear all financial losses.

Popular movements will get strong only by intense working on business lines even at some cost but will never improve by pure legislation or by the enforcement of plenary powers by extraneous agency. Self help and self-reliance alone will give the required strength to work the movement efficiently.

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APPEAL.

You are well aware that acute distress prevails throughout the country and the Jute producing districts have been hard hit owing to slum in Jute price. Sirajganj Sub-division, noted for Jute, has been the worst sufferer and failure of the Aman Paddy has aggravated the scarcity. The people, specially the cultivators have been struggling against it for several months past but now they have come to the end of their tether. The benign Government have kindly distributed Rs. 1,52,000 as agricultural loan to all the distressed cultivators of the affected areas excepting the members of the Co-operative Societies. This amount also is only a drop in the Ocean. If this help is not implemented by private help and charity the people will die of starvation.

While this is the general pitiable condition of those to whom some relief at least has been afforded, the distress of the members of the Co-operative Societies who are placed outside the relief operation may better be imagined than described. The members of the rural Societies have not been granted any agricultural loan although they are at the same level of distress. On careful enquiry it appears that most of the members have nothing but Mati-Kalai and other such immediate grains to live upon while even these small means of living have been denied to many. The sight of famished, haggard-looking, ragged living skeletons, young and old, man and woman, from the headman down to the poorest of the village all asking for help and blocking your way is heart-rending and will draw tears even from the most callous. Indeed some have not even a stint of cloth to cover their body or a morsel of food for days together. Signs are not wanting which indicate that epidemic, the handmaid of Famine will soon appear and court thousands of these unfortunate people as its toll. The miseries of these people baffles all descriptions. It is said that "a Friend in need is a Friend indeed." This is the time to show our spirit of Co-operation with our brother Co-operators in their dire need. We have done our mite but our power is limited, so in the name of humanity and in the name of Co-operation we appeal to you *to come forward with a generous help and save your brethren from the jaws of death.*

All contributions will be thankfully received and duly acknowledged by the Secretary, Sirajganj Central Co-operative Bank, Ltd., Po. Sirajganj, Dt. Pabna, Bengal.

Dy. Chairman C. B.
Syed Akbar Ali.
Circle Officer.
M. Hossain.
Inspector C. B.
K. Ahmed.
Secy. C. B.
T. Ahmed.
Auditors :—
B. Maitra.
S. Rahman.
M. Sen.

Directors :—
Kulakundalini Prasad Gupta.
Kazi Matiar Rahman.
Naresh Narayan Chowdhury.
Moyez Uddin Ahmed.
A. M. Bashir Uddin Choudhury.
S. L. Ray.
A. M. Elahi Baksha.
K. U. Talukder.
P. N Chowdhury.

International Institute of Agriculture, Rome.

REGULATIONS FOR THE GRANT OF THE HUMBERT MARIE JOSIE PRIZE.

(Approved by the Permanent Committee of the Institute at its meeting of June 1930.)

Article I. An aunual prize, which, on account of the circumstances under which it was endowed on the occasion of the marriage of the Crown Prince of Italy with Princess Marie Josie of Belgium, is to be known as Humbert Marie Josie Prize, is instituted for the best work in ***Agricultural Economics***—comprising all problems relating to Economic and Agricultural Statistics.

The prize consists of a gold medal and a sum of 10,000 lires and will be awarded by the Permanent Committee in all years, according to these regulations.

The date (of receipt of work) expires on the 30th September and the award will take place on the 31st December 1930.

Article II. The work of authors belonging to the countries adhering to the Institute and published in the course of the preceeding two years will be alone admitted to the competition.

Article III. If any work is published in many parts, then it is admitted as a whole, at the period in which the final part has been published.

Article IV. A new edition of any work published previous to the period will not be admitted unless substantial changes or additions have been made.

Article V. Work carried out by any member of the Jury will not be admitted to the competition, nor any work which has already been submitted to any International Competition and for which the author has received any prize in cash.

Article VI. At the close of each period the General Secretary of the Institute will invite the members of the Committee for the Rural Economic and Statistics of the International Council for Scientific Agriculture of the Institute, as well as of the Committee for Agricultural Economics, to forward 6 copies of work carried out by their respective countrymen, which in their opinion deserve to be submitted to the International Jury by reason of their scientific merit. He may, if necessary, point out any publications known to him which conform to the conditions of the competition.

The members of the International Council of Scientific Agriculture and of the Committee for Agricultural Economics who forward any work for the competition should also send with the copies of the work in all important cases, a brief report indicating the nature and contents of the work as well as their personal appreciation of its scientific character.

Works transmitted directly by the authors to the Institute will be sent by the General Secretary to a member of the competent section of the International Council of Scientific Agriculture or of the committee for Agricultural Economics for report as mentioned above.

Article VII. The final judgment in the competition will be given by a Jury composed of 5 members consisting of the President of the Institute, and 4 members nominated from among the members of the International Council of Scientific Agriculture and the Committee for Agricultural Economics. The selection will be made in such a manner that the Jury will be composed of men belonging to 5 different nationalities.

Each member of the Jury may have a substitute only of the same nationality.

Article VIII. A copy of all the works presented to the competition and of the reports accompanying them will be sent to each member of the Jury. The Jury cannot examine any other work besides those officially sent to them.

Article IX. Each member of the Jury after examining the works will draw up his order of preference and transmit it to the General Secretary. If any work placed at the top obtains 3 votes, than the prize is awarded. If no work obtains 3 votes, the General Secretary will draw up a list composed of two works placed at the top of the list obtaining the greatest number of votes and send it to the members of the Jury for a fresh ballot. The result of the Second voting will determine the prize.

N. B.—Expiry of the second period for the presentation of work: 30th September 1931—Grant of the Prize 31st December 1931.

G. Os. & Circulars.

No. B. 3023/30.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES,
Chepauk, 25th March '31.

D. N. STRATHIE ESQ., I. C. S.,
Registrar.

I

Training Institutes – Syllabus in Co-operation – Revised.

The syllabus on Co-operation was revised by the Provincial Co-operative Union and accepted by the Committee of the Institutes at the meeting held on 11th October 1930. It was forwarded to Government for adoption for the Government Technical Examination. In G. O. No. 384. M. S. dated 13th March 1931, Government have approved the syllabus with some modification The Superintendents of training institutes are requested to adopt the syllabus as the basis of instruction with effect from the next session to commence in July 1931.

2. A copy of the Syllabus is closed.

(By Order)

J. C. RYAN,
Manager.

GOVERNMENT TECHNICAL EXAMINATIONS.

CO-OPERATION.

REVISED SYLLABUS.

I. HISTORY OF THE CO-OPERATIVE MOVEMENT.

A. Credit.

(*a*) Land—Mortgage or (long term) credit.

1. Germany—Landscraften—other public and private sources of Land credit.
2. France, Austria, Hungary, Denmark and the United States (Farm Credit).

(*b*) Personal or Co-operative (short-term) credit.

1. *Germany.*—
   (i) Raiffeisen societies—characteristics—Emphasis on moral element—combination of trading functions—Raiffeisen *Versus* Hass societies--Federation for finance, propaganda and audit.

(ii) Schulze Delitzch societies—difference from Raiffeisen societies—emphasis on business side—higher organisation only for business purposes.

2. *Italy.*—Credit institutions—wolenburg and Luzzatti societies—difference from German models.

3. France, Belgium and Ireland.

4. United states.

5, India—Agricultural Indebtedness in India Remedies attempted—Legislation against usury, State loans - F. Nicholson's report – Dupernex's Peoples' Banks, Sir Edward Law Committee – Co-operative Credit societies Act of 1904—The amendment of the Act in 1912.—The Maclagan Committee on Co-operation.—Development since the war—Provincial Committees on Co-operation—Action taken on their recommendations by Local Governments.

B. Consumers' Movement.

1. The Industrial Revolution in England.—Development of the factory system.—Growth of the Labour movement.—Remedies sought for ills of the new working classes—Life and work of Robert Owen.—Early experiments—Causes of failure.

2. Rochdale Pioneers—Original aims and latter ideals of the movement—Discovery of the Dividend on Purchase.—Formation and development of wholesales.—The social and industrial significance of the Store in England and in Belgium.

C. *Co-operative Production Industrial.*

Christian socialist workshops in Enland.—Their forerunners in France—Failure in both countries.—Reconstruction under Labour co-partnership association and state aid producing for the open market or for the stores—Federation of producers' societies—Workers' societies in Italy—State aid.

D. Agricultural Co-operation other than Credit.

1. Origin and stimulus in Western Europe American Competition—agricultural and general education, leadership of the clergy, Tariffs and other state-aid.—The salient features of the movement in Denmark, Germany, Holland, Belgium, Italy, Ireland and Japan.

2. Recent advance in Great Britain and colonies and the United States.

3. Paucity of non-credit societies and transactions in India.—Lack of state initiative, leadership and education—The recommendations of the Royal Commission on Agriculture in India.

E. Eaucation and organisation.

1. Education insisted upon by the Rochdale Pioneers.—Fund for education.—Education Committee.—Instruction in Co-operation.—Lectures

and Libraries. Concerts and excursions.—Women's Co-operative Guild in England.—English Co-operative Union.—The I.A O.S. in Ireland.—People's High School in Denmark.

2. The International Co-operative Alliance and Congress.—The Co-operative Press.

II. THEORY AND PRACTICE OF CO-OPERATION.

A. Credit.

1. Need for Capital in Agriculture—Different kinds to be met by different methods.—The principles of Land Credit—Objects – Land Mortgage Debentures—Amortization of loans—State intervention—Foundation—Subvention—Guarantee—Control and supervision of Land Mortgage Credit Associations—Advantages of Co-operative Credit over others.

2. *Rural Credit Societies.*—Short-term credit for working capital, and for sustenance during production and before sale—Raiffeissen model - unlimited liability, limited area, homogeneous membership.—Funds, how raised and employed.—Period and purpose of loans.—Terms of repayment—Security—Rights and duties of membership—Management—Promotion of thrift—Combination of non-credit functions.—Reserve Fund.—Common good fund——Dividend.

3. *Urban Credit Societies.*—For salaried employees and others of the learned professions, for working classes and for petty craftsmen. Differences in constitution, resources and methods of working between Urban and Rural Societies.—Scope for better and fuller utilisation of funds.

4. The Central Bank—Functions. Constitution – 3 Types—Managements—Composition of capital. Terms of loans to societies—Assessment of credit of societies. Fluid resources—Degree of control over, and guidance of primaries.

5. The Provincial Bank. Functions – membership and management.—Relation to central Banks, to commercial banks and the money market.

6. Land Mortgage Banks—Primary and Central—Resources, Debentures and deposits—Period and purpose of loans—Terms of repayment—Constitution – State-aid.

B. Consumers' Co-operation.

1. The essentials of the Rochdale Store—System of sale (for cash, at market price, to members).—Sale to prospective members—Dividend on purchase—Elimination of profit - Rights and Duties of membership—General body and Governing body—Economic gains.—The Common Good Fund—Social aims and achievements.

2. The work of the wholesales in England and Scotland—Joint purchase, production (agricultural and Industrial) and Distribution—Relation

with affiliated store societies and Producers' societies—Development of the banking side.

3. Urban Consumers' societies in India.—Mostly of the middle class—Causes of failure—Societies for working classes—Railway Employees' societies—The orgin and growth of the Triplicane Urban Co-operative society—The scheme of wholesales.

4. Rural stores in Germany, Ireland and Denmark—Fhilure in India—Joint purchase on indent by credit societies—Trading Unions.

C. Agricultural Co-operation other than Credit.

1. Co-operative purchase of agricultural requirements - implements, Manures, seeds—Working of seed farms—Co-operative production of manure—Societies for hiring of machinery.

2. Co-operative Production.—Conversion of raw produce into marketable products.—Working of Co-operative Dairies in Denmark and of Beet-sugar factories in Germany.—Scope for Dairy Societies in India.—Co-operative manufacture of jaggery, ginning cotton) decorticating groundnut and hulling rice in the Madras Presidency.—Defects in working—Remedies.

3. Co-operative marketing—constitution and working of societies for the sale of grain, cotton, fruits, and eggs in U. S. A., Canada, Germany and Denmark—Conditions essential to success operations of assembling and transportiug, financing. warehousing, grading and packing—Laws against adulteration—Standardisation of weights and measures—Market news service—Co-operative marketing of paddy, cotton, Jute, Jaggery, groundnut and garden-produce in India—Difficulties encountered and solutions suggested—Experience of loan and sale societies in the Madras Presidency—Prospects of linking with consumers' stores.

D. Co-operative Housing Societies.

In urban and rural areas—types—State or Municipal or Local Board Aid.

E. Miscellaneous Types.

Societies for joint farming or leasing, for consolidation, for irrigation, for land reclamation, for better farming, for better living. (Madras, Bengal, Bombay and the Punjab).

F. Organization, Supervision and Education.

1. Official and non-official agencies—Points to be remembered in organising societies—The organisation report, including an economic survey—The human factor in the area organised.

2. Supervising Unions—Area, Membership, functions, management of local unions—Supervisors and their duties—The question of overdues how

best tackled—The wisdom of separation of supervision from finance—Comparison with systems in other Provinces.

3. Co-ordination of the work of unions. The District co-operative Federation—Constitution and functions. Propaganda.

4. The Provincial Co-operative Union constitution and functions. Provincial Conference—All India Co-operative Federation.

5. Need for education in Co-operation—Training of Panchayatdars of primary societies, meeting and lectures for the generality of members—Funds for education and propaganda.

6. Introduction of Co-operation as a school and college subject—Practical training in college and school co-operative stores—Higher education in co-operation.

G. The Law Relating to Co-operative Societies.

The Co-operative Societies Act of 1912. (With commentaries as in Calvert's Law and Principles of Co-operation)—Rules under the Act in the Madras Presidency (Hemingway's Manual of Co-operation).

Model by-laws of unlimited liability societies—Salient points in the model bylaws of Central Banks, Unions and District Federations.

N. B.—Wherever the 'practice' does not imply specially to foreign countries, the practice with special reference to the co-operation in India is intended.

TEXT BOOKS.

C. R. Fay. Co-operation at Home and Abroad.

Smith Gordon. Co-operation for Farmers.

John Mathai. Agricultural Co-operation in India,

Mukerjee, P. Co-operation in India.

Wolff, H. W. Do.

Calvert, H. Law and principles of Co-operation.

Hemingway. Co-operative Manual.

REPORTS AND BOOKS OF REFERENCE.

Maclagan Committee's Report on Co-operation in India.

J. R. Cahill's Report on Agricultural Credit and Co-operation in Germany.

F. A. Nicholson's Report on Land and Agricultural Banks in the Madras Presidency.

H. W. Wolff. Co-operation in Agriculture and Rural Reconstruction.

Charles Gide. Consumers' co-operative societies.

Ogata. Co-operative movement in Japan.

Townsend Committee Report on Co-operation in the Madras Presidency.

D. Dis B. 1827/31.

II

Registrar's Memorandum, dated 28th March '31.

Sub :—Training Institutes—Tuition fees—fixing of.

Since the course of instruction in the training institutes has been extended to 9 months with effect from July 1931, it is necessary to raise the scale of tuition fees. The Registrar considers that Rs. 40 for the full course would be reasonable and requests all the training institutes to adopt it as the scale of fees for the next session.

(By Order),
J. C. RYAN,
Manager.

No. R. Dis B. 1885 31

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
Madras, 15th April 1931.

D. N. STRATHIE ESQ., I. C. S.,
Registrar.

CIRCULAR.

III

Training Institutes—Next Session—Syllabus etc.

The next session of the Co-operative Training Institutes which commences from 1st July 1931 will be a full course of 9 months. At the end of the course the students who have undergone the course may sit for the Government Technical Examinations which will be conducted in April 1932.

2. The course of instruction imparted in the training institutes will be the same as that imparted by the Government School of Commerce, Madras. Hence, the syllabus for the course will be as follows:...

(*i*) *Co-operation*....The syllabus for Co-operation will be the syllabus commuaicated with the Registrar's Memorandum No. B. 3023 30 dated 25th March 1931.

(*ii*) *Auditing*....The syllabus for auditing will be the same as is being followed by the Institutes at present.

(*iii*) *Book-keeping*....The syllabus for Book-keeping will be the Government Technical Examination, Higher grade syllabus.

(*iv*) *Banking*...The syllabus for Banking will be the Government Technical Examination, Higher Grade syllabus.

3. In Banking and Book-keeping, it will be open to the students to sit for the lower Grade or the Higher Grade Examination as they may choose.

4. Practical training in Co-operation or Accounts is not contemplated in the training imparted by the Training Institutes.

(By Order.)
J. C. RYAN,
Manager.

No. R. Dis. F. 2298/31.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
Madras 1st May 1931.

D. N. STRATHIE ESQ., I. C. S.,
Registrar.

CIRCULAR.

IV

Encumbrance certificate exceeding 12 years—Deputy Registrars permitted to send the applications direct to Registration Department.

In Registrar's Circular No. R. C. 461/11, dated 14th March 1911, Co-operative societies were advised to limit the period of search in the records of Registration offices strictly to 12 years and if any necessity arose for a search for longer period to send up the application to Registrar before troubling the Registration Department. It is represented that such a procedure causes unnecessary delay and inconvenience to societies getting the required certificate. To obviate this, it is suggested that the Deputy Registrars may be empowered to scrutinise the applications received from societies and send them direct to the Registration Department. The Registrar agrees with the suggestion and hereby authorises Deputy Registrars to send the application for encumbrance certificates exceeding 12 years direct to the Registration Department.

2. The Duputy Registras are requested to see that societies do not abuse the privilege by including in their applications periods for which encumbrance certificates were already granted.

(By Order).
J. C. RYAN,
Manager.

PROCEEDINGS OF THE SILVER JUBILEE CELEBRATIONS

OF THE

AGRICULTURAL BANK, No. 7,
Nidamangalam.

(Held on 25th April 1931)

UNDER THE PRESIDENCY OF

M.R.Ry. V. RAMADAS PANTULU GARU, B.A., B.L.
President Madras Provincial Co-operative Union Ltd.

PROGRAMME.

MORNING

I. *Prayer and Welcome Song.*—By the girls of the Local Chatram Free Girls School.

II. *Welcome Address.*—By Mr. K. Nataraja Pillai.

III. *Reading of the Building Committee Report.*—By Mr K. Nataraja Pillai.

IV. *Opening of the New Buildings.*—By Mr. T. V. Umamaheswara Pillai, B.A., B.L.

V. *Reading of the Silver Jubilee Report.*—By Mr. K. Nataraja Pillai.

VI. *Opening of the Silver Jubilee Celebration and Presidential Address.*—By M.R.Ry. V. Ramadas Pantulu Garu, B.A., B.L.

VII. *Reading of the Library Report.*—By Mr. R. Kayarohanam Pillai.

VIII. *Opening of the Swamikannu Free Library.*—By Mr. T. I. Ommen, M.A., B.L.

IX. *Unveiling the Portraits of.—*

(1) Dewan Bahadur R. Raghunatha Rao, C.S I.

(2) Rao Bahadur K. G. Srinivasa Mudaliyar.

(3) Rai Saheb A. Seturama Iyer, D.A.

(4) K. Nataraja Pillai.

By Mr. T. V. Umamaheswara Pillai, B.A., B.L.

(Dinner)

EVENING

X. *Taluk Agricultural Co-operative Conference.*—Resolutions passed.

XI. *Opening of the Agricultural Exhibition and Boring set of the Industries Department.*—By Mr. K. G. Srinivasa Mudaliyar.

(Lunch)

XII. *Reading of the Report on the New Oil Engine and Disintegrator for the manufacture of Bone Meal.*—By Mr. K. Nataraja Pillai.

XIII. *Opening of the Oil Engine and Disintegrator.*—By Mr. N. S. Kulandaswami Pillai, Deputy Director of Agriculture, Trichinopoly.

XIV. *President's concluding Speech.—*

Dinner.

THE PROCEEDINGS

The proceedings began with prayer. Songs welcoming the president, specially composed for the occasion, were sung by the girls of the local Chatram Free Girls School. The prayer being over, Mr. K. Nataraja Pillai, delivered the following

WELCOME ADDRESS.

BROTHER CO-OPERATORS:

I feel it a great privilege to extend to you, on behalf of the Co-operators of this place, a hearty welcome to this Silver Jubilee Celebration. The fact of the celebration of the Silver Jubilee of an institution is in itself ample evidence of its record of useful and good work. In a country like India, where rural indebtedness is the ruling economic law, the Co-operative Movement must be considered a godsend. What with the Shylockian outlook of our money lenders and the wasteful and ruinous habits of our countrymen in whose schemes of domestic life thrift and saving do not find room, the earnest and enthusiastic working of the Movement is very necessary. As this Movement is purely an economic one, which concerns the welfare of all, no disintegrating factor, such as politics or communal squabbles, should be allowed to interfere with its sound working.

That degeneration begins from the higher classes and regeneration from the lower is a historic maxim. Hence the regeneration of our economically and otherwise backward country depends on the release of our masses from the iron grip of usurious and profiteering hands, by instilling into them habits of hard work, thrift and above all a spirit of comradery. The incalculable benefits of co-operative action in every field of life should be brought home to them.

During the twenty seven years of its existence, the Movement has progressed appreciably. This Bank is one of the first seven started in the Presidency in the year 1905. The celebration of its Silver Jubilee speaks for its past record and augurs well for its future.

Gentlemen, I once again welcome you to this celebration. We have made sincere efforts to make your stay here comfortable and any inconveniences which may happen, we request to be pardoned in the true co-operative spirit.

III. READING OF THE BUILDING COMMITTEE REPORT.

BY MR. K. NATARAJA PILLAI.

The Co-operative Agricultural Bank No. 7, Nidamangalam, was registered on 2-2-1905. The moving spirit of the Bank being the Secretary, Rai Sahib Sethurama Iyer, the Bank's office was located in his house in North Street for a period of seven years i.e. till 1912. From 1912 to 1915, it was located in the Union Board Office and from 1915 to 1920 again in the Secretary's house.

As the Bank's activities were increasing, its location in a private house caused inconvenience to the public. Also the payment of rent for a decent building was found prohibitive. At this time, a supervising union was organised. As Mr. Sethurama Iyer was the Secretary of the Agricultural Bank, the Co-operative manure society and the supervising union, it was found convenient to locate all the three societies in one place to enable the Secretary to have concentration in his work. Accordingly the Bank was removed to the Secretary's garden-house and was located there till 1925.

As the garden-house is situated in the outskirts of the town, the public experienced some difficulty in going over to the place for the transaction of business. Hence the General Body resolved to remove the office into the town and it was located in a rented building from 1925-26. As this building was an old one and the rental considered rather high, the local revenue authorities were moved and a portion of the Panchayat Court buildings was got on a monthly rental of Rs. 3. But this building too was old and during the rainy season, even an ordinary drizzle never failed to peep into the sanctum of the Bank. A request was made to the Revenue authorities to repair the building, but their proverbial delay did not suit our purpose So the Bank had to spend out of its funds about Rs. 50 for repairs. It was at this juncture that the necessity for a building exclusively owned by the Bank was felt and it was resolved to purchase one.

Fortunately for the Bank, this building which was owned by the Public Works Department was to be disposed of at the time. Whereupon, the Secretary approached the then District Collector Mr. Boulton and discussed with him the matter of the purchase. The building had been valued by the Public Works Department authorities at Rs. 2,000. But the building was old and the valuation of the P.W.D. was considered high by the General Body and the Revenue Authorities, who fixed the same at Rs. 1,500. The

Collector, Mr. Boulton, agreed with the valuation and issued orders fixing the price at Rs. 1,500. Later the title deed was executed by the present Collector Mr. Thorne on 6-12-'29 and the building was handed over to us soon after. The investment on this building was approved by the Registrar of Co-operative Societies.

The building was an old one requiring a good deal of repairs and the front view, so repulsive that it needed radical alterations. Hence a building committee was formed to effect the necessary changes and personally supervise the work. The repairs and alterations cost Rs. 1,089-10-3. Added to the purchase price of Rs. 1,529-2-6, the book value of the building to-day stands at Rs. 2,618-12-9. The building committee worked in a true co-operative spirit, having as their guiding principles, effective work, economic expenditure and relief to the poor. And the General Body has rightly expressed its sense of appreciation and gratitude to the Committee for its labours.

Now we rejoice and are proud of having this building. From humble beginnings under dreary circumstances, the Bank has grown into a strong and sound institution, and we pray the Almighty who has guided our steps so far to further bless and guard its interests on its onward march of ever increasing usefulness to the public. The building at present accommodates the Agricultural Bank, the Co-operative Mannure Society, the Co-operative Stores and the Free Library.

Sir, now, I request you to kindly open the buildings.

IV. OPENING OF THE NEW BUILDINGS.

BY MR. T. V. UMAMAHESWARA PILLAI, B.A., B.L.,

Mr. T. V. Umamaheswara Pillai, who performed the opening function of the new buildings, said that he did not know of any rural co-operative society having a building of its own and he hoped that this would be an example to others. He was glad that the building had been located in a conspicuous place of the town where members of all communities could frequently go and transact business. He also paid a tribute to the work of Rao Saheb A. Sethurama Aiyar who was mainly responsible for bringing this institution to its present position. He trusted that the society would grow in usefulness and go ahead for the lasting benefit of the people. He also said that the financial condition of all the three societies in the place was very sound.

V. READING OF THE SILVER JUBILEE REPORT.

By Mr. K. Nataraja Pillai.

The first evidence of public interest in agricultural matters in the Presidency was the formation at Tanjore of the Agricultural Association by the late Rao Bahadur K. S. Srinivasa Pillai in the year 1900. The Co-operative Societies Act was passed in the year 1904. The Co-operative Department was organised in this Presidency in November and our negotiations with the first Registrar Sir. P. Rajagopalachariar to organise a society here began in December of that year and among the first batch of seven societies that were organised, this socity is one, having been registered in 2-2-1905. This is the first society registered in this District.

At first, this was a limited liability society and the Government promised to give a loan equal to the amount that could be raised by private deposits. Even as early as 1905, the share-holders were so enthusiastic as to give deposits to the tune of Rs. 2,000, whereupon the Government gave a loan of Rs. 2,000 and the society was run with this amount plus the share capital. From the beginning the society received deposits from non-members also. For the last 25 years the society is managing with deposits only.

It would be interesting to learn that at first the share capital was fixed at Rs. 5 and the loan at Rs. 25 whereas now the former is Rs. 10 and the latter Rs. 100. In six years the society had made such rapid progress and the people had taken such keen interest in the movement that the First Tanjore District Co-operative Conference was held in this place in the year 1911 under its auspices.

In the year 1912, the India Act of 1904 was amended and though this society was split into several societies as per the new Act, it never abated in its intensive work; so much so that the Third Tanjore District Co-operative Conference was again held under its auspices at Ammapet.

Our activities were so successful and the results of our labours so encouraging that a further step was taken to organise a non-credit agricultural society and the Tanjore District Co-operative Manure Society Ltd. Nidamangalam, the first of its kind in all India, was formed and registered in 1916. Its object was to make good the deficiency in phosphates of Tanjore paddy lands and thus put to test the investigations of the Research Institute at Coimbatore. What with the enthusiasm and expert agricultural knowledge of the

Secretary Rao Sahib A. Sethurama Iyer, who is the holder of a Diploma in Agriculture and a practical farmer, the Manure Society may be considered the prime factor in effecting agricultural improvements in this district especially and to a certain extent in the other districts of the Presidency also. A reference to the report of its work prepared by the Department will speak for itself. Also in this behalf high encomiums have been received from great co-operators, one of them being from Sir H. Wolff.

In the year 1920, the Mannargudi Taluk Co-operative Supervising Union was formed here with Mr. Sethurama Iyer as Secretary. The Secretary put forth all his energies into his work and the gospel of co-operation was spread far and wide. Societies were formed in large numbers and their work so carefully supervised that for safe loans, prompt realisation, and general efficiency, the societies in this Taluk could compare very well with any model society elsewhere. As an example of the Union's work, the formation in 1924 of a Co-operative Agricultural Colony at Sirumangalam may be mentioned. The society is a land reclamation society and owns 180 acres of kasan forests, on which have been settled thirty Odayar families. This might be considered a monument to the labour of the Supervising Union, under the secretaryship of Mr. Sethurama Iyer. The scheme is now being worked in Bengal by Sir Daniel Hamilton on a block of land in the Sunderbans to create an estate of 10,000 acres to maintain 2,000 families.

In the year 1925 a co-operative store was started. The store is run on modest lines, keeping in view the safety of the capital and ensuring to the share-holders not an unfair dividend. From 1920-1928 every year a taluk conference was being held in this place. Owing to such kind of education and propaganda, the societies in this taluk are working well without any overdues.

A word about the common good fund. For some years free scholarships to 18 boys of the local elementary school were given. Later a number of scholarships to boys of high-school standard were given. Along with these, contributions were made towards constructing bathing ghats in rivers etc. Latterly for the last 3 years, we are contributing to the local "Deshabandhu Free Reading Room."

We are also maintaining a free Library on a small scale and take this opportunity to appeal to the Registrar of Co-operative Societies for a Government grant in this behalf. A progress report* for the last 26 years for the credit society and 14 years for the non-credit society and 8 years for the union from 1920-28 are herewith

* Vide Appendix Nos. I, II and III at the end.

appended. We also run an informal village panchayat to a block of land of about 150 acres in the village No. 69 Kottayur of Papanasam Taluk adjoining Nidamangalam. We manage communal lands of about 3 acres and apportion the proceeds to watchmen, carpenter, blacksmith and other servants of the village. We get an annual income of about Rs. 100 and spend about Rs. 65. We have a cash balance of Rs. 167-13-9 this day.

Gentlemen, I have now given a brief resume of our activities in the co-operative field and submit that the Public will be happy in the thought that our work, however limited, has contributed satisfactorily to rural reconstruction in these parts. And it is my earnest wish that with Government sympathy and public co-operation the movement may go ahead for the lasting benefit of our people.

Co-operation and Agriculture*

BY

V. RAMADAS PANTULU.

A PLEA FOR PROGRESSIVE AGRICULTURAL POLICY.

Agricultural Co-operation (credit as well as non-credit) has its limitations in attempting the development of Agriculture and if there is an impression that Co-operation can pull up agriculture and improve the economic condition of the agriculturist under all conditions, it is erroneous and must be corrected. Without a satisfactory system of landholding and a sound land revenue policy, under which the cultivator derives an incentive to invest capital to improve his land as well as his methods of cultivation, Co-operation can do little. Take, for instance, the following findings of the Economic Enquiry Committee presided over by Diwan Bahadur Arogyaswamy Mudaliyar, regarding the Kistna and Godavary districts. Much of it applies to the Tanjore District as well:—

(1) While population has increased, extension of cultivation has not kept pace with it.

(2) There is no improvement in the condition of unemployment of agricultural labour.

(3) Fragmentation of holdings has increased.

(4) The margins available for maintenance of an average family according to the low standards, after paying the assessments, are either inadequate or nil.

(5) In most rural parts the value of the agricultural produce is insufficient, after meeting the demands of Government Revenue, for the maintenance of the agriculturists; so that, while a few rich people get richer, and a small number remain on the margin of subsistence, the *majority* are running into debt and losing their hold on land which is frequently changing hands.

(6) The system of land revenue is based too much on *averages* (average rainfalls, average supply of water, average outturns, average prices, etc.). The inelasticity of the

* Presidential Address of Mr. V. Ramadas Pantulu at the Co-operative Agricultural Conference held at Nidamangalam (Tanjore District) on 25th April 1931. (Edited for the Madras Journal of Co-operation—Ed.)

system leads to low production and indebtedness. It is much heavier in its incidence than other taxes. It is antiquated, and is not in keeping with the trend of land revenue policy in civilised countries.

In these circumstances it is obvious that the scope for the expansion of the co-operative organisation must be extremely limited. Co-operative credit cannot normally touch those whose agricultural incomes do not leave a margin even for bare subsistence, for most of them either cannot offer adequate security for the loan, or do not possess the capacity to repay it. The possibilities of the expansion of the movement are thus indissolubly bound up with the possibilities of improving the economic condition of the people by a sound agricultural policy of a Government with a national outlook. Where the latter is absent co-operation can do very little to help agriculture and the agriculturist.

Again, without a "sound fiscal organisation of the country, and, in particular, assistance to agriculture by tariffs and subsidies", many agricultural products will suffer from serious outside competition and no amount of co-operative organisation will avert the catastrophy. What chance would a Sugar-cane Growers' Co-operative Society in the United Provinces have without the levy of an adequate protective duty on imported Java sugar? Again, unless the Railways carry agricultural produce at rates which will leave some margin of profit to the producers to transport them to central markets, what can a co-operative sale society do? Take a wheat sale society in Lyallpur in the Punjab, which wishes to sell its members' produce to the flour mills at Calcutta in competition with Australian wheat? The freight on one maund of wheat from Australia to Calcutta is 6 annas while the freight on it from Lyallpur to Calcutta is Rs. 1-3-3. How can the society work? The Punjab Governor admitted that a reduction in the Railway freight on wheat helped its movement and marketing. How, again, can a co-operative dairy society thrive with the unrestricted import of milk products and hydrogenated oils into India? Vegetable ghee (Vanaspathy) is imported to the value of Rs. 2 crores a year, in a colourless, tasteless and odourless form, which facilitates adulteration with pure ghee and butter, so as to drive the genuine co-operative dairy products out of the market. It follows that an enlightened and progressive agricultural State policy, conceived and worked in the interests of our rural population, is a condition precedent to the success of our endeavours. Take again the case of indigenous manures. We can crush our oil seeds here and produce adequate supply of oil cakes for our paddy fields. India is the

largest oil seed producing country in the world and has monopoly in certain varieties like castor seeds. No country with an economic policy of its own would have cast away such an advantageous position by exporting its seeds and buying its oil. The railway freights on oil seeds are also so fixed as to encourage their export outside India. The freights on groundnut and castor seeds, for instance, to ports like Cuddalore, Calicut or Madras, are much less than those for their movement to the markets and industrial centres in the interior. Again, heavy inland freights on finished products and import duty on oil machinery and spare parts and the cost of transporting such machinery make it difficult to manufacture and distribute the products in this country at a profit. India sends away much valuable fertilising material contained in oil seeds, which ought to enrich her soil, and buys about Rs. 6 crores worth of oil from outside, as if she cannot make her own oil. The position with regard to bonemeal is equally tragic. About one lakh of tons of bonemeal crushed mostly in port towns are exported by sea out of India. Imported artificial manures of doubtful value are being pushed, the conservation and more extended use of indigenous manures being in consequence discouraged. No one ever objects to artificial manures because they are artificial, if their benefits are established and if disinterested and sound advice in their use is forthcoming. The objection is to the pushing in of the imported foreign article by interested propaganda and the pushing out of the indigenous one. Some retired European Agricultural Officials have established connections with foreign fertilisers companies and are flooding the country with literature of an advertising nature under the guise of expert advice. Even the policy of the Railways is in the direction of helping cheap transport of foreign manures but not of indigenous ones. The critics of this policy have roused the ire of the Director of Agriculture in Madras, who makes himself responsible for the following observations in his Report on the operations of his Department for the year 1929-30: "Our work should be *mainly* concerned in giving advice to cultivators on the use of artificial manures. In spite of a certain amount of *adverse propaganda work on the part of ill-advised individuals*, it is satisfactory to report that the sales of these manures are on the increase." The absolute self confidence of the Director in the wisdom of broadcasting artificial manures is not consistent with the following finding of the Royal Commission on Agriculture: "Although ever since the re-organisation of the Agricultural departments in 1905, manurial experiments have engaged a large part of their time and energies and have been carried out on every agricultural station in India, it cannot be said that Agricultural experts are even yet in a position to give *satisfactory advice* to the cultivator in regard to the use of manures." (page 81.)

In this connection, may I in all humility ask why in all the British Indian Provinces (except Assam where Co-operation and Industries are tacked on to Agriculture) there is not a single Indian Director of Agriculture? When Indians can fill much higher positions and more technical jobs and can even be Principals of Agricultural Colleges, where students are trained for the highest University Degrees in Agriculture, can they not fill the place of a Director? Are there not Indians in the Agricultural Department who can discharge the duties better than the foreigners who occupy the places to day? It is futile to expect an Indian Agricultural policy from non-Indian Directors. Is it not time that this wholly indefensible arrangement is reversed and the non-Indian Directors are replaced by Indians? It is a pity that the Indian Ministers, in no province, have sufficiently asserted themselves in this matter and got Indians appointed as Directors. There are several passages in the Report of the Royal Commission on Agriculture which show that this foreign direction of the fortunes of Indian Agriculture was not productive of much tangible benefit; nor did it conduce to efficiency. Let me quote one of those passages as an illustration: "One of the reasons why the work of the Agricultural Departments on improved implements has so far been disappointing is that the idiosyncrasies of individual inventors have been allowed too free play." The Royal Commission add that such efforts of agricultural officers have been "distinctly unfortunate in effect if for no other reason than that they have involved a waste of time and money on the evolution of types which have already been experimented with by manufacturers and condemned on the ground of cost or other disadvantages" (P. 112.) Such passages as these and the one already quoted on manurial experiments do not substantiate the claim of the Non-Indian Directors for preference. I can cite from that report many other passages to similar effect in other spheres of the Agricultural Department's activities. Indian subordinates under existing arrangements have not the necessary freedom to pursue an Indian policy.

I must not, however, be understood to say that there is nothing to be done by us co-operators in the field of Agricultural Co-operation until the Government changes its colour, though the conviction is daily growing on me that what can be done must indeed be very little. It is up to us co-operators to do even that little and

organise ourselves to be in readiness for better times, when real sympathy and aid will be forthcoming from the State. There are two main lines of development, which in my opinion we can profitably attempt, besides consolidation and expansion of our credit organisations. One lies in the direction of securing to the producer better price for his products. While he is weak and unable to secure his due share of the value of his produce, the retail supply agencies of manufactured goods, from whom he buys his domestic and occupational necessaries, get out of him more than he need pay for them. He is thus hit both as a producer of agricultural products and consumer of manufactured goods. So, he must be helped to earn more on his produce by creating better facilities to market his goods, preferably through co-operative endeavour, to minimise this economic hardship. The other line of progress lies along creating for him opportunities for work of a congenial character to supplement his slender income from agriculture. This is possible only by organising him for the profitable pursuit of some subsidiary occupations. I shall therefore confine my address to you to the two topics of *agricultural marketing* and *cottage industries*.

AGRICULTURAL MARKETING.

It is being increasingly felt that the economic loss at the distributive end of the farmer's business, due to absence of orderly marketing of his products, undermines genuine incentive to agricultural improvement. The experience of officers of the Agricutural Department seems to be that attempts to produce more or to grow better qualities of crop have not met with their due reward and are not likely to prove beneficial, until organised and profitable markets are found for the sale of those products. The effects of bad marketing on the farmers' productive effort are serious in other ways also. The investment of capital on increased production will not always prove an unmixed good, for a bumper crop raised by a larger outlay, without a reasonably good market for it, will actually result in loss instead of gain. The handicap to the farmer arising from absence of orderly internal marketing is getting aggravated with the growing influence of prices ruling in overseas markets on our internal prices. So every endeavour should be made to reform our marketing methods drastically. It is true that there are numerous factors which impede the reform. Defective rural communications, difficulties of transport, absence of storage facilities, unfamiliarity with the processes of grading and preparation for market, practices like damping and adulteration, unsatisfactory system of weights and measures, have all to be overcome.

Most, if not all, of these can be remedied only with a whole-hearted State Policy which is conceived and worked in the true interests of Indian agriculture, trade and commerce. I do not propose to deal with those matters on this occasion.

I wish to confine my attention to two particular matters which we as co-operators are most intimately concerned. These two matters forced themselves on my attention in the course of my study of the reports of some of the Provincial Banking Enquiry Committees. One is the system of Rural Finance in vogue in the co-operative organisations. That system has certainly not tended hitherto to conduce to the economic freedom of the cultivator to sell his produce on reasonable terms to the best buyer. The financing of the industry of agriculture, as such, has not yet been recognised as the chief function of a co-operative credit society. Loans are given for all kinds of purposes and those given for genuine cultivation purposes are negligible according to the estimates made by some Provincial Banking Committees. The inevitable consequence is that agriculture is almost entirely financed by money lenders and grain dealers and other middlemen and the cultivator, who thus becomes indebted in respect of the crop raised by him, has naturally to forego his freedom to store or sell his crop, as he would like to do and is exploited by his creditors. So our earnest endeavour hereafter should be to supply the current financial needs of agriculturists in an *adequate measure* and with *utmost promptitude* by short and intermediate loans not exceeding three years. This alone will undo the mischief of current rural indebtedness which effectively blocks all reform of marketing methods.

The other matter is the responsibility of the co-operators themselves for the failure of the working of their co-operative sale societies. More than one Provincial Banking Committee have complained of want of loyalty among the members of the sale societies to their own society. They are accused of tendencies to snatch opportunities of larger profits by selling elsewhere or to desert the society on the first appearance of loss. It is obvious that Sale Societies can never prosper under such conditions. Unless a fair percentage of the produce of the members comes into the market and there is assured custom, the society cannot be of any economic benefit to the members. I therefore hope that strenuous efforts will be made to educate the members of these sale societies in the benefits of co-operative marketing and to make our sale societies efficient. In America and elsewhere in the west also, similar difficulties were felt in the initial stages, but were overcome

by persistent education. In those countries "signing up of members", that is, entering into binding contracts with penalties for breach thereof, is the rule. In Bombay certain societies levy a fine for disloyalty. I suggest that the question of enforcing the obligation of members of sale societies by legally binding contracts may be carefully examined by co-operators.

SUBSIDIARY OCCUPATIONS TO AGRICULTURE.

Many Committees and Commissions as well as individual economists have testified to the fact that agriculture, by itself, does not provide to the bulk of the cultivators in this country adequate income to suffice even for their bare subsistence. It is further stated that agriculture in India, in many cases, is not an all-year-round occupation, and leaves spare time to the cultivator which he can profitably employ in the pursuit of certain subsidiary rural industries of a domestic character, in order to supplement his income. If so, why does he not do so ?. Some say that the Indian cultivator is a lover of ease and is averse to exertion ; others say that he, overcome by a sense of pathetic contentment, is not dissatisfied with his low standard of life and has no desire to earn more or live better ; others, still, say that he is lacking in enterprise and organising capacity. There are those who consider that he cannot re-enter the field by reason of his ignorance of modern processes and the requirements of present-day markets. I am unable to agree with most of this diagnosis. A careful study of the recent surveys made in some provinces, at the instance of the Development Ministers, into the conditions and prospects of several cottage industries and of the more recent investigations of some of the Provincial Banking Enquiry Committees, has convinced me that, in the case of some of the industries that still survive, they can be reorganised and maintained, if a national industrial policy is pursued. The traditional skill of the artizans and rural industrial folk is still there and, too, their capacity and desire to work. As for enterprise and organisation, nowhere were they forthcoming without guidance and financial assistance from the State. If such guidance and assistance are forthcoming from the State in India, the rural artizan and industrial classes can be organised, and organised successfully, once more. Bulletin No. 12 (1930) published by the Department of Industries, Madras, gives the following conclusion : "In spite of the competition of the power factories, indigenous weaving, though badly hit, has still survived and is even maintaining its own in certain special lines. It is capable of being revitalised and stability can be imparted to it and the economic condition of the weaver improved, if necessary steps are taken." As a matter of fact, some years ago, the policy of the Madras Government was to take such steps under the inspiration of official advisers like Sir Alfred Chatterton and non-official leaders like Sir P. Thyagaroya Chettiyar, and the various steps so taken are summarised in the Bulletin quoted above. I understand that in Japan and some other countries where power-loom made considerable headway, the handloom not merely exists but flourishes side by side. Some time ago, I read a report on handloom weaving in the Madras presidency of a committee set up by the Provincial Government. The report was, curiously enough, signed only by the non-official members thereof, the official members neither joining them nor dissenting from them. I found in it an opinion to the effect that handloom weaving had much vitality still left in it and that in the production of certain varieties of textiles, the hand-loom could to-day compete with the power-loom.

What is the present attitude of the Madras Government towards this cottage industry? I believe its latest phase is reflected in the report of the Madras Provincial Banking Enquiry Committee, whose chairman is a true and talented representative of that Government. That committee was frankly against encouraging handloom weaving as a subsidiary occupation of agriculturists who constitute 75% of the population. To begin with, they say that "the rank and file of weavers in Madras enjoy an unenviable reputation to-day. Poverty is accentuated by excessive drinking and whichever is the cause and whichever the effect, the absence of any ambition is marked." Effects of weavers' "indebtedness", "want of business capacity", "indifference", "ignorance" and "character" are emphasised in an arresting manner. The difficulties of marketing are vividly and graphically described. Then follows the astounding economic proposition that "the assistance given to the development of cottage industries will tend definitely to detract from the efficiency of cultivation, for it then becomes a part-time occupation." We are also assured, contrary to the findings of the Agricultural Commission, that farming will usually take up all the time of the farmer and that "the farmer is not always idle, only for the reason that there is no work for him to do," but that "in many cases, he is idle because he will not do it." Then comes the conclusion whose cynicism is patent: "Weaving is of course the perennial prescription of many philanthropists, but when the large weaving community is itself looking for subsidiary occupation and is unable to sell what it could produce, it appears idle to suggest that production should be again augmented by turning the ryot or to add to the efforts of the weaver." The verdict is that there is no market in India for hand-woven

cloth and the philanthropist that is thus exposed to ridicule is, of course, the Swadesiwallah. It passes my comprehension how the Indian members of the Madras Provincial Banking Enquiry Committee put their signatures to such jeering references to a national effort and a palpably untrue picture of the potentialities of the handloom industry as a subsidiary occupation to agriculture and agreed to rule out a most promising industry in which lies the hope of the economic uplift of the ryot. Farming and weaving went together and supplemented each other from ancient times, as a casual consultation of any school-book on the economic history of India would show. It might be within your recollection that, in his historic trial for sedition, Mahatma Gandhi, when asked for his profession, said that he was a "farmer and weaver." It was left to the Madras Provincial Banking Enquiry Committee to discover for the first time the incompatibility of their combination. Again, I wholly repudiate the Committee's sweeping denunciation of the rank and file of the weaving class. I have myself visited large colonies of weavers and found among their rank and file numerous skilled, industrious, honest and capable workers. If they are properly assisted and encouraged and their handicaps arising from competition are suitably removed, I have not the slightest doubt that the industry has, even now, an unlimited scope for development and expansion. Unfortunately, the policy cultivated by the East India Company to exterminate handloom weaving in India, of which a faithful account is to be found in the illuminating pages of R. C. Dutt's Economic History of India, still continues, and the handloom weaver is still a victim to it.

We are told from many quarters that the best agency to develop the cottage industries is the co-operative organisation. But, this homage to co-operation seems to be a lip service not backed by material sympathy. Let me substantiate my point with reference to the manner in which the Madras Government treated the proposals to improve handloom weaving through co-operative endeavour. In the last two annual reports, the Registrar of Co-operative Societies dealt with the matter. In his Report for 1929-30, the Registrar says that the Textile Advisory Committee recommended the starting of primary societies for weavers and the organisation of a bank and a central society for financing the primary weaving societies and conducting the sale of their finished products. He also says that the Government are informed of the financial assistance that is required from them and also the extent of such assistance given by the Governments of Bengal and the Punjab to similar organisations working in those provinces. I understand that the proposed financial assistance was a very modest one. In his current report, the Registrar says that "the scheme had to be ***kept in abeyance*** owing to financial stringency." But the Government, in their order dated 17—3—'31, reviewing that report, have gone further and said that "the proposals of the Registrar for the organisation of a central depot at Madras for the disposal of weavers' products referred to in paragraph 6 of the last year's review (1928-29) had to be ***dropped*** owing to financial stringency." It is no longer in abeyance, but definitely dropped, perhaps in anticipation of the "stringency" being permanent. One wonders whether the stringency referred to is of the chronic variety with which the development of Indian industries is traditionally associated or one which is the outcome of the present depression. If it is the latter, why was the proposal, which is more than three years old, held up till the present stringeney has occurred? This attitude is hardly consistent with the loud professions of faith in the efficacy of co-operation as an agency for developing cottage industies. It is no use merely exhorting people to organise and carry on cottage industries which are languishing by exposure to fierce competition from well-organised mechnical industrial enterprises. Wherever there is a fair chance of success attending the reorganisation of a particular cottage industry, the State must genuinely help in its organisation with all the possible means at its disposal. Will such effective State aid be forthcoming for those cottage industries which have a good chance of being revived? I doubt it seriously.

It must be fresh in your minds how an appeal for intensive propaganda to encourage the manufacture and sale of khaddar by co-operative societies upset the alien Bureaucracy and provoked a threat from the late Ministry to visit the societies with dire consequences. I understand that the present Ministry also finds itself impotent to withdraw that order. Nevertheless, I beg to appeal once more to the agriculturists of the province in general, and to co-operators in particular, to activily encourage hand-spinning and hand-weaving, as it is a rural occupation which will confer immense economic benefits to the cultivators. There are to-day one million members in the 15,000 village co-operative societies of the province. On the familiar assumption that each agriculturist family comprises five persons, 5 million people have to-day come under the influence of the Movement. If all of them encourage this industry and pledge themselves to help in the production and use of Khaddar, marvellous results can be achieved in a short time. There are other cottage industries which can be similarly fostered through co-operation.

If these lines of development in agricultural marketing and cottage industries are kept in view and made to supplement the work of credit organisations I have no doubt that Co-operation will prove a potent factor in the economic, social and political development of Rural India.

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

VII. READING OF THE LIBRARY REPORT.

BY MR. R. KAYAROHANAM PILLAI.

A Free Public Library.

Mr. Hood, I.C.S., the Registrar of Co-operative Societies, visited this agricultural bank on 9-4-'27 when Mr. Rao sahib A. Sethurama Iyer, our veteran Co-operator, requested him to open a free liabrary in the name of Dewan Bahadur L. D. Swamikannu Pillai, which he gladly did.

Since a reading room, called the Desabandu Free Reading Room had been started in the Union Board Office, it was resolved to contribute to its funds from the common good fund of the Bank. Consequently the L. D. S. Library had no financial help. But the Desabandu Free Reading Room has grown very popular. The Library which was located in Mr. Sethurama Iyer's house has been looked after by his sons. There was no constitution to it and many books were widely distributed, and unfortunately several of them are missing now. Moreover it was in a private house.

Happily we have got a public building of our own and we have located the library here, where people can resort to it in large numbers. A library is not a museum, it is not a graveyard of past authors, nor is it a monument of notabilities or a record room; but its functions can be compared to a good salesman of a co-operative store. The salesman must necessarily first create interest in men and persuade them to buy and use his articles. So a librarian is to see that through good service all his newly acquired customers stay long.

By appealing to the sense of sight and hearing through bulletins, reports, exhibits, public lectures, talks etc., a curiosity is created and thus it excites ideas in the public mind. Thus the indifferent and the lazy are obliged to leave their houses and proceed towards the library. The real educative work begins and ends in the library. We receive all leaflets, bulletins and journals and reports of the Agricultural, Industrial and Co-operative Departments.

A list of books is appended to this note. Many more books have to be added to the library in course of time. It ill behoves us to be depending upon this man's or that man's generosity. We must stand on our own legs as true co-operators. Since the functions of a library are educative, we have got a claim on the state aid. So we take this opportunity to appeal to the Registrar of Co-operative Societies, Madras, for an annual Government grant on this behalf.

On behalf of the co-operators of this place assembled here, I, request you, sir, my revered lecturer Mr. T. I. Ommen M.A., B.L., who is the chief Librarian of the Findlay College, Mannargudy, to open this free library named after Dewan Bahadur L. D. Swamikannu Pillai M.A., B.L., L.L.B. and shower your blessings on it for a long life of usefulness to the public.

VIII. OPENING OF THE SWAMIKANNU FREE LIBRARY.

By Mr. T. I. Ommen, M.A., B.L.

Mr T. I. Ommen, M.A., B.L., History Lecturer, Findlay College, Mannargudi, in opening the library said that it had been generally recognised in modern times that libraries have a very great part to play in national development and that they perform a function of first rate importance. The co-operative societies of which there are fifteen thousands and more in this province, he was sure, would be able to tackle this library problem and go a long way towards removing illiteracy from the country.

IX. UNVEILING THE PORTRAITS

OF

Messrs.

1. Dewan Bahadur R. Raghunatha Rao, C.S.I.
2. Rao Bahadur K. G. Srinivasa Mudaliar.
3. Rai Saheb A. Sethurama Iyer, D.A.
4. K. Nataraja Pillai.

By Mr. T. V. Umamaheswara Pillai, B.A., B.L.

In unveiling the portraits, Mr. Umamaheswara Pillai spoke at length of the great services done by the late Dewan Bahadur Raghunatha Rao for the public cause, especially in the matter of the land revenue policy. He was such a great man that the late Justice Ranade used to speak of him as his *guru*. And it was Mr. Sethurama Aiyer's good lot to be trained under him for public work.

Rao Bahadur Srinivasa Mudaliar, a leading landholder of the District, was the President of the Co-operative Manure Society, Nidamangalam, and a colleague of Mr. Sethurama Ayer from his younger days in public work. He was a model for landholders.

Mr. Sethuram Iyer, who had a training under the late Rao Bahadur K. S. Srinivasa Pillai and Raghunatha Rao was a veteran

co-operator. His public life is as old as the Co-operative movement in this Presidency. He holds a Diploma in Agriculture and has written a book on the same. He is the soul of the Co-operative movement in this district.

Mr. K. Nataraja Pillai, though an young man, has done much for the public life of the place. As President of the Union Board for several terms, as President of the Agricultural Bank, as Secretary of the Co-operative Store, as a director of the Manure Society Ltd., as non-official jail visitor and as Founder-President of the local Desabandhu Free Reading Room, he has done very good service. His work has always been characterised by integrity, efficiency and earnestness.

EVENING.

X. RESOLUTIONS PASSED AT THE CONFERENCE.

CONDOLENCES.

This Conference places on record its appreciation of the selfless service rendered to the country by Pandit Motilal Nehru and Moulana Mohamed Ali and expresses its deep sorrow at their sudden demise at a critical moment of the country's political situation.

Moved : from the Chair.
Carried : Standing.

This Conference places on record its sincere appreciation of the valuable services rendered to the cause of Co-operation by Mr. K. T. Paul and expresses its sorrow at his sudden demise.

Moved : from the Chair.
Carried : Standing.

RESOLUTIONS.

In view of the amount of illiteracy and the lack of proper human material and the alarming overdues mounting up in societies, we have been asked to pay more attention for rectification and consolidation than for expansion. This conference is of opinion that for the Mannargudi taluk, organisation of Co-operative Societies for the remaining villages should be pushed through with a definite programme as has been chalked out in the beginning that every village in the Mannargudi taluk should have a co-operative society.

Proposed : K. Nataraja Pillai.
Seconded : Rai Saheb A. Sethurama Iyer.
Carried :

SUPERVISION FUND FOR NON-CREDIT SOCIETIES.

For the encouragement of non-credit societies, the supervision fund levied by unions should be nominal and that a grant for well-worked non-credit societies should be given from the Union or the Federation for education and propaganda to ensure proper development of such societies.

Proposed : Rai Sahib A. Sethurama Iyer.

Seconded : K. Nataraja Pillai and Rao Sahib K. V. Thiruvengada Mudaliar.

Carried :

RESERVE FUND INTEREST.

This conference is of opinion that the reserve fund interest of the societies should be given to the societies on the due date *i.e.* 30th June every year when there are no overdues to the financing bank either in principal or interest or in the investment of reserve fund or supervision fund and that the adjustment of interest to reserve fund is not proper.

Proposed : A. Sethurama Iyer.

Seconded : K. Nataraja Pillai.

Carried :

RECLAMATION WORK IN SIRUMANGALAM SOCIETY.

This conference is of opinion that the union should help in all possible ways for further reclamation and see that the cultivation of the remaining 120 acres in the Edangankottah Kasan forest is extended by the Sirumaugalam society members.

Proposed : A. Sethurama Iyer.

Seconded : N. Parameswara Ayer, B.A.L.T.,

Carried :

THRIFT.

Owing to the agricultural and trade depression this conference is of opinion that members of co-operative societies should reduce their expenditure as far as possible and live an ideal economic life casting off all luxuries and should earn more by honest hard work either in agricultural or in any subsidiary industry and thus lay by whatever is possible in the society.

Proposed : From the Chair :

Carried :

This conference is of opinion that the supervisors of unions should pay more attention to education and propaganda than for preparing statements and attending to routine work in the unions.

Proposed : A. Sethurama Iyer.

Seconded : N. Parameswara Iyer.

Carried :

9. This conference is of opinion that the Tanjore financing bank should have a paid Secretary well versed both in theory and practice of Co-operation.

Proposed : A. Sethurama Iyer.

Seconded : N. Panchapagesa Iyer.

Carried :

10. This conference advises the members of the Co-operative Societies to use good strains of paddy, get more income from the lands by applying 2 cuts of bonemeal and 5,000 lbs. of leaves per acre; and also earn more by spinning yarns and making khaddar in their off seasons as well as by paying sufficient attention to vegetable and fruit gardening and dairying.

Proposed : K. Gopalakrishna Iyer.

Seconded : K. G. Srinivasa Mudaliar.

Carried :

11. This Conference is of opinion that periodical valuation of land and proper verification of sureties should be made often and often in these days of depression to ensure proper qualification for Agricultural papers.

Proposed : From the Chair :

Carried :

XI. OPENING OF THE AGRICULTURAL EXHIBITION AND BORING SET OF THE INDUSTRIES DEPARTMENT.

By Mr. K. G. Srinivasa Mudaliar.

The demonstration of the boring set attracted a large crowd on the 24th and 25th instants from the ryots of the Mannargudi Taluk, has also the demonstration of agricultural implements. The demonstration of the loose-box system and the dry earth system for the conservation of the cattle manure also attracted large crowds.

AGRICULTURAL EXHIBITION.

An agricultural exhibition was arranged in connection with the celebrations and this was opened by Rao Bahadur K. G. Srinivasa Mudaliar of Mannargudi, a prominent landlord of the District. He spoke elaborately on the usefulness of an exhibition of the kind at such celebrations where people from rural parts were expected to muster strong. The one point on which he laid emphasis was that if they wanted to capture the world market their products should be of a very high quality.

XII. READING OF THE REPORT ON THE NEW OIL ENGINE AND DISINTEGRATOR FOR THE MANUFACTURE OF BONEMEAL.

By Mr. K. Nataraja Pillai.

Naturally non-credit activities will follow when credit movements are successfully working. After the Nidamanglam Agricultural Bank had been working successfully for seven years and after the Co-operative Societies Act had been amended in 1912, our colleague, Rai Sahib A. Sethurama Ayyar created an impression at the third Co-operative Conference held at Ammapet that the Tanjore paddy lands were in great need of phospates, as per the investigations of the Research Institute at Coimbatore. The authoritative bulletin on the soil survey was published in 1915 and we, co-operators wanted to organise a non-credit agricultural society called the "Tanjore District Co-operative Manure Society" to put the investigations of the Research Institute to test.

The economic question involved by this problem works to about 50 lakhs of rupees. To work out this agricultural experiment, our society was started in 1916 and it began its work by collecting bones, phosphatic nodules etc., for manufacture of bonemeal and flour phospate in the Disintegrator. Our oil engine was a nine horse power engine and the disintegrator was of the smallest size available, viz. No. 'O' Christy and Norn's type. It turned out about 8 to 10 cwts. of bone meal per day of 10 working hours.

The local skin merchants used to purchase bones at Rs. 15 to 20 per ton from the Adi Dravidas and sell at Rs. 40 to manure manufacturing firms. The society, by its inception, made these Adi-Dravidas earn 50 per cent more by raising the value of bones to about Rs. 30. The market value of the bone meal at the time was Rs. 100, but the society was able to sell at Rs. 65 per ton to its members.

Then we had to gradually raise the prices of bone-meal as the price of the bone went up and we began to sell bone meal at Rs. 70 and so on, till it now sells at Rs. 90 per ton.

At one time the market value of bonemeal was Rs. 110 and we sold at Rs. 95. Our maximum sale was only about 8 to 18 tons per year when the demand rose up to nearly 40 tons. Unfortunately, the disintegrator and oil engine having become old as well as the price of bones having gone up very high being till recently Rs. 60 per ton of raw bones, we were not able to meet the demand.

The experiments with phosphatic manures on the member's lands have conclusively proved that the results of the investigations of the Research Institute are quite right.

Now we have purchased a 18 horse power engine, cold starting oil engine and a correspondingly bigger size disintegrator, which will turn out about 15 cwts. of bonemeal per day. Owing to general trade depression which has especially hit the Indian ryots hard, we have been advised to reduce the cost as far as possible and we are now selling bonemeal at Rs. 90 per ton for a quality which was not to be thought of in the old disintegrator being of the very finest type. I therefore request you to kindly open this engine and disintegrator and bless this society to serve its useful purpose for a long time to come.

XIII. OPENING OF THE OIL-ENGINE AND DISINITEGRATOR.

By Mr. N. S. Kulandaswami Pillai.

Deputy Director of Agriculture, Trichinopoly.

I must first thank Rao Sahib A. Sethurama Iyer for giving me the honour of opening the disintegrator which has been installed for manufacturing bonemeal. I accepted the invitation for two reasons —one to oblige and honour my personal friend Mr. Sethurama Iyer who is a veteran co-operator, a scientific and practical agriculturist and a former student of the Agricultural College, Saidapet from which I have had the honour of taking the Diploma in Agriculture.

The important work of crushing bonemeal and distributing the same to the agriculturists can be understood only if you know the part the phosphatic manures play in increasing the output of grain and the amount of phosphates contained in bone meal. Among other ingredients that are required for the growth of a crop, the most important are N, P_2, O_5 and potash. Speaking only of the Tanjore delta, a soil survey has been made and it has been found out that the major portion of the delta is defficient in N and wanting in P_2, O_5. Potash is present in sufficient quantity.

To find out the cheapest form of supplying N, P2 and O5 to the paddy crop in the shape of manures, an experimental farm was opened at Ranganallur (it is now closed after an experimental work of nearly 15 years). The results of these experiments have been compiled in a book known as "The results of the Ranganallur Experiment Societies". I can say it is an hand book in Agriculture for the Mirasdars of Tanjore. A perusal of this book will clearly show (1) that of all manures well preserved cattle manure is cheapest and best, giving the best results. It is a whole manure containing all the requirements of a crop—N, P2 and O5; Potash and other minor salts. Cattle manure in addition to its manurial effect has the physical action of improving the feature of the soil. It is good for all sorts of soil—clayey, wanny and even saline. It is for want of cattle manure we have to look to other manures. (2) You will also understand from the book mentioned above that the cheapest phosphatic manures are bone meal and Trichy Phosphate; the former contains about 3½ to 4% of N and about 25% of P2 O5, while the latter being a rock phosphatic contains only 25% P2, O5 and no N. The phosphates contained in these manures being insoluble, their action is very slow but, when used in conjunction with the organic manures like green leaf manure, oil cakes or cattle manure, their effect can be observed in the very year of their application. This is because the organic acids produced by the leaves, cakes etc., while rotting are able to act in the insoluble phosphates and make them soluble so as to be utilised by the plants.

Super phosphate is a rock phosphate treated with sulphuric acid; Therefore the phosphate in this is soluble and can be utilised by the plants at once, and this need be applied in conjunction with leaves, etc. It is no doubt a chemical manure but can be utilised by ryots who have not been able to grow a green manure crop or who cannot afford to go in for manures which sometimes cost more than the capacity of the ryots.

(3) From the same book you can also understand that long before the advent of the manure firms, Sulphate of Ammonia and calcium cyanamide have been found to be quick acting, promoting rapid growth of plants. But the cost of these at that time being

nearly double the present price, their use was not advocated then. You may be assured, gentlemen, that no new manure is advocated to the ryots before it is tried and experimented in an experimental station and found to be profitable to the ryots.

This morning, the President in the course of his speech said "Imported artificial manures of doubtful value are being pushed with the active support of the Agricultural Department." I beg to disagree with the President. Early last year there was a conference of the Deputy Directors at Coimbatore wherein this question of manures was discussed thoroughly—the importance of conserving cattle manure and preserving it was determined to be one of the chief items of work of every Agricultural Demonstrator. It has been made such an important item of work of an Agricultural Demonstrator that if you meet any one of them and ask his opinion of the manure, I am sure he will tell you of well preserved cattle manure in which the urine of the animals and the cast off litter are combined. Several leaflets have been published. This subject finds a place in every villager's calendar, digest, etc. If proper system of conserving cattle manure has not spread, the ryots are to be blamed. But, gentlemen, if you know that in the so-called civilised country like Ireland it took nearly one century to introduce a labour saving implement, we need not be surprised that introduction of the better system of collecting cattle manure is very slow in our country where illiteracy is the rule.

In this connection, gentlemen, please permit me to give an explanation for a statement contained in the report of the Director of Agriculture in the operations of the Department for 1929-30. "Our work should be mainly concerned in giving advice to cultivators in the use of artificials." To understand this statement, I must explain the policy of the department. We know by manuring the fields better yields can be obtained. We know that well preserved cattle manure is the best and we know also that the total amount of cattle manure available in the country will hardly be sufficient for one tenth of the total cultivable area. The advice given to the ryots is to apply half the dose of cattle manure or cabe and supplement the balance with artificials. This has been our advice as regards the artificials. To give you an instance, a plantain garden at Karur was manured with 8 varams of groundnut-cabe per acre; another plot with 4 varams and 1 cwt. super and 3 bags of Ammonium Sulphate. The cost of the manure in both cases is the same but the latter had produced bigger bunches fetching 2 as more per inch which means Rs. 100 net profit per acre. I still hold that organic manures such as green leaf, oil cakes, fish guand are the best manures. But it all depends on the cost of the manures and the purse of the ryots.

As regards the phosphatic manures bonemeal is the best form supplying phosphoric acid to the soil provided it is used along with green leaf manures or oil cake or cattle manures. Unlike superphosphates this contains, as said before, nearly 3½ to 4% of Nitrogen, which is really a distinct advantage. Knowing the advantage of this manure which, besides being organic is indigenous the Imperial Board of Agriculture had been repeatedly insisting upon the Government that the export of this stuff should be stopped.

The next best idea is to make the stuff cheaper by manufacturing bonemeal in villages where bones are available and make the ryots utilise it. To this end the Central Research Council of Agriculture has instituted a prize of Rs. 3,000/- for an invention of a simple machine for disintegrating bones by means of bullock power. It is a matter of very great gratification that before this simple machine comes into the market, the Nidamangalam Society has been at it for some years past and has now installed a more powerful engine and disintegrator for manufacturing bone meal. This Engine and Disintegrator I have been requested to open this evening. I have very great pleasure, therefore, in declaring this Engine and Disintegrator open—Let it be useful to all the ryots of the Tanjore delta and increase their grain output.

XIV. PRESIDENT'S CONCLUDING SPEECH.

The President, in bringing the celebrations and the conference to a close, congratulated the Nidamangalam Agricultural Bank and the Manure Society on the very good work they had been doing and paid a compliment to Mr. Sethurama Aiyar and Mr. Natarajan on providing the bank on that auspicious occasion of its Silver Jubilee with a habitation of its own. In this connection he cited the instance of the New York Tailors' Co-operative Housing Society, which has provided them with beautiful residences, all filled with electric devices and even such conveniences as could not be found in the residence of the American President. The Tailors, though poor, were able to command such convenience through co-operation. The speaker then referred to the achievements of the co-operative movement during the last 25 years and said that the Royal Commission on Agriculture was right when they said that if co-operation failed the best hope of the agriculturists failed. The agricultural indebtedness of this province was estimated at 150 crores one half of which

was current debt annually borrowed and repaid and the other half the old standing debt. At the present usurions rate of interest one-fifth of that amount, 30 crores, would represent interest charges paid by ryots. If co-operative societies can help to reduce the rates of interest to 10 or 12 per cent it would result in a saving of 15 crores annually to ryots. If to this, strengthening of the credit organisations be added with genuine endeavour to organise orderly maketting of agricultnral produce, the agriculturists' condition would be greatly improved.

Referring to certain remarks of the Deputy Director of Agriculture, Mr. Kolandasawmi Pillai, the speaker said that he was glad to be assured that this particular officer was endeavouring to encourage the use of organic mannures along with the artificial mannures but, he said that there were agricultural officers who advocated, to the knowledge of the speaker, the benefits of consuming cowdung and farmyard manure as fuel instead of as manures. The policy of crushing oil seeds in India, he said, is what is wanted. He criticised the policy of the Government strongly and said that such a policy was very prejudicial to the country's interests. He also condemned the continuance of the system of appointing Europeans as Directors of Agriculture and pointed out the dangers of that system.

Rao Bahadur Srinivasa Mudaliar than proposed a hearty vote of thanks to the President and the celebrations came to a successful termination.

APPENDIX I.

PROGRESS REPORT OF THE NIDAMANGALAM AGRICULTURAL BANK No. 7—FROM 1905 TO 1930.

Year.	No. of members.	Paid-up share capital.	Loans and deposits due by the society.	Reserve fund.	Investments shares etc.	Loans due by members.	Overdue		Net profit or loss.		Economic benefits.	Remarks.
							Principal.	Interest.	Profit.	Loss.		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1905—06 ...	111	1,900	3,815	...	...	4,030	...	...	60	...	720	This Society is classed in I-A throughout.
1906—07 ...	143	2,550	5,003	60	...	7,810	...	...	510	...	1,404	
1907—08 ...	172	3,065	6,020	570	...	9,365	...	...	484	...	1,692	
1908—09 ...	165	2,975	5,177	1,054	...	8,281	...	55	265	...	1,494	
1909—10 ...	162	2,985	6,660	1,319	...	8,916	990	...	321	...	1,602	
1910—11 ...	194	3,355	8,222	1,640	...	11,491	276	...	245	...	2,070	
1911—12 ...	202	3,455	7,751	1,885	...	10,869	...	...	106	...	1,962	
1912—13 ...	206	3,807	8,152	1,991	20	11,435	...	...	239	...	2,052	
1913—14 ...	203	3,942	8,560	2,230	43	12,093	90	...	324	...	2,178	
1914—15 ...	202	3,992	11,447	2,554	43	14,883	1,037	...	151	...	2,682	
1915—16 ...	150	2,738	8,417	2,705	46	11,391	450	...	...	194	2,052	
1916—17 ...	135	2,500	7,410	2,705	257	9,542	1,389	144	...	39	1,710	
1917—18 ...	140	2,570	6,828	2,705	165	9,538	328	261	743	...	1,710	
1918—19 ...	143	3,037	7,490	3,448	365	10,438	1,499	317	323	...	1,872	
1919—20 ...	151	4,000	11,418	3,609	375	12,067	1,549	102	727	...	2,178	
1920—21 ...	119	4,212	11,945	4,072	1,075	13,177	1,793	212	480	...	2,376	
1921—22 ...	148	4,046	8,766	4,318	1,075	12,067	1,240	177	556	...	2,268	
1922—23 ...	138	3,895	10,898	4,601	1,060	13,451	2,287	268	1,032	...	2,430	
1923—24 ...	132	3,896	12,741	5,333	1,060	13,634	375	138	1,087	...	2,448	
1924—25 ...	137	4,306	12,265	6,119	1,060	15,907	1,401	218	328	...	2,862	
1925—26 ...	140	4,876	12,441	6,300	1,060	16,411	891	102	822	...	2,952	
1926—27 ...	120	4,591	37,230	6,761	1,201	41,056	567	69	799	...	7,380	
1927—28 ...	136	4,590	19,379	7,288	1,876	20,770	...	53	521	...	3,744	
1928—29 ...	160	5,160	33,032	7,548	1,880	37,051	175	22	1,162	...	6,660	
1929—30 ...	176	5,450	45,569	8,313	1,420	48,603	1,751	158	987	...	8,748	

N.B.—Columns 3 to 11—figures given correct to the integer.
" 12—(Economic benefit) calculated correct to a hundred.

APPENDIX II.

STATEMENT SHOWING THE TRANSACTIONS OF THE TANJORE DISTRICT CO-OPERATIVE MANURE SOCIETY, NIDAMANGALAM FROM 1916 TO 1930.

Year.	No. of members.		Paid up share capital.	Purchases.	Sales.	Stock on June, 1930.	Gross profit.	Net profit.	Investments.		Economic benefit.	Remarks.
	Ind.	Sec.							Reserve fund.	Shares.		
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1916—17 ...	44	...	445	1,441	920	595	75	37	...	...	400	
1917—18 ...	63	5	660	3,747	3,865	868	390	315	13	...	600	
1918—19 ...	71	13	800	5,541	5,662	1,159	411	281	92	40	4,000	
1919—20 ...	73	17	895	6,199	7,349	645	636	491	226	129	4,000	
1920—21 ...	78	21	970	5,675	5,425	1,301	649	471	586	310	5,000	
1921—22 ...	79	25	1,025	4,030	6,682	91	550	427	692	310	10,000	
1922—23 ...	81	27	1,060	11,027	10,438	2,056	481	253	799	310	40,000	
1923—24 ...	86	31	1,162	9,180	10,920	847	530	241	914	310	40,000	
1924—25 ...	86	38	1,062	8,895	10,031	430	718	491	1,097	310	40,000	
1925—26 ...	83	41	1,121	3,428	2,270	1,691	103	...	1,097	310	...	167 loss.
1926—27 ...	88	14	1,159	8,527	9,953	870	605	...	1,097	311	...	66
1927—28 ...	93	43	1,189	4,858	5,389	714	293	112	1,097	311	...	
1928—29 ...	93	40	1,321	3,871	4,715	161	292	118	1,125	313	...	
1929—30 ...	93	39	1,373	4,025	3,723	653	190	22	1,176	314	...	

APPENDIX III.

STATEMENT SHOWING THE PROGRESS OF THE UNION FOR THE YEAR 1927-28.

		No.	Rs.	A.	P.
1	Number of societies affiliated ...	43			
2	Number of members in affiliated societies		2,858	0	0
3	Paid up share capital of members of societies		75,460	0	0
4	Reserve Fund of affiliated societies ...		26,671	0	0
5	Loans and deposits taken from individuals by affiliated societies ...		1,40,777	0	0
7	Loans from Central Banks ...		1,40,661	0	0
8	Total working Capital		3,85,341	0	0
9	Loans due to Central Banks—				
	Principal—Demand		3,63,405	0	0
	Do. —Balance		125	0	0
	Percentage		·09 %		
	Number of societies in default ...	1			
	Interest—Demand		18,054	0	0
	Do. —Balance		Nil.		
	Percentage		lent %		
	Number of societies in default ...		Nil.		
10	Loans due to societies from their members—				
	Principal—Demand		2,96,046	0	0
	Do. —Balance		31,531	0	0
	Percentage		10 %		
	Interest—Demand		36,248	0	0
	Do. —Balance		5,337	0	0
	Percentage		14·7 %		
11	Number of societies which worked at a profit	32			
	Amount of Profit		11,977	10	0
12	Number of societies which worked at a loss	11			
	Amount of loss		327	6	0
13	Share capital of members of affiliated societies invested in District Bank ...		12,456	0	0

		Rs.	A.	P.
14	Reserve Fund of societies invested ...	26,314	12	0
	Reserve Fund of societies yet to be invested...	656	6	0
15	Supervision Fund—Demand ...	1,518	15	0
	Do. —Balance ...	59	13	0
16	Number of cases referred to under rule XIV			
	Number of cases decreed ... 67			
	Number of cases executed ... 82			

APPENDIX IV.

STATEMENT SHOWING THE FINANCIAL PARTICULARS OF THE SOCIETY.

As on 14—4—31.

		Rs.	A.	P.
1	Number of members 191			
2	Paid up share capital	6,300	0	0
3	Arrears of share capital	Nil.		
4	Amount outstanding from members to society	51,338	0	0
5	Of which, overdue amount ...	3,824	0	0
6	Amount outstanding to Bank ...	17,954	0	0
7	Of which, overdue sum	Nil.		
8	Interest due from members to society on 1st July 1930	1,132	9	0
9	Of which overdue	289	6	6
10	Interest due from society to Bank ...	Nil.		
11	Of which overdue	Nil.		
12	Reserve fund invested	8,896	0	0
13	Reserve fund yet to be invested ...	Nil.		
14	Net assets of the society... ...	13,069	8	9
	Reserve Fund	8,896	0	0
	Share capital invested... ...	1,459	12	0
	Building Fund	2,618	12	9
	Furniture	95	0	0
15	Remarks. Society placed in 1-A throughout from the beginning ...			
16	Maximum borrowing power ...	1,00,000	0	0
17	Classification.........1-A			

APPENDIX V.

FINANCIAL CONDITION OF THE TANJORE DISTRICT CO-OPERATIVE MANURE SOCIETY, LTD., NIDAMANGALAM.

As on 15th April 1931.

		No.	Rs.	A.	P.
	Members—				
	Individuals	95			
	Societies	39			
I.	Share capital invested in the Financing Bank		300	0	0
II.	Owned capital of the Bank ...		...		
	(i) Subscribed share capital ...		Four times the paid-up share capital.		
	(ii) Paid-up share capital ...		1,378	8	9
	(iii) Reserve Fund		1,245	8	0
	(iv) Total of columns (2) and (3)...		2,624	0	9
III.	Maximum borrowing power calculated on the amount shown in II (iv) ...		10,000	0	0
IV.	Borrowed capital of the Bank From Financing Bank		1,400	0	0
	Total borrowings... ...		1,400	0	0
V.	Balance of credit available (III-IV) ...		8,600	0	0
VI.	(1) Total amount of loans outstanding against members		83	12	0
	Invested in Agricultural Bank No. 7 current account		199	8	0
	Invested in share capital in the Co-operative Printing Works ...		15	4	0
	Value of bone-meal on hand ...		675	10	10
	Value of cotton seeds to be recovered from Hubli Cotton Sale Society ...		1,433	2	0
	Value of furniture		54	5	0
	Value of bones on hand		10	5	0
	Value of two ploughs		14	0	0
	Do. harrow		8	0	0
	Do. gram		5	4	0
	Cash on hand		3	2	4

APPENDIX VI.

FINANCIAL CONDITION OF THE NIDAMANGALAM CO-OPERATIVE STORES, LTD.

No. 11460, as on 1st April 1931.

		Rs.	A.	P.
I.	Share capital invested in the Financing Bank	50	0	0
II.	Owned capital of the Bank	...		
	(1) Subscribed share capital ..	5,000	0	0
	(2) Paid-up share capital	260	0	0
	(3) Reserve Fund	21	1	0
	(4) Total of columns (2) and (3) ...	281	1	0
III.	Maximum borrowing power calculated on the amount shown in II (4) ..	281	1	0
		×5=1405	0	0
IV.	Balance of credit available (III-IV) ...	1,405	0	0
	Value of stock on hand	173	14	6
	Cash on hand	24	11	9

THE Co-operative Conference at Tiruchengodu, SALEM DISTRICT.

PRESIDENTIAL ADDRESS

DELIVERED BY

RAO BAHADUR A. VEDACHALAM AIYER,

on 26th April 1931.

The President of the Tiruchengodu Co-operative Union and Mr. Adinarayana Chettiar have practically compelled me to take up the work of presiding over the conference, though my energy is, in my view, not satisfactory to undertake this work. My long connection with the District in co-operative work as Assistant Registrar of Co-operation seems to have actuated my friends to ask me to take up the work, but the absence of my intimate touch with the working of the co-operative movement during the last 3 or 4 years except in regard to primaries is a drawback and Mr Adinarayana Chettiar would not accept this ground for my inability to undertake this work. Hence I have agreed to do as much as possible consistent with the energy available. My hobby is rural co-operation and every co-operator is entitled to use me in spheres which can be undertaken by me suited to my available energy.

2. Annual conferences of co-operators in each District are intended to be utilised for review of the work done each year and for the formulation of schemes for advancement of the movement for the coming year. Co-operators, not necessarily representatives of institutions, will then have an opportunity of considering the various difficulties encountered in the movement, and of discussing and deciding on various remedies to remove such difficulties. It is not an annual " tamash " for mutual exchange of compliments. It is a meeting of co-operators determined seriously to tackle the general problems of the movement and the special ones relating to each district.

3. I am not connected directly with the movement in any one district and I am, therefore, unable to envisage the various difficulties confronting the co-operators and the co-operative movement. But the publication of the Madras journal of co-operation gives to

outsiders a glimpse of the activities of the several non-official bodies, central banks, provincial bank, provincial union and the various problems tackled by these bodies at their conferences. I will try to deal with one or two problems which I consider important.

4. One point of controversy that has arisen during the last five years is about the stoppage of long term loans repayable in a peried of 10 years, by the Madras Central Urban Bank and by the interdict of such loans by the Registrar. There have been sufficient discussion in the press and the platform on the subject. But the point I wish to note is that when ten years' loans were given, they were not intended to be given to those whose repaying power was insufficient. The mere fact that such loans were utilised for repayment of debts is not a drawback to the system, if such loans were given to persons who had repaying capacity; where loans are given to persons without repaying capacity, short term and long term loans will lead to defaults.

5. It is a noteworthy fact that during 1910 to 1919 when ten years' loans prevailed, many of the borrowers paid dues so as to produce advance collection to the tune of one lakh of rupees out of 10 lakhs of loans advanced in the districts of North Arcot, Salem and Chingleput. This is an indication to show that such long term loans for ten years are repayable by co-operators in 5 to 7 years. Where, however, repaying power of the agriculturist is disturbed by incidental troubles of the agricultural industry, defaults occur Whatever might have been the defects of that system of loans, and however recklessly they have been given by co-operators without the present day sound knowledge of commercial banking, it can be said without fear of contradiction that the mortgages of immovable property involved in such loans are capable of realising the dues without loss except when fraud or misappropriation has been practised. Agricultural co-operators may not be as punctual as commercial traders, who, by the way, are practising adjustment of other people's money, and who only declare themselves as not solvent when such adjustments become not practicable. But agricultural co-operaters are able to meet the dues to the last pie, though after a delay in wielding the processes of law; such a contingency of heavy defaults and delay would not have arisen but for the fact that they could not get loans from moneylenders from whom they once gravitated and that agricultural lands do not find purchasers in the rural parts even at reduced prices since 1920. The boom for land purchase between 1914 to 1920 which gave scope for the agriculturists to meet their dues by the sale of their property,

came to an end and the depression owing to scarcity of money and of buyers of land is the real cause for the delay in the clearing of the dues to the society by honest agriculturists. Litigants will give trouble always in any system of moneylending. If the present day co-operators feel nervous about the grant of ten years' loans out of short term deposits whose uninterrupted free-flow is disturbed by the conditions of the money market and currency difficulties, the course adopted by them could not be opposed.

6. My advice to co-operators is that they might use the credit new available in the financial machinery of the movement even though short period loans are available and fall back upon the inevitable moneylenders for long period accomodation. The present position of deposit banking whose inflow is not extensive and the tightness of the money market are factors which should taboo ten years' loans until the money market conditions get easier.

In this connection I may note the Registrar's remarks:—"It may be admitted that the dangers of granting a 'limited' number of ten year loans on the strength of short term deposits have been somewhat exaggerated and that there are no strong reasons why central banks should not grant 10 year loans in especially deserving cases after careful scrutiny. The conclusion seems to be that if ten year loans are given for proper purposes, after careful scrutiny of the repaying capacity of the applicant and the resources of the bank, the practice of giving such loans might well be resumed." The maximum that can be given as 10 years loans by a central bank should be calculated as follows:—

1. The paid up capital of the bank.
2. The reserve fund of the bank.
3. The reserve fund of primary societies.
4. 1/3 or 1/2 of the deposits of the bank which in actual experience is found to be good lying in money. It should not exceed half.

Taking the figures for Salem District—,

		Rs.
1.	Share capital	1,80,545
2.	Reserve fund	1,19,253
3.	R. fund of societies	8,02,220
4.	One half of deposits	4,34,557
		15,36,575

The amount of long term loans now outstanding is Rs. 23,21,650. Hence there is no use of clamouring for the grant of long term loans from central banks. If the overdues under long term in societies are collected briskly, there is chance for long term loans being given by central banks. Besides careful scrutiny by Supervisors noted by the Registrar, I would add scrutiny by the bank Directorate, as also the observance of a rule " that no collection under a long term loan should be relent." It should be remitted intact to the central bank and in defaulting cases, steps should be taken without delay till the dues are realised.

7. The next question that is causing anxiety in the minds of co-operators, depositors, shareholders and others is the appalling overdues in primaries and by primaries to central banks and the difficulties experieneed to devise suitable methods for clearing such overdues. Statistics relating to Salem District are appended for 29-30.

—	Dues to central banks by primaries.	Dues by members to primaries.	Presidency Average.	
			Central.	Agrl.
Principal				
Long Term ...	46.13	52.63	23.57	46
Short Term ...	10.53	40.41		
Arrear Interest ...	29.10	54.00	43.09	59-11
Current Interest ...	3.62	32.00	4-67	39.84

Various are the devices invented by co-operators at the helm of affairs. Between 1920 to 1927, the energy of the movement by non-official bodies and the department was absorbed in the floatation of District Federations amidst troubles by co-operators who felt that central banks are the best functionaries to control the movement.

The two bodies, central banks and District Federations, almost identical in composition, where the whole show is mainly under the guidance of representatives of local unions, had not worked smoothly in well defined spheres in certain districts and these federations are being scraped.

8. Till 1927, the central banks were told that they should not care to have any control over or voice in the working of local unions and District Federations, but should pay ½ rupee out of interest earned on Rs. 100 as contribution for supervision work. In 1927 and thereafter, the central banks were told that they are responsible to see that the primaries are working efficiently and that even at the sacrifice of dividend, they should create an administrative section with an array of clerks and accountants and outdoor staff, in supplement of those maintained by local unions and District Federations. The question of questions is to find out how far this wide expansion of staff by non-official agencies has secured efficient working of primaries. In addition, the central banks are to maintain rectification staff with the support of the Madras Central Urban Bank which is prepared to give as much as the central bank for the purpose. No one need object to the huge expenditure incurred in each district to rectify and consolidate the work of primaries and to secure their efficient working in the future. Many co-operators feel that proper co-ordination of work has not been arranged, that supervision has almost become centralised, and multiplication of statements and collection of statistics has been the result with none to utilise such statistics. In Salem District there are 16 local unions with only 462 societies attached to them. There are 25 supervisors and Rs. 38,694 are spent out of supervision fund and Rs. 25,022 as establishment charges in the central bank. First class efficient working of the primaries can be secured if the efforts are co-ordinated and properly supervised. My personal opinion is that steps should be taken properly and systematically in each district in the direction indicated below :—

(1) Each primary society should have the work of the society conducted by the Secretary or President or a clerk on payment of monthly salary to attend to clerical and other work and to arrange for filing suits and execution of decrees. Each society should be allowed full discretion to employ its staff for efficient working.

(2) Each local union should have a well-equipped supervisor to arrange for carrying on the work of the primaries in an efficient manner. The union must have proper paid clerical staff to attend to the work properly.

(3) Closure of overdue loans without any fear or favour and systematic action taken and without any delay in arbitration courts, civil courts or village panchayat courts and determination of irrecoverable amounts and free flow of credit to be arranged for remaining members in each society.

(4) Absolute autonomy and exercise of discretion in the primaries in the distribution of short term loans without inferference

by local unions, District Federations or district banks or the department.

(5) Higher staff maintained by District Federation or District Bank to be employed in educating the supervisers and in scrutinising various schemes formulated by the primaries.

9. No one need be alarmed at the overdues in primaries except where the assets are not sound and are incapable of realisation even after some delay. I feel optimistic of the future if the present state of affairs is mended soon and the past policy of drift is discontinued. It is perfectly feasible to bring to a state of efficiency the primaries, because the bulk of the co-operators who are agriculturists will have faith in their institutions, if a free flow of credit can be maintained. It is said that short term loans are not availed of in large volume by agriculturist co-operators and that where availed of, they are defaulters. It is not true that the people are not in need of money, but the distribution of credit is not regular and at the proper time and is more or less hampered by futile correspondence and unworkable formulae devised by co-operative agencies and the lending co-operative institutions at the helm of the financial machinery. Remove all these difficulties, let the agricultural industry be financed as an industry should be, put the entire responsibility of good working on the panchayats, you will get to a state of efficiency not yet realised by the movement.

10. In the distribution of short term loans for the benefit of the agriculturist and agricultural industry, these who work at the financial machinery of the movement will have to take note of the following factors :—

(1) Regular accurate forecasting of requirements cannot be made for each member as sudden demands would arise owing to the rapidity with which cultivation has to be carried on by securing hired extra ploughs and by engaging extra labour for weeding and transplantation. When plough cattle becomes temporarily disabled owing to disease or accident, hired ploughs will have to be engaged. Distribution of loans will not take place with reference to the rigid forecast if any is made. Hence allow a lump credit for each society in advance of the cultivation and even at the commencement of the co-operative year and give discretion to the panchayats to distribute the allotment.

(2) The short term loans may be fixed repayable in 2 years in equal instalments giving scope for the society to give extension when required and in deserved cases owing to causes beyond the control of the borrowers and to take steps in law for recovery in wilful default cases.

11. (a) The District Central Bank may preserve its democratic character by having a large number of representatives of societies as its members and may satisfy the maxim that in co-operation borrowers and lenders are one but the intricate management of finance and enforcement of disciplinary action in regard to recovery can be most satisfactory where the non-borrowing share-holders, individual share holders, run the central banks assisted by the local knowledge and experience of the agricultural industry possessed by representatives of primaries and unions. Where there are not sufficient men of knowledge among individual shareholders to run the financial concern of central banks, competent men should be co-opted. At present, representatives of societies primaries who form the majority in the Executive and Directorate of the central banks are lacking in the requisite business knowledge and for distinguishing between their position as lender and borrower, and the few with such knowledge are not elected. For a long time to come, the District Central Banks should be run by a mixed Directorate of individual shareholders and society representatives in which the former should be in preponderence in numbers as well as in business knowledge and the society representatives should gradually take the position of individual shareholders after securing necessary equipment. Central bank institution was introduced as a pure banking concern or mere intermediary to connect the primaries with the money market. A full blown co-operative enterprise having all co-operative characteristics should be found only in the primaries in regard to autonomous management of its finance. The local union is but an organised attempt at self-supervision over primaries. The local union should secure expert assistance in the shape of a paid supervisor who ought to be the guide, philosopher and friend of the movement, who should be well paid and well equipped and who should be looked up to to the infusion of co-operative and business knowledge among the members of primaries.

The supervisor's function is not mere audit but is that of a teacher to agriculturists and not a critic of accounts, figures and local administration. The supervisor appointed by the union or the Federation should receive the approval of the central bank or the Registrar. Unless and until we get back to this position which existed to a limited extent between 1913 to 1920, the efficient working of the primaries and the stable working of the central banks cannot be assured.

The local unions have got strengthened in numbers without securing efficient human material to run them. Hence the whole work has to done by securing a paid manager for them where necessary.

The Registrar of the Province or the Deputy Registrar of the district has to exercise stern control and force the central banks to modify themselves in their constitution and working. He should also compel the entertainment of efficient supervisors and well trained men in local unions even by increasing the taxation on primaries and central banks.

Of course the Registrar may feel considerable difficulty in securing this but the situation has to be faced and powers obtained from government where necessary to intervene at least in central banks run in an unsatisfactory manner and in unions run indifferently. He should insist on the primary banks being run not by inefficient honorary workers but with paid staff. The central banks should assume the responsibility to finance efficient running of unions.

The changes proposed by me to be effected by the Registrar can more easily and comprehensively be done by the co-operators of the District if they will do so, as they have adequate powers by their combined action. I advise the co-operators to work up to this standard.

(*b*) The individual shareholders of central banks have come into the movement not with a view solely to secure a dividend but wtth a view to help the movement by stabilising the financial machinery. These men are in the minority in the Directorate while the representatives of local unions are in the majority. Solution of financial problems and responsible administration should be aimed at in central banks but unfortunately the individual shareholders who are non-borrowers have very little part to play as compared with union representatives sent by vagaries of election without financial and personal stake. Under such circumstances, is it fair to penalise the individual shareholders by cutting off their dividend actually earned and by forming a bad debt fund instead, at their expense? The society shareholders do not care for dividend as the creation of bad debt fund is for their benefit. The individual shareholders are expected to provide the bank with "a strong disinterested and influential directorate" as the Registrar observes under central and bank.

12. The real reserve safe for the district bank is to secure efficient working in a businss like way of primaries and not the creation of bad debt fund and to enforce unlimited liability without delay on members of primaries so as to bring home their financial responsibility.

13. The most urgent step to be taken is to place the rural credit activity on a safe and sound footing and to utilise the services of all co-operators in the advancement of the agricultural industry and of those engaged in it as land owners, lessees or field labourers. Increased income to the agriculturist must be secured by the society arranging for subsidiary occupation.

Subsidiary profession suited to each locality must be introduced under the management of the co-operative society which should supply funds for that purpose. One subsidiary occupation for the agricultural pupulation which can be introduced in all places is hand spinning and hand weaving and the manufacture of Khaddar. But for the accident of the Khaddar movement having been unfortunately initiated and fostered by people who belong to a political party which practised peaceful and non-violent co-operation with Government, the Registrar of co-operation would not have taken exception to the co-operative movement taking to Khaddar work. The co-operative societies will work purely at the economical progress of the rural population. No political power or prestige is required when the economic improvement is based on self-help and self-reliance. If the continuance of any co-operative economic activity is made dependant on the whim and fancy of Government to allow or not, its inherent right to take steps for economic uplift, the co-operators must seriously think of even foregoing the advantages of exemption from some taxes given by Government under the Act. It is hoped, however in the present atmosphere of peace at least, the Registrar and the Government would be strong protagonists of Khaddar manufacture and the encouragement of Swadesi manufacture, as it gives valuable support to the labour in agriculture, especially in the offseason for 4 to 6 months in the year.

14. On the debit side of the domestic budget of the working classes in agriculture is the expenditure under drink and drugs, and the avoidance or discontinuance of these is surely the work of any movement intended for the material and moral improvement of the rural population. The ryot population have absolute freedom to band themselves together and refuse to drink or swell the Government revenue from liquor drinking or drug consumption. Any co-operative organisation run by the rural people for their benefit cannot but arrange to see that the members do give up drinking by

practising economic ostracism from those addicted to or practising drinking of liquer.

15. The whole movement must be made to hinge upon knowledge in the principles of banking, co-operation and the business details of activities for which financing is made. Co-operative institutes give some training for the supervision staff but more has to be done to secure the education of the rural co-operators in primaries. Such a training can only be secured by the union supervisors attending more to human beings than to accounts, books and statistics and not by lectures at union centres by outside experts for a day or two.

16. Redemption of prior debts by Land Mortgage Banks is a slow process and can be secured by persistent and patient working for a number of years. Feverish anxiety should not be exhibited over this affair and the required confidence should be created in the minds of depositors who have to buy debentures of such banks. The Central Land Mortgage Bank is the first useful step taken and it is expected that this bank will work its way on safe and sound lines, confining itself only to those cases, where the repayment power is satisfactory and carefully determined. Debt redemption is practicable only where the incomings are increased and expenditure is curtailed and savings are effected. The scheme can be successful only when the borrower feels determined to save and honestly pay up the dues to the mortgage bank. Unless and until the agricultural population revert to a simple life, once a pleasing feature of rural life, any attempt at debt redemption is bound to fail.

17. The debts accumulated for a number of years have reached almost one half of the value of the boom price of land between 1914 to 1919 ; debt redemption will not be practicale even by the sale of the property now when lands are not saleable even for ½ the boom price. Very great caution has to be exercised in putting forth schemes for redemption of debt. Depression in the money market is certainly a great drawback in the progressive working of the central land bank.

18. The Salem District movement in co-operation, I am glad, to note, is doing its best to overhaul the working of primaries, to weed out the inefficient ones and to pull up the other societies. I hope that greater effort with considerably less cost will be made to make each co-operative primary institution a living organisation carrying on work from day to day and thoughout the year. I am

aware that in one district about 200 societies have not had any transactions with the District Bank for a period of 3 to 4 years. Such institntions do not deserve to be classed as living institutions. The Registrar notes that "Salem is the only district which shows a reduction in the percentage of all overdues. This is largely due to the work of reconstruction undertaken by the Bank in the Rasipuram area under the guidance of M. R. Ry. Dewan Bahadur R. Ramachandra Rao and is a remarkable example of the results that can be achieved by sustained and devoted effort. Throughout the district the supervision work done by the bank under its President Mr. T. Adinarayana Chettiar seems to have been more effective than in other districts."

19. I wish to close my observations with the remark that co-operators should become self-reliant and make no request to the department to secure overdraft accommodation from the Imperial Bank, which of late has become nervous, or concessions from the Government or the Registrar to secure speedy recovery through the Revenue Department. Is it really speedy to get the work done by the Revenue Department ? I believe there is no harm in the delay caused in reaching the defaulter through the processes of Civil Courts. Please see that no delay occurs in filing suits or in executing decrees. Arbitration decrees can be speedily worked up if directors of Central Banks are used as arbitrators. Filing of suits and execution of decrees should be carried out without fear or favour.

20. The co-operative movement is the only movement which is expected to lend a helping hand to the rural population and it alone can furnish banking and credit facilities to the agricultural industry and the agriculturists who form about 95 per cent of the population. Everyone interested in the bettering of the economic progress of the country should try his best to help the movement in rural parts.

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