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NOTICE.

Subscribers are requested to remit their subscriptions for the next year commencing from July 1933 and ending with June 1934 **in advance so as to reach this Office before the 15th of July 1933** on which date the July issue will be out. Otherwise they will have to incur an additional expense of **four annas** towards V. P. Charges. It is hoped that they will avoid the additional expense and trouble to themselves and to this Office.

V. VENKATASURBAIYA,

Honorary Joint Secretary.

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The Madras Provincial Co-operative Union,

Royapettah, Madras.

opened by Dr. Sir Mohamad Habibullah Saheb Bahadur and was presided over by Dewan Bahadur S. Aravamudha Iyengar, President of the Hyderabad Dominion Co-operative Bank, Hyderabad, (Deccan). About 350 delegates representing co-operative institutions of all sorts and coming from all parts of the presidency, from Berhampore to Tuticorin and Madras to Mangalore attended the Conference. The Provincial Co-operative Union as usual made arrangements for the boarding and lodging of the delegates who came

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Editorial Notes.

**THE 20TH MADRAS PROVINCIAL CO-OPERATIVE
CONFERENCE.**

General.

The 20th session of the Madras Provincial Co-operative Conference was held in the spacious buildings of the P.S. High School, Mylapore, Madras on the 17th and 18th June, 1933. It was opened by Dr. Sir Mohamad Habibullah Saheb Bahadur and was presided over by Dewan Bahadur S. Aravamudha Iyengar, President of the Hyderabad Dominion Co-operative Bank, Hyderabad, (Deccan). About 350 delegates representing co-operative institutions of all sorts and coming from all parts of the presidency, from Berhampore to Tuticorin and Madras to Mangalore attended the Conference. The Provincial Co-operative Union as usual made arrangements for the boarding and lodging of the delegates who came

from mofussil places. In spite of the general economic depression and the fact that the Conference was held late in June, that is, at the end of the co-operative year when the collection work is going on vigorously, the attendance should be considered to be quite satisfactory. But for the fact that the session of the All-India Co-operative Institutes' Association was arranged to take place during last Easter holidays, which meeting however did not come off, the Conference might well have been held during Easter holidays. Climatic conditions in Madras do not seem to be quite favourable for the holding of such a big Conference in the month of June.

Exhibitions.

The Agricultural Department sent its exhibits and the Director of Agriculture, Mr. S. V. Ramamurty, I. C. S., attended the open session of the conference and at the request of the Provincial Co-operative Union declared the agricultural exhibition open and made a nice speech on the occasion. He pleaded for greater co-operation between the various departments concerned with the village uplift and showed how his departmental officers have recently devised a method of producing highly refined sugar. There was an exhibition by the Industries Department mostly of varieties of Kerala Soap. The Salem Co-operative Weavers' Society opened its own stall and exhibited nice varieties of dhoties, sarees etc. A private firm that manufactured cookers called Krishna Cooker Co., also had a stall. The well-boring section of the Industries Department gave demonstration of their method of boring. The Triplicane Urban Co-operative Society kept a stall in the conference compound which served the double purpose of acting as a store for supplying articles of food to the Reception Committee and was in itself a tiny exhibition of articles available at the Triplicane Urban Co-operative Society. The progress of this great institution through nearly three decades of its existence was exhibited by means of various charts which gave a graphic account of the steady growth in many respects of this institution from its humble beginning to its present high position.

P. C. U. Meetings & Allied Activities.

The Provincial Co-operative Union had as usual the meetings of its General Body, Board of Management and Executive Committee

on the Conference days. The representatives of the Consumer Societies were invited by the Premier Consumer Society in the Province, The Triplicane Urban Co-operation Society, Ltd., Madras. Primary Land Mortgage Banks thought that their own problems required a special session and a conference of these banks was held on the 19th June. Mr. V. Ramadas Pantulu opened the Conference and Rao Bahadur T. A. Ramalingam Chettiar presided over it and their speeches are given elsewhere.

Fraternal Greetings.

Many co-operative organisations in England and Europe besides those in British Indian provinces and Indian States sent their fraternal greetings and our neighbouring states of Mysore and Pudukottah sent the officers of their Department to represent them at the conference. Extracts from important messages received are given elsewhere.

Unfurling of the Co-operative Flag.

One interesting innovation of this Conference was the unfurling of the Co-operative Flag. A nice little silken flag made up of seven strips of rainbow colours was unfurled by Mr. D. N. Strathie, the Registrar of Co-operative Societies, who in a short speech brought out the significance of the flag and said that it stood for unity and co-operation which transcended all the limitations of caste, creed, colour and nationality. It is fervently hoped that the idealism which ought to permeate the activities of co-operators and which is likely to be neglected in discussion about details, would be kept up by this symbol of co-operation, which, as the Registrar said, knows no limitations and is all embracing in the nature of its activities.

Welcome Address and the Opening Speech.

Mr. Ramadas Pantulu, the President of the Provincial Co-operative Union, set a fine example as the Chairman of the Reception Committee by making one of the shortest of speeches. He merely appealed to the delegates assembled to concentrate their attention on important topics leaving out minor questions to be worked by local organisations in the light of local conditions. He also referred

to the qualification which Sir Muhammad Habibullah had for opening the Conference, in as much as Sir Muhammad was "one of those Indians who toiled in the higher plane of International Co-operation and who endeavoured to bring about true co-operation between India and other nations of the world."

Sir Muhammad also made only a short speech in which he set forth the possibilities of good that the movement was capable of and pointed out that what was wrong with it was not the principle but mostly the men who worked the movement and suggested it must grow so as to embrace all aspects of village life. The ideal envisaged by Sir Muhammad has been set up by workers like Mr. Brayne in the Punjab, Dr. Rabindranath Tagore in Viswabharathi and Y.M.C.A. at Ramanathapuram and Martandam. He did not however mince matters and agreed with the Registrar and Mr. Ramadas Pantulu in holding that continued existence of disreputable organisations would certainly be a menace to the growth of the movement itself. He also pleaded for the expansion of the movement on non-credit lines and finally appealed to all workers to approach co-operative activities with the true spirit of sacrifice and complete self surrender. We offer our hearty felicitations to Sir Muhammad Habibullah for the excellent lead he gave to the Conference though he mentioned that he was only in nominal charge of Co-operation when he was a member of the Governor-General's Cabinet and he claimed to have possessed no expert knowledge but spoke "only as a layman in a gathering of experts."

The Presidential Address.

Diwan Bahadur S. Aravamudha Iyengar is a very successful lawyer practising in the Hyderabad Dominions and in the field of Co-operation he has risen to the highest position to which any non-official can aspire, that is, as the President of the Dominion Co-operative Bank, Hyderabad. Our readers would understand his position better if we call him the Ramadas of Hyderabad Dominions. No wonder therefore that his Presidential Address, which was somewhat long, was full of wise suggestions based upon long experience and also full of general maxims and principles. It is really a matter of surprise that he should have studied our position so thoroughly and offered helpful suggestions with regard to many of our problems. Like the successful lawyer that he is,

he studied our case so thoroughly that there are few questions of any importance in the co-operative movement of this province upon which he has not shed some light. What is more interesting, on most of these questions he has taken up an attitude that would be acceptable to the majority of the co-operators and expressed views in conformity with the opinion of the thinkers and workers of the province.

We shall refer only to some of the many points he touched upon. After having mentioned how the idea of federalism, which is new in politics, has been practised by co-operators for a long time and referring to the meeting of the All-India Co-operative Institute's Association held at Hyderabad presided over by Sir Lallubhai Samaldas, he plunged into the Madras problems and dealt with them with a sure hand. Mr. Ramadas Pantulu and Sir Muhammad Habibullah pleaded for concentration of attention on larger problems and general policies leaving minor details to be worked out at local meetings. Mr. Aravamudha Iyengar almost anticipated them and dealt with the outstanding problem of the day *i.e.* how to save the villager from his chronic indebtedness and how far the existing co-operative machinery can be utilised for that purpose. He objected to the mentality of Central Banks at present, which he called the "collecting mood" and sounded a note of warning against indiscriminate liquidation proceedings. He also pleaded for healthy expansion on cautious lines side by side with consolidation, which has become necessary on account of past mistakes. He put in an eloquent plea for the continuity of policy of the Department and advocated the retention of able Registrars for at least a decade so that the continuity of policy might be kept up. He deprecated the present practice of shifting heads of departments too frequently and recommended training of upper subordinates with broad visions and high academic qualifications. Like the good non-official that he is, he did not sympathise with the provisions of the Act recently passed in our province which as we all know has strengthened the hands of the officials. He pleaded for the spread of Land Mortgage Banks, for the granting of long-term loans and for co-operation between the existing agency and the Land Mortgage Bank, a point dealt with by all the speakers in the Land Mortgage Banks' Conference, which was held later. He also put in an eloquent plea for the development of the movement on non-credit side and exhorted the Triplicane Urban Co-operative Society to give

a lead in the matter of store movement and congratulated the authorities of the Insurance Society on the success they have achieved and gave them a gentle hint that the present policy of depending too much upon local boards may not be successful from a business point of view. He also said that the younger generation should be properly trained and might take the place of elders as soon as they are fully qualified to occupy the same. Lastly in this unfortunate land of ours torn as under by communal squabbles he pleaded for true brotherly feelings between all the communities and ended his eloquent address with an appeal for all workers to take to their work in the movement in the spirit of service and self-sacrifice.

We tender our hearty congratulations to the Diwan Bahadur on his excellent address and we hope co-operators in Madras will cherish with affection the memory of this Conference, which was presided over by this veteran co-operator of Hyderabad. It is a matter of some pride to us that though he is domiciled in Hyderabad, he is a Madrassite and it was this natural kinship with us that enabled him to enter so sympathetically into our position and understand our problems so correctly.

Resolutions.

The resolutions that came up for consideration at the Conference were previously arranged by the Executive Committee of the Provincial Co-operative Union in certain well defined groups. The first group of three resolutions moved from the Chair raised the Conference away from narrow grooves and petty provincialism and enabled the co-operators of Madras to extend their hand of fellowship to brother co-operators in every part of the world. The second group of resolutions was in conformity with the advanced thought of the country, namely, co-ordination of activities amongst the various departments that are engaged in village uplift and making use of co-operative societies in rural areas as nuclei, for such uplift work. The third set of resolutions about the loan policy gave rise to some controversy. It was held that advancing loans on produce directly by Central Banks and in exceptional cases by the Provincial Bank itself would smack of capitalistic enterprise. The opposite view was that it was as much the normal function of co-operative finance as advancing loans to the agriculturist to enable him

to carry on his cultivation. The fourth group asked for certain concessions from government and there were resolutions about Co-operative Insurance and the Library movement and the need for linking co-operative societies with the latter, all of which were of a non-controversial nature. On the resolutions about Land Mortgage Banks Rao Bahadur T. A. Ramalingam Chettiar proposed an amendment that the power of distraint claimed for Land Mortgage Banks should not be allowed to them. This was the only subject that was discussed with some heat. Diwan Bahadur M. Ramachandra Rao, President of the Central Land Mortgage Bank made a lengthy speech justifying the existence of this provision and showed how the debentures on which the whole system of Land Mortgage Bank works are different from deposits, the basis of ordinary co-operative finance. Mr. D. N. Strathie, the Registrar of Co-operative Societies also made an effective speech upon the topic and gently hinted that if this power recommended by the Select Committee be not approved by the Conference, he as the technical adviser of the Government may be forced to advise them not to guarantee the principal in debentures as the Select Committee has recommended. Mr. Ramalingam Chettiar, who moved the amendment, Mr. Ramadas Pantulu and a few prominent co-operators however held the opposite view. But the amendment was lost by a very large majority. Taking a general view we may say that the resolutions passed at the Conference were not many and they indicated the general line of policy rather than details to be followed.

Land Mortgage Banks Conference.

Mr. V. Ramadas Pantulu, who opened the session of the Primary Land Mortgage Banks Conference, laid stress in his speech on one or two important problems that confront the workers in this department of co-operation. He began by testifying to the extremely sound nature of Land Mortgage Banks organisation in this province and said the credit of starting of Primary Banks and linking them to a Central corporation belongs to Madras and that it was the Provincial Co-operative Union which did the spade work in this matter. He paid a richly deserved tribute to the excellent work done by the late Dr. Swaminathan, the first President of the Central Land Mortgage Bank and an equally deserved one to the work that is being done by the present office-bearers Messrs. Ramachandra Rao, Sitaramiah and Gopala Menon.

Referring to the recommendations of the Select Committee, he said that the Central Banking Enquiry Committee did not recommend that Provincial Governments should guarantee the principal on debentures, yet their recommendations that debentures should be made trustee securities practically amount to this.

Speaking as an individual co-operative thinker and not committing any institution to his views, he said there were some defects in the existing arrangements of Land Mortgage Banks organisation. While the Central Land Mortgage Bank has no control over either of the two agencies that do preliminary investigation, that is, the staff of Primary Banks and the Sub-Deputy Registrar, it still exercises absolute control over the working of Primary Banks in as much as it sanctions every loan; according to the recommendation of the Select Committee the situation has become worse because the Central Land Mortgage Bank would make Primary Banks its agents for executing the notices and warrants of distraint and sale itself escaping the liability for damages for the consequences of such action.

In discussing the constitution with all the anomalies that exist at present, he suggested that perhaps it would be better, as recommended by Mr. E. S. Ganapathi Iyer of Erode, to convert the Banks as branches of the Central Bank instead of affiliated units with practically no initiative. He contrasted the arrangement now existing with what was contemplated by the original framers of the scheme. According to them, the central institution was only to issue debenture and to supervise, guide and help the activities of constituent units, with technical aid in the matter of investigating titles leaving to the Primary Banks full liberty in the matter of sanctioning loans to individual members. Mr. Ramadas, however, added that if Government would guarantee the debenture principal only if the sanctioning of loans be centralised, we had to bow to the inevitable. He pleaded for the extension of the benefit of the Land Mortgage Banks in areas where no Primary Banks exist and finally appealed for greater co-operation between the existing financial machinery for disbursement of short and intermediate loans and this new machinery of Land Mortgage Banks intended to disburse long term credit.

Mr. T. A. Ramalingam Chettiar, who presided over the Conference, covered almost the same ground and it is gratifying to see that there was almost complete agreement between the views of himself and of Mr. Ramadas. Among the problems dealt with in his address great stress was laid on the need for making provision for financing areas not served by any Primary Land Mortgage Banks. He suggested that in such areas the Central Banks may receive application and transmit them to the Central Land Mortgage Banks after preliminary investigation. He also recommended an impartial examination of the views of Dewan Bahadur Aravamuda Ayyangar that long term and short-term credit accommodation may be combined in the same institution, Central Bank in cases of long-term credit acting as an agent of the Central Land Mortgage Bank. This arrangement, as Mr. Chettiar himself pointed out, has got some serious defects, but considering the urgency of the need for long term credit by ryots, the work of giving them that accommodation has to be speeded up considerably. He also put in an eloquent plea for the co-ordination of the activities of the Land Mortgage Bank and the ordinary credit society and also suggested that the experiment of working both the sets of institutions by a common agency might be tried. He also complained that there was too much centralisation in the Central Land Mortgage Bank and said that just now institutions are plastic and it is for us to give a correct lead as otherwise in course of time they will petrify and changes would be very difficult to be effected.

The Conference accorded support to the Bill now before the Legislative Council but took objection to those provisions in the Bill that make it obligatory on the Primary Banks to carry out instructions of the Central Bank in the matter of distraint and sale and at the same time make the Primary Banks responsible for the consequences thereof. The Conference also recommended that long-term loans should be at least of 20 years duration and the existing 10 year loan should be extended to that period. They also pleaded for power to Primary Banks to sanction their own loans and for their representatives being given an effective voice in the management of the

Central Land Mortgage Bank and for better mutual relationship between themselves and the Central Land Mortgage Bank.

There was one important point in Mr. Ramalingam Chettiar's address which engaged the attention of the Provincial Co-operative Conference as well and that was the power of distraint of crop to be given to the Land Mortgage Bank, a matter on which we have made some observations while dealing with the resolutions of the Provincial Conference.

Mr. D. N. Strathie.

As this would be the last conference which Mr. D. N. Strathie could attend as the Registrar of Co-operative Societies, the Conference placed on record its high appreciation of the good work done by Mr. Strathie during his term as Registrar and the appreciation was shown in a more tangible manner by a tea party. This was arranged by the Executive Committees of the Provincial Bank and the Provincial Co-operative Union and the pleasant function took place on the 18th June in the premises of the Provincial Bank, Mylapore. After tea Mr. V. Ramadas made a felicitous speech and thanked the Registrar on behalf of the co-operators of the province for the kind and sympathetic interest he was uniformly taking. Mr. Strathie also made a suitable reply. The Land Mortgage Banks' Conference also passed a similar resolution expressing its gratitude to Mr. Strathie.

We take this opportunity of recording our tribute of genuine appreciation of the good services rendered by Mr. Strathie to the movement during the years he was in charge of it. As we have stated on more than one occasion in reviewing his administration report, it was a great pity that such a sympathetic and efficient Registrar should have been in charge of the movement when it was passing through one of the worst of economic crises which the world has ever faced. This is not the time or occasion to pronounce a verdict upon Mr. Strathie's work as Registrar. But one thing which

every speaker emphasised and which we endorse is that in dealing with Mr. Strathie everyone, from the humblest rural co-operator to the President of the Provincial Co-operative Bank, felt that he was dealing with a gentleman, one who could be talked to with equality and would not allow the obstructive wall of official prestige to come in between himself and others. As Mr. Strathie himself assured his audience, we all hope that after his return, whatever be the field in which he has to work, his interest in the co-operative movement would remain quite undiminished. We wish him safe voyage home and happy months of stay in his beloved motherland.

Conclusion.

We would like to take this opportunity to make one or two suggestions to the authorities of the Conference with a view to see that it is conducted in a more business-like way. In the first place, it is necessary that a Committee called the Credential Committee be appointed to examine the credentials of every delegate. It was whispered that some of those who attended the Conference were not delegates of any co-operative society at all. The conference should be above such reproach and the appointment of a Credential committee will solve the problem. Our readers would note that in every Co-operative Conference in England such a committee is appointed. Such a committee has also been appointed with regard to the World Economic Conference which is going on now in London.

The second point for consideration by the authorities of the Conference is the procedure to be adopted in the matter of getting resolutions to be considered by the Conference. The present rule is that every constituent association which intends sending a delegate is at liberty to give notice of resolutions and these draft resolutions are considered by the Executive Committee of the Provincial Co-operative Union. One would like to suggest that this principle is adhered to with greater rigour even in the matter of getting amendments to draft resolutions. As in the case of the University Senate, draft resolutions should be sent to such institutions

about a month in advance and amendments if any accepted, so that the draft together with the amendments may be published in time so as to reach every delegate at least three days before the Conference. Such a step will regularise proceedings of the Conference and if it be objected to that all this smacks of bureaucracy, our reply would be that even rural co-operators will do well to practise the methods and procedure adopted in great assemblies like the Senate, Legislative Council and others. There is an impression that things are not done in a business-like manner and it is the duty of the Executive Committee of the Provincial Co-operative Union in charge of the conference arrangements to take such steps as will remove this impression. Our suggestions are made with a view to make the Conference more business-like and so it is hoped that they will be taken in the spirit in which they are offered.

The Twentieth Madras Provincial Co-operative Conference, Madras.

Held on 17th & 18th June 1933.

WELCOME SPEECH

BY MR. V. RAMADAS PANTULU.

SIR MUHAMAD HABIBULLAH, DEWAN BAHADUR ARAVAMUDA IYENGAR AND FELLOW CO-OPERATORS.

I deem it a great privilege and an honour to extend to you on behalf of the Madras Provincial Co-operative Union, a hearty welcome to this 20th session of our Conference. This Conference meets at a most critical period in the history of the Co-operative Movement in this province and it is the earnest hope of the millions of agricultural population of the province, for whose benefit the Movement is mainly intended and who are today sunk in gloom and despair, that your deliberations will help to solve some of their life problems and to dispel that gloom. My humble appeal to you, therefore, is to concentrate on the most serious questions with which the movement is confronted and which vitally affect the rural co-operators leaving minor questions and details to be worked out by local organisations in the light of the local conditions.

We must congratulate ourselves on the prospect of the excellent lead we are going to get from our distinguished countryman Sir Muhamad Habibullah and our esteemed President elect Dewan Bahadur S. Aravamudu Iyengar. There is something peculiarly appropriate at this juncture in Sir Muhammed Habibullah opening the proceedings of this Conference. "Co-operation" is now lifted from the lower plane of individual mutual benefit to the higher plane of International Mutual Benefit. Among Indians who toiled in that higher plane of International Co-operation and who endeavoured to bring about true co-operation between Indian and other nations, my esteemed friend Sir Muhamad Habibullah, occupies a unique position. His services to India in the International Assemblies and his concern for the cause of the Indians over-seas, are too well known to need recounting to an Indian audience. Sir Muhamad suffers, if at all, from one disadvantage, and that is he is a statesman, but not a politician. I am sure you know the difference between the two. A statesman is one who wants to do something for this country and a politician is one who wants his country to do something for him. His recent speech at the Calicut Muslim Conference must have shown to you of what genuine stuff Sir Muhamad's nationalism and his equipment, mental and moral, for giving a right lead to his people, are made. The Co-operative movement is an essentially national movement and I consider it a good augury to the future of our movement to get a genuine nationalist to open our proceedings to-day. I have now much pleasure in requesting Sir Muhamad Habibullah to open the Conference.

OPENING ADDRESS

BY

KHAN BAHADUR,
DR. SIR MOHAMAD HABIBULLAH SAHEB BAHADUR,
K.C.S.I., K.C.I.E., KT., L.L.D.

GENTLEMEN,

It is indeed a great honour which you have done me by inviting me to open the twentieth session of the Madras Provincial Co-operative Conference. I appreciate the honour all the more as I can produce no credentials to deserve it. It is true I was in nominal charge of the Department of Co-operative Movement when I held the Office of Member of Governor-General's Cabinet. I say nominal charge as, unlike the Departments which are administered by members of the Executive Councils in regard to which the Government of India possess the power of supervision, direction and control, similar power does not exist in respect of departments administered by Ministers responsible to their Legislatures. At best, I can therefore claim to be only a layman in a gathering of experts whom I see to day. But it sometimes happens that the views of the layman, however defective in technical perfection, are not devoid of some value. They help, I venture to think, to keep the expert in touch with the wishes and requirements of the lay public whose interests the expert serves. It is therefore in this spirit that I wish to make a few general observations for your consideration.

I need not dilate, gentlemen, on the value of these conferences. They afford an invaluable opportunity for taking stock of the general co-operative position, for reviewing the progress made and the difficulties to be overcome, for exchanging impressions and opinions and for concerting plans for the future.

It is not my purpose, gentlemen, nor do I find myself qualified, to enter into a discussion of the controversies which raged at the time when Sir Frederick (then Mr.) Nicholson advocated the introduction of the Co-operative Movement in this country, and its strong condemnation by the Board of Revenue as then constituted. I shall merely dismiss it with the remark that while perhaps Sir Frederick was unduly optimistic, the Board of Revenue condemned the Movement on a *priori* arguments and insufficient data. The last

three decades have demonstrated that the movement has come to stay, that with a more extended application of its aims and objects it has a bright future before it, that the soil of India is as congenial to its growth as that of any other country in the West and that when Sir Frederick ejaculated "Find Raiffeisen," it was not really an "ejaculation of despair" but an earnest appeal to men of zeal, enthusiasm, devotion and perseverance to walk in the foot-steps of Raiffeisen to make the movement as great a success in this land as it was in the land of its birth. Well may some of those at least to whom this appeal was addressed congratulate themselves on the response they have given to it so far, and will, I doubt not, continue to do in the future.

I do not, however, deny, gentlemen, that there have been several acts of commission and omission which have unfortunately brought the movement into disrepute. But it will be uncharitable to lay them at the door of the movement itself. On the other hand, no less an authority than my friend Mr. Ramadas Pantulu, in his address at the Bandar Conference, has diagnosed the causes of the malady in language which cannot be improved upon. Says Mr. Pantulu, "All the worst influences of local faction and favouritism have had their unbridled play in the choice of the men on whose honesty and efficiency the destiny of the movement largely depends. The net result is that in most cases (there are of course honourable exceptions) supervision is in the hands of men who are utterly incompetent and often unreliable and it is no wonder if societies entrusted to the care of such men have deteriorated, in some cases, beyond the possibility of redemption." Strong words these, and it is up to those who are engaged in this field to prove themselves outside their implications.

As a layman, I wish to ask myself the question "what do I understand by the Co-operative Movement?" Shorn of all technicalities which I cannot summon to my aid, I may say at once, perhaps in crude language, that I understand it to mean a movement which, while providing credit facilities for its members, expects them to utilise the money so borrowed on genuine productive undertakings so that not only their resources may be augmented thereby to enable them to discharge their liabilities with ease, but that they should also learn and practice the lessons of thrift with a view to a general improvement in their economic condition; a movement of such an all-absorbing and all-embracing nature as to include within its ambit

every aspect of life of those who come under its influence; a movement which shuns all social distinctions and caste differences, thereby demonstrating the truth of the adage that "one touch of human sympathy makes the whole world akin;" a movement again which inculcates the principle that every effort on co-operative basis is like "mercy which blesseth him that gives and him that takes." In short, it is a movement, as has been aptly said, which offers help on all sides of life—unitedly, simultaneously and comprehensively. Mr. Brayne in the Punjab, Dr. Rabindranath Tagore in his Institutes in Bengal and the Y.M.C.A. Rural Reconstruction Centre at Martandam have demonstrated the potentialities of co-operative effort in respect of varied activities. The results achieved in these places must serve as object lessons to those engaged in this noble work. Indeed one of the most significant conclusions which can be drawn from a perusal of the report of Lord Linlithgow's Commission is the vital importance of the Co-operative Movement. Whether it is finance, which is the life blood of every material activity, or the marketing of agricultural or other produce, or the organisation on a basis of joint endeavour of agricultural operations, or of the amenities of rural life, Co-operation can be a most helpful and progressive factor. The Commission have emphasised this in more than one chapter of their report.

Gentlemen, let me now turn my attention for a while to the use which we have made of this movement during the long years that it has been in operation. The only result achieved so far seems to consist mainly, if not wholly, in the establishment of a large number of, what are termed, "Co-operative Credit Societies" a considerable proportion of which is now regarded as fit only for a *decent burial*. One need not be surprised that this is so, when one takes into consideration the fact that during certain years at least, an idea seems to have infected the minds of those who were controlling the destinies of the movement that its salvation lay only in its numerical strength. The augmentation in the number of such societies having been entrusted to paid agencies and human nature being what it is, there was an indiscriminate competition among them and quality was sacrificed at the altar of quantity. We are told that the number of these societies rose from 6,289 at the end of 1921 to 15,238 at the end of 1930, with the result, of course, which your talented Registrar bemoaned in his thought-provoking address at the University Extension Lectures the other day. Mr.

Ramadas Pantulu, at the Guntur District Co-operative Conference, appealed to the present Development Minister to draw up a programme of progressive liquidation of bad societies and he stressed the fact that this difficult and unpleasant operation must be faced. He likewise appealed to the official and non-official agencies in the district to co-operate and weed out bad societies as soon as possible, as their continued existence will materially hamper the growth of even the healthy societies. It is perhaps justifiable to assume that similar conditions exist in other areas also needing similar remedy. I fervently hope that no time will be lost in beginning the process of cleaning the Augean Stables. The continued existence of such disreputable organisations will certainly be a menace to the healthy growth of the movement itself.

The question then arises, gentlemen, what should be the activities of those engaged in the Co-operative Movement after it is purged of all obnoxious excrescences. I know such activities will thereafter be devoted largely to the growth and stability of all good organisations which would survive the axing process. But is it too much to ask that, instead of concentrating all efforts mainly on the credit side of the movement, the possibility—nay the desirability—of expanding such activities is also kept in mind and efforts made to bring under the purview of the movement other activities of a cognate nature, thus enlarging its horizon and augmenting its utility. What such expanded activities should be is indeed a matter for experts to consider and I cannot venture to express any opinion on such a technical matter. Whatever your future line of work may be, I shall permit myself to appeal again to men of zeal, enthusiasm and perseverance to approach the solution of this great problem exclusively in a spirit of service. I use the word in its finest sense: the pursuit of good in a spirit of complete self-devotion. Only in an atmosphere of complete trust can the ideal of service thrive. Where men live in distrust and dislike of one another, the spirit of service languishes. In India the most generous, the most patient and the most steadfast efforts are required of those who are fitted, by gift of wealth or intelligence, to uplift the great masses who are afflicted by poverty and ignorance. There are no limits to the measure or manner of the help which the more fortunate among us may render to the less fortunate. Monetary aid alone will not suffice. The supreme need is for every endeavour that will rouse in the multitude a sense of dignity, a longing for the light that knowledge imparts and a capa-

city for intelligent self-help. The task is indeed noble and well worth your earnest effort.

Before I conclude, gentlemen, I wish, if I may, to congratulate you on the excellent choice you have made of your President. In Dewan Bahadur Aravamuda Iyengar, you have not only a gentleman of erudite learning and a distinguished legal luminary but one who has always evinced keen and abiding interest in the Co-operative Movement. I have no doubt that under his inspiring guidance and with the help of his wide knowledge and mature experience, you will be able to chalk out your future policy so as to enter upon new lines of activities pregnant with potentialities for the consolidation and expansion of the movement.

And now, gentlemen, I have great pleasure in declaring the twentieth session of the Madras Provincial Co-operative Conference open.

PRESIDENTIAL ADDRESS

OF

DEWAN BAHADUR S. ARAVAMUDU AIYANGAR, B.A., B.L., M.B.E.

Advocate & President.

THE HYDERABAD CO-OPERATIVE DOMINION BANK,
HYDERABAD (DN.)

BROTHERS & SISTERS OF MADRAS PRESIDENCY,

1. *Introductory.*—I am conscious of the great honour which you the Co-operators of the Madras Presidency have shown me. I frankly confess that the honour is not directly to me but I receive it as the humble representative of His Exalted Highness the Nizam of Hyderabad and His Excellency Maharajah Sir Kishen Pershad Bahadur to whose interest and active sympathy, the Co-operative Movement in Hyderabad has acquired its present pre-eminent position in the development activities of the State. Some of you—Mr. Ramadas Pantulu and his band of cosmopolitan and enthusiastic workers—Messrs. Subba Rao of Vizianagaram, Venkata-subbiah of Madras and Sunda of Madura—may know that the success of the last All India Co-operative Institutes' Conference held at Hyderabad which brought me nearer and more familiar to you was entirely due to the great and magnanimous earnestness of H.E.H. the Nizam and his Prime Minister H.E. Maharaja Sir Kishen Pershad Bahadur. Their kindly attitude towards co-operation has obviously precipitated my claim for this great distinction to-day; I accept it fully conscious of my deficiencies for this high office. I shall gladly take back in all gratitude your spirit of goodwill and brotherly interest in Hyderabad—and incidentally in me—to my State. Before I proceed further, let me offer most respectfully to this great gathering fraternal greetings of Hyderabad Co-operators.

Some of you may wonder at this entry of a State Co-operator in a British India Conference. As I have said elsewhere, let me repeat it here again. The Co-operative Movement is an object lesson to all. The less they disregard it, the better it will be for them. Let them understand to-day at least that Co-operation marches quickly, far more quickly than any Political Idea or Ideal, with less formality,

less statute, shall I say, with less of a safeguard-spirit. The other day at Hyderabad we, the State Co-operators, willingly gave the place of all India eminence to that great Veteran Co-operator, Sir Lallubhai Samaldas, a British Indian, to preside over the All-India Co-operative Institutes' Conference and to-day you see a humble representative of one of the Model Indian States being selected to conduct the proceedings of a British Provincial Co-operative Conference. Are not these unmistakeable visible signs of our working out the Federation idea and are we not likely to move on with great elasticity and no friction? Above all we have conceived the idea and achieved our object with no Round Table and no Conference. All these were possible as we have written our Constitution on that one Golden Paper of Conscience with three main sections, viz. Brotherhood, Mutuality and Service.

Still there is another lesson from us to all politicals. The pre-eminent Muslim State of Hyderabad welcomed gladly and embraced the ideal Hindu in Sir Lallubhai. We had no Communal Pact. We had no Award. What is more, we had no bickerings as a result of such award.

Before I leave this part of the subject, permit me to claim the credit of having recognised and worked out the Federation idea to my Indian State—Hyderabad. British India is only imitating us by following it up.

2. *World Economic Troubles and Indian Unrest.*—We are living in days of great economic troubles. A quick succession of events in the world money-market such as countries going off the gold standard, difficulties in paying off international indebtedness, the King Gold feeling that there are a great many things to which he has to bow and that his sway is not always unqualified, had made the most expert of financiers stand aghast and wait for some unknown hand to wriggle out of the situation for them.

In India, the world economic situation has had its repercussions. Added to it, we have the political unrest. I shall not get into the several phases of that unrest, but it is enough for me to state that the political discontent and agitation are sure to unsettle the economic equilibrium of any State. One has to witness the share markets in our metropolitan towns especially Bombay, to realise how even the meekest resolution of a political body has terribly affected the

normal trade of the land. Values of things are ever changing and the purchasing power of our currency is always shifting and elusive. We gasp for peace in the money market, tranquility in trade and a normal condition all over.

3. *Indian Economic Condition.*—During the period of uncertainty in the past year—and even the present—India's normal trade has naturally suffered a heavy setback in addition to the setback caused by the world-wide depression that has existed for the last four years. India's balance of trade, which was always in her favour and which was helpful in discharging her obligations outside India, diminished to a very alarming extent.

Another distressing phenomenon "which is unique in the economic history of the whole world" in the words of Seth Walchand Hirchand, President of the Federation of Indian Chambers of Commerce and Industry is the enormous drain of the yellow metal from this country. "The callous indifference with which gold is allowed to be exported is indefensible on any account: It is tragic to be told that this extent of export is a 'pleasing phenomenon' and some put forward the ingenious theory that the proceeds of the Indian gold-sellers are being transferred to interest-bearing investments. It is a pity that persons responsible for Indian Finance have not realised the fundamental fact—or rather they have ignored—that the average Indian is not likely to bring into the market his gold ornaments unless he is compelled by circumstances to do so to meet his daily wants. Can such Indians go in for investments?" To quote Seth Walchand again "let any over-wise financier of the above theory of interest-bearing investments go into the villages in the country and see for himself the cry of distress emerging from the huts of these villages and the story of reinvestment of gold in more productive securities, is much less than half a truth and consequently much worse than an untruth." It is a matter for serious consideration whether the time has not come for the discontinuance of the allowance of the export of gold from this land and whether such export is not likely to breed disaster to her and in the long run to the State itself as a consequence of intense economic ruin and disruption.

4. *Distress in villages:—Co-operative Financing.*—The tremor in the share market tells its own tale in the distant village. The

illiterate villager does not understand the meaning of the money-market waves but is always a victim to their force. Sometimes he bows to raise up his head again but very often he is dragged down and gets drowned. The process is sometimes clear, at other times mysterious. To-day we face not altogether a common situation. Deposits are flowing into all Central Co-operative Banks and Urban Banks worth the name; sometimes they are even refused. The flow is in many a case from the village. In the absence of a better and safe investment, these Central Banks try to invest in their turn in the Provincial Co-operative Bank. The working capital of the Madras Provincial Bank is nearly Rs. 2 crores. Out of these about nearly 125 lakhs used to be lent annually. This lending is now on the decline. We witness the spectacle of the Provincial Bank transferring the surplus to other provinces and attempting to invest them in Joint Stock Banks or in Government Securities. In fact, many of the Central Banks surplussing in long term deposits are also, I am told, thinking of Government paper as the only reliable investment.

The tragedy of our economic situation is that while the Co-operative Central Banks—or for that matter stable Joint Stock Banks—are thus surplussing the village societies are starving for want of funds. Why should they? Why should Central Banks now hesitate lending to them as they did formerly? It is not want of finance that is at the bottom. It is the want of something else that prevents the flow of money into the village or rather in some cases that does not keep the money in the village itself. Present world economic troubles have made people crave for safety, however poor may be the yield by such a safe investment. The over-anxiety to keep the small capital intact without caring for its yield has more than enveloped the modern Indian capitalists. The spirit of allowing money to remain with the Indian villager for a long term agricultural enterprise is getting out of currency and even the honest villagers, though they may be only a few, known for their punctuality and integrity in co-operative loaning, are made to suffer for the sins of others.

5 *Co-operative Finance in a "Collecting" Mood.*—The Co-operative Movement in India, in its occidental garb, is over a quarter of a century old. Many of the Central Banks have not completed their 25th year and are yet to celebrate their Silver Jubilee. A major portion of their activities till to-day has been in the starting of societies and in financing them. The first portion of their work—lending—has been there all this time; the difficulties of the latter part

i.e., repayment or realising the amounts paid have not been experienced in all their seriousness. Repayment troubles have just begun to raise their heads. From 1924 onwards—the time for repayment in full of a long term loan after the start of a Central Bank—the condition of societies has been growing from bad to worse.

Year.	Amount of loss in Societies in lakhs of rupees.
1926-27	... 9'51
1927-28	... 10'97
1928-29	... 11'77
1929-30	... 13'09
1930-31	... 20'50

The above table shows the sufficiently bad condition of the societies.

Added to these troubles, the present depression has followed. Central Banks are rather cowardly to finance any more. It may be a short sighted policy. There is the eagerness to realise the amount already given. All the Central Banks are in a feverish haste to realise their dues, and it looks as though they are trying to wind up their business and bid good bye? Let it be conceded that the societies and their members have fallen on evil days. Is it a reason to start on a policy of ruthless collection of overdues? The mounting of overdues—whatever may be its causes and whoever may be responsible for it—should not un-co-operatise the financing bank into a mere money lender, out for his pound of flesh with his arrest warrant or attachment of movables. It may be necessary in the case of recalcitrants but a general policy of precipitate collection, especially now, based on excitement, panic, and fear that co-operative money will be lost, is neither good for the bank nor for the co-operative movement as a whole. Co-operative ideals are gone, before the anxiety to realise co-operative money and coercion takes the place of co-operation, propaganda is replaced by police advice (co-operative) by arrest and a member's salvation is sought to be effected by a sale of his lands:

It is an unfortunate, an altogether unedifying spectacle which I see in the Co-operative Movement all over. And Madras does not seem to be an exception. It appears that to-day is the time that real co-operators should come forward and shoulder the burden. Don't charge me with impudence if I say that the alleged co-operative service rendered during the last twenty five years and more by you and me and others who are no longer amidst us, is nothing when compared to that which we ought now to do or which our successors

will have to do hereafter. You need not put me down as irresponsible when I say those were years mainly of lending—shall I say not very discriminate—years of experiment. A very onerous responsibility awaits to-day the present generation of co-operators who start with an initial difficulty, a legacy of troubles which have arisen from days when far too great a regard for co-operative sentiment and ideals got the better of business discretion. I am not belittling the services of the pioneers of the movement for a single minute. I want to assess properly the present difficulties and the ability required to combat them co-operatively. The life of the present day co-operator is one of odium, unpopularity and ridicule. A tax-gatherer and a debt-collector have nothing but abuse for their service! A tax-remitter and a gracious (indiscriminate!) money-lender is generally hailed as the Karna of the age.

The above discussion apart, we have to face the question of Collection.

6. *How to realise lent-out co-operative money*:—The collecting mood should be there. But the mood should get modified. Is mere execution likely to give us money? Is it a case of suppression of assets that we are meeting with to-day? Is it not a case of people suffering for want of more finance so as to enable them to pay their old debts? Is it not again a case—in certain societies—of unscrupulous persons as Secretaries and Presidents having played on the credulity and trust of the Society's members? Or is it not again a case of bad lending, much over the repaying capacity simply to mount up the loan transactions or acquired interest in our banks as initial successes in Bank management? How to get out of the mire? No use of crying over spilt milk! no consolation to know how it happened except it may be how to avoid it hereafter or how to remedy it.

One should definitely set his face against indiscriminate execution. The governing body of the financing Bank or of the Society should take a personal interest in the matter, test the *bona fides* of the defaulters and adjust remedies accordingly. It is likely that they may be accused of partiality. That is inevitable in any human institution. Uniform remedies for all may lead to a cataclysm. Variant remedies for varying grades and aptitudes of people should be thought of. A penniless honest pauper, who may pay off his dues by dribblets if given time, ought to be given an extension

while an irresponsible member evading payment, ought to be arrested, if he is attempting to alienate his all and is the mischievous head of a revolt against the financing bank collecting its just dues?

A general policy of intelligent extension of loans, repayment periods, should be one of the first remedies. The members of the governing body of the Banks and loan recommending Unions ought to call for a fresh property statement of the members; know the present existing worth of the members, take necessary additional security, get fresh bonds without giving up the rights under the old bonds or awards. A five years' extension in deserving cases may be necessary. Not that there is not much of co-operative money to undertake the policy of extension of loans. I understand that there are over two crores available as share capital in this presidency. There are about 1 crore and 21 lakhs of Reserve Fund (of Central Banks and Provincial Bank put together). Thus there are about 3 crores and 21 lakhs. I gather that on a rough estimate you have about 6 crores of outstanding loans. To the extent of 3 crores and 21 lakhs you have money for extensions. Why should you not do it? Everywhere I see we are having our deposits closely pressing on us, at any rate we dictate! I am told that in one of your District Banks, viz. the Madura Bank where the fixed deposit rate is as low as 3½% notwithstanding the fact that the Hindustan and Indian Bank of the same place offer higher rates of interest, deposits are still flowing in, leaving still room for lowering the rates of interest. Why should not all the District Banks take a bold policy scrutinise the old loans in all their details and straightaway offer real co-operative help by granting extensions?

Another but a more cumbersome process may have to be resorted to in difficult cases. In the cases of unreliable members but who possess the capacity to repay, provided more time is given, it is better to have a sale effected just like an ordinary private transaction for a reasonable price with a definite covenant to resell the properties for the same amount if paid off within a stated period.

In the case of surety loans, the principal debtor should be asked to get a reliable additional better surety as a condition precedent for getting an extension.

In the cases of deceased debtors, their heirs should be immediately brought on record and acknowledgment bonds should be taken from them.

7. *Liquidation should be the last remedy.*—I have heard especially after the new Act has been brought into force, that the liquidation of Societies has been moving rather fast. It might be due to the difficulties experienced in enforcing unlimited liabilities and the problems of law that it gave rise to. This leads me to the question whether the Registrar or the Legislature cannot think of a legal expedient affording scope for enforcing unlimited liability without having recourse to Liquidation.

Proper co-operative spirit teaches us that Liquidation is the last remedy, as it disregisters the society. The society is made to die and the Government Inspector enters the scene and collects the amount any way he pleases. This involves two things. Liquidation as such is not a guarantee—cannot be a guarantee—for getting back the lost money. The only persons, the financing bank can look to are removed off the scene. The Government Inspector, a stranger is looked upon as an enemy, a persecutor and what is worse a human being to be dreaded or hated heartily. Rigorous execution proceedings only further alienate the feelings of the members against the bank and this leads to a certain amount of conspiracy against the bank, boycott of all co-operators—officials and non-officials. What started or what should have started in harmony and good will as a saviour and remover of economic ills ends in an attitude of positive aversion, illwill, hatred and disgust. Is it not better to wait and wait even for a long time still instead of making the situation hot for all. A liquidation, a contributory order, civil court execution proceedings ending in arrest or sale of properties make the cup of discontent complete, making the words “Co-operation” and “Co-operative Society” objects of dread and synonymous with fraud and dishonesty. A revival of such a society or even the starting of a society in the neighbourhood becomes impossible and the cheap rural credit and redemption of the villager from his pecuniary troubles becomes entirely out of the question. Non-official co-operators may throw the blame in the matter of liquidation on the officials after getting a Liquidation order against the society. But officials cannot make or mint money in villages which failed to pay the Bank dues ever so long! They will retort that the non-officials had started societies which should never have been started or allowed the Societies to function when they should not have done so. In any case, the Bank money is as distant as ever. A contribution order or

two may bring some money which may cover up the Liquidator's charges! Nothing more. One thing is certain. An order of Liquidation only precedes an Epitaph that co-operation is dead in the village and neighbourhood. The evils of furthering “Liquidation spirit” cannot be over exaggerated. All human institutions are bound to have their days and their falls too. But any undue affection to that feeling as a means out, or as a solace to a co-operatively troubled mind should be given a severe check. It should not encroach upon the patience and endurance towards resuscitating fallen societies. Liquidation process under the Act is to be considered as the last desperate step in the matter.

8. *Consolidation need not prevent expansion.*—I have spoken to you at some length against liquidation and have also urged consolidation in the matter of old loans. The work of consolidation will certainly bring to us in prominence the pitfalls of organisation in early days and method of working the societies. These should not deter us from expansion of co-operative activity. It would be a great pity if the Department in this Presidency were to bang the door against expansion and the registration of more societies. Some students pass their examinations in their first chance taking distinction. Some merely pass out, some fail and bring financial loss to the family. These failures do not prevent any other parents from sending their sons to school. All parents think of a bright future for their boys in the school as the basis of continued success in the examination. Examination failures do not deter them. Similarly failures in Co-operative Societies are bound to happen. They can be taken as sign posts and prevent us from again falling into the trap. They should not in anyway damp our ardour for co-operative activity. By all means let us test the *bona fides* and the capacity of the organisers. Let us not be too strict otherwise.

Expansion should grow along with consolidation. That is necessary for human organism and human organisations. The best of elements can work only for a certain time in harmony. A small maladjustment puts the machinery out of gear, while the same organism thrown out as unwanted may fit in readily with another and produce the desired effect. Sir Lallubhai has stated in his Travancore address recently that the proportion in the matter of registration of societies is very low in the Madras Presidency as compared with other provinces. This may be regarded by some as a point in favour of this province. I am however of a contrary

opinion. Malthusian theories in co-operation can have no meaning and Malthusian co-operators ought not to find favour with us. They are likely to quarrel with us. How can we afford to listen to the advice of such people at a time when the co-operative movement has not even covered 2 per cent. of the population of this Presidency?

9. *Money necessary for consolidation and expansion* :—I have heard gentlemen say that supervising unions or supervisors are not working properly. My own impression is that no such general proposition can be advanced as regards any institution. Whatever it may be, I am of opinion that this is the time when societies do require more effective supervision, rather constant goading to pay up their overdues. Supervisors have their limitations also. Nowadays they are looked down upon in the same way as Bill Collectors of Municipalities are. Why should we not appoint straightaway one non-defaulting respectable member as our Union Divisional Officer and pay him say Rs. 15 or 20 to help us in our consolidation work and get over the overdue crisis? Many a society can afford to have its own officer; if that is not possible the Central Bank of each District at any rate, which has become the important institution that it has grown up to be on the money earned out of village societies, ought in fairness to lower its profits with a view to maintain this staff. This they ought to do out of co-operative unselfish responsibility. If they fail to be unselfish in time, the societies will collapse and what will now be a loss in interest will be a huge loss in principal. The executive of the Central Banks—if necessary their Board of Management also—should feel their monies are societies' monies and beyond their responsibilities to the individual shareholders and depositors their prime and only concern is to safe-guard the societies that fed them so long. The Central Banks are only called upon to come to the rescue so that they might feed themselves in the future as they have been in the past. They should not stint spending money on more staff say for a temporary period of three years. It is open for them to make them pucca, if they prove efficient instruments for expansion also.

10. *Who is to control?*—If my information is correct, every Bank has its office and field staff. In some districts, the Administrative Section works the field while in other places a separate body as the District Federation is functioning. The ideal of both is the same. If the former, it is a department of the Bank, if the latter it

is a separate entity in itself. I refuse to drag myself or you into the old quagmire of the controversy of Federation versus Bank. It is an absolutely barren discussion. Whatever might have been the objects of those who started the idea of Federation and whatever might have been the successes that attended their efforts, one thing seems to be evident. I see that both the Federationists and Anti-Federationists have lived to realize that they have been torn assunder on account of differences which are neither fundamental nor vital.

I am told that Administrative Sections have failed in certain areas while they have succeeded in other areas. Equally good and bad fates had overtaken Federations. As I had to observe once before, provided the driving force is alright, if he is keen and sportsmanlike in the pursuit of his object, the Secretary is sure to run any institution to prosperity. The other conclusion is equally tempting. The best of agencies dwindles into nothing in consequence of a bad director. I have come across protagonists of Federation applauding the work of the Administrative section and inveterate haters of Federation generously accepting the work of the Federation. Why then should there be any bickerings over a mere theory or a mere agency provided the material is the proper one?

11. *Wanted a Policy in the Movement*.—This brings me to the moot point of having a definite policy in the movement. I for one am prepared to state that the growth of overdues in recent years has been mostly due to the laxity, indifference all over and in this presidency there seems to be this additional factor, *viz.*, the perpetual war between the Federation and the Bank. Co-operators are few and when willing co-operators mistaking their ideals take sides, the actual work suffers and the village members who do not understand these things, slowly have their way, lose their sense of discipline and prompt payment. All this is, I think, due to the want of a definite policy. I do not want to make the movement a regularised mechanism, impervious to changing conditions or irresponsive to new situations. The goal can be marked, the road can be lined, and as we proceed, we may remove the obstacles and march on probably with a slight curve to avoid climbing a steep ascent. That said, we have said what we wanted. This does not mean that we should go on shifting our method and line of march and at every step take a different line to the tune of every person on the way who chooses to guide us.

12. *The Registrar.*—I am of opinion that a definite policy can be guaranteed only by having a Registrar for a long period, say, of at least ten years, if not more. Any shorter period is not sufficient.

The Registrar should be a person with a real bias for the movement. He should not be suddenly drafted into the department from any service. The Co-operative Movement cannot be run on by any chosen at random. Co-operation is a science if not a science of sciences. It implies a great knowledge of Finance, a good deal of human psychology and understanding of human institutions, expert methods of business house-keeping, auditing, above all an infinite capacity of getting on with all the diverse elements of humanity with a desire to understand and be understood. Autocracy should have no place in the movement and a spirit of condescension is entirely out of place. He should be all eyes on and ears to the varying phases of the movement and suggest appropriate remedies, without making it a dull automaton. All these are not possible unless the Registrar is one who is ingrained with a modesty in outlook, sympathy in understanding, alertness in action and on the top of all a missionary zeal to work with and for the masses. How can you expect this from a person, however good he may be, who is suddenly transformed from a Revenue official to the co-operative line. It may tickle the vanity of a service man being fit for any job from the survey officer in a mufussil district to the High Commissionership in London. But the Co-operative Movement cannot be played with like this. This reminds me of the blunt but nevertheless pregnant remark of a Professor of Economics who in commenting on the entirely irrational basis of an appointment said "who knows I will not be appointed Chief Surgeon to-morrow."

In this connection I may be permitted to say that the state to which I have the honour to belong has in selecting its present Registrar ensured itself that he conforms to the tests which I have ventured to enumerate above.

It is not impossible to find a person, to give him the necessary training and allow him to hold office for a long period. Provision for a successor should also be made in order to carry on the tradition left by his predecessor. Radical changes in the movement may be necessary but such changes can be made without unsettling the normal life of the movement or its activity. If that were done, one can understand the real state of things and devote his attention to the

actual working of the institutions. The Deputy Registrars or the Sub-Deputies need not change along with their bosses and can be real workers instead of men who may have to regulate their methods according to the frowns or favours of their chief! There is another difficulty also in a direct and sudden recruitment of a Registrar from a different line. He is new and he is made to get work from persons more experienced than he and who in fact have more knowledge of the men and the movement than he can claim to have. He has to wait and learn before he is able to supervise them. This ends either in disagreement or in a slavish obedience to an inexperienced chief. This is more or less true of all departments which require experts to work them.

Co-operation is a transferred department already and in the reform era to come, the Minister in charge of Co-operation will be even more free. He ought to initiate a policy, a bold one and mark a newer era in Co-operation by selecting the proper person to be at the head of the movement for a tolerably long term.

13. *The Major Subordinates in the Department.*—In this connection I should urge a plea for a proper selection of Deputy and Sub-Deputy Registrars also. I am not against able members of the Department climbing to the very top. In fact, I am proud to learn about the career of Rao Bahadur K. Deivasikhamani Mudaliar, a person who rose from the ranks, a gentleman of whom any Government might be proud. But I should, at the same time, submit to you that as Co-operation is a growing science, people young and imbued with a real spirit of service and with a good university training may be directly recruited at least to make up a certain proportion in the major subordinates' list. I would insist that in the direct recruitment, actual working in the movement for at least a few years should be considered as a necessary qualification. Non-officials of ability and approved service can be thought of for these jobs though it should not descend into one of nepotism. I am not in the least afraid of able men and men of character getting into official grooves. After all they are in co-operative service.

14. *Co-operative Audit.*—One vexed question in the movement is, I understand, Co-operative Audit. A system of organised auditors working under non-official management on a District if not a provincial cadre was put forward. I understand that it had the support of the Bankers' Conference and it was also resolved upon as an agreed

formula in the Urban Banks' Conference at Tiruvannamalai. In passing, I may tell you that the non-official audit idea was first given expression to in the All-India Co-operative Institutes' Conference at Hyderabad. The idea gathered force and there was some slight opposition too. I had gone into the merits of the difficulties suggested on either side. It is not so much a question of answering a question in arithmetic. It looks to me more a matter of personal confidence. Far bigger banks on joint stock basis, bigger than the biggest Co-operative Bank, are being audited by private auditors. The most ideal type of Government audit has not been able to perceive in time the affairs in Guntur and Calicut Banks. The imprimatur of official audit for several years has not saved Guntur Co-operators.

Besides, who are the instruments of official audit? It is men who were originally clerks in office and who evolved into junior and senior inspectors that do the work. I wish all joy to them. But you will agree with me that technical training as an Auditor is any day preferable to acquiring technical knowledge as a mere matter of official routine? Will not the former set of people be more efficient? If the Government so desires, let them start a separate audit staff—just like the Audit Staff for Local Bodies—which may be made up of qualified auditors who may not be amenable to local influences. I am glad to say that Hyderabad has made a beginning in this direction.

Coming back to the question of non-official audit, I am inclined to believe that some of our friends are over modest and less disposed to acknowledge our own merits. I do not want to remove the responsibility of the Government for audit. Non-official audit as stated by its protagonists only means establishing a body who will select candidates as auditors from among the list of Registrar-certified men and appoint them. The body will have the Deputy Registrar as an ex-officio member. The programme of work, inspection, and check of the Audit reports will be done in close relationship with the Deputy Registrar. This is in main the first step, I understand, certain non-officials want to take towards de-officialisation of audit. In essence the first step is towards appointing non-officials approved by the Registrar as auditors and pay them out of a pooled audit fund. The rigours of official control over the issue of the certificate after the check by the Government are all there. Still I learn that there was a storm of opposition. I do not want to

criticise those who hold that the power of the appointment of auditors even from among the Registrar—approved list of men is a danger. They may have the best of reasons. But all I wish to say is that the danger is present everywhere in all appointments. We should avoid the evils, put greater restraints to check the evils but not condemn the system so long as it is otherwise acceptable.

The idea may have yet to gain ground. Let there be no indecent haste if there is opposition. I am quite sure that the same proposal will be accepted in a few years. It is one of the mile stones to be necessarily covered in de-officialisation. It has to be reached and covered. I am told that the Government in Madras has given a quietus to this question by stating that they are against it. But I am confident that the time is not far distant when the Government will revise their views and come round to the non-official view-point.

15. *The Recent Co-operative Act.*—The question of de-officialisation of the movement brings to my mind the provisions of the recent Act passed by the Madras Legislature. I do agree with many of the provisions and their necessity. In this connection, I find myself in entire agreement with that great Veteran Sir Lallubai Samaldas on the matter and I make no apology for repeating his remarks in extenso. "The more we have of these provisions, the more do we become disassociated from the basic principles of mutual goodwill, confidence and honesty of purpose which should always be the foundation of a correct and strong co-operative structure. *The habit of leaning more and more on the official machinery of the Government of the State or the province leads at times to forget our goal of the de-officialising the movement.* One of the results of this close association has been to keep out of our ranks at least in my presidency national workers.—It also gives grounds to outsiders for looking upon the Co-operative Movement in India more as an official policy created through resolution of the Government and conducted by an official department rather than a movement drawing its inspiration from the faith, zeal and ardour of the people." (Travancore Co-operative Conference Presidential Address).

I find it rather inconsistent for persons who stood for the de-officialisation of the Audit to have acquiesced in those provisions of the new Act which make us lean on the Department.

Now that those provisions are in the Act, the next best thing is at least to try to see that they are requisitioned. Let them be dead provisions in practice.

16. *The Land Mortgage Banks and Debentures*:—The demand for long term money is still very insistent. The early co-operators have given currency to the idea of a seven or ten year loan. No villager is happy if he is given a shorter loan. Crop loans may be had. But agricultural loans are insisted on and they always extend to a long period. The method of financing in early days had led to the people imagining that seven year loan is the normal feature. This has led to the demand for long term money. Central Banks cannot afford to have long term money locked up and the Land Mortgage Bank has been started with Government help.

The mortgage co-operation or co-operative mortgage is yet to find its way. The delay experienced in getting a loan makes the people prefer a loan from a Central Bank rather than from a mortgage bank. Land-titles, land-law and local conditions are still to be mastered before an easy and cautious distribution of mortgage money can be had. People should get more accustomed and be able to distinguish between the two different types of loans and be able to apply with all formalities and get the same in time. Still the mortgage co-operative money is not popular and a net work of banks has yet to be organized.

I do not know whether it will not be possible for the Central Banks in each area to make a debt-survey of their societies and hand over certain societies specialising in the long terms loans to the sphere of the Land Mortgage Bank. It does involve serious labour and scrutiny. But it ought to be done.

The goal slowly should be for removing long term money from the sphere of Central Banks. The goal should not be on paper. It should be brought to practice in spite of initial unpopularity. That is again another responsibility on the present generation of co-operators who are likely to incur odium by enforcing this also. But it has to be begun and done by somebody at least.

It is a matter for consideration and it will be for you to decide whether it is not possible to co-ordinate both these activities and have them as two distinct departments under one and the same institution.

The difficulties of finding long term money for such investment has been engaging the attention of the leading co-operators. Dewan Bahadur M. Ramachandra Rao's articles in the Hindu to make the Land Mortgage Bank debentures as one of the acceptable trust securities under the Trust Act and the work of our Madras members in

the Assembly deserve our warmest thanks. It is high time that the Madras High Court and the Government of India recognize the justice of the demand and meet the situation by making the necessary alterations in the law.

17. *Non Credit Co-operation*:—These days of economic distress afford enough opportunities for non-credit co-operative service. Advance of money on produce, to facilitate waiting for a favourable market, gathering up the cheap produce and marketing it, going to every reliable place and offering pecuniary help, in fact trying to stabilise as far as possible the price of commodities in the neighbourhood is possible to a large extent. I am not suggesting a speculation or a trade-gamble, but I am trying if possible for a price adjustment in the villages.

I am proud of the instinct of the Madrasee for Non-Credit Co-operative achievements. The success of Madrasees in the Stores movement in a foreign environment like Bombay—while those run by others there are not so prosperous—have evoked handsome praise from the Bombay Government. The Triplicane Stores is a monumental endeavour and achievement. I am told that the Triplicane Stores would prove itself still more useful to the public if it also directed its attention towards propaganda and consolidating its forces. A bold plan of campaign and inspiration proceeding from the metropolis to the mofussil would be highly appreciated. I am of opinion that it is not by the working of the stores alone that the T. U. C. S. can maintain its status as a factor in the Co-operative Movement. It has to make itself the Provincial Store organization. It should be prepared to revise its constitution and offer places on the Board to the important Stores Societies in the Presidency. It should undertake to supply things on credit to member societies on any stated basis of their share, reserved capital etc. Many a District Co-operator of eminence and experience in the co-operative field, whom I have consulted has told me that the T. U. C. S. is very conservative. It does not proceed forward. I earnestly appeal to you to make the T. U. C. S. step in the front line, give it an orientation and make it really a provincial organization that can stand and talk on behalf of Non-Credit activities in the Presidency. I shall not be considered going out of the way if I submit for your consideration the necessity of appointing a full time propaganda officer on a seven year or more contract till he starts and completes

a decent net-work of Non-Credit Societies, at least stores institutions for the present.

The District Stores Societies should be made collecting centres of the products of the area and distributing agencies for other products from other areas. To me, it looks as though non-credit activity is likely to be of immediate benefit to the rural population. It is wrong to assume that non-credit activities have not got a large scope in the rural areas. I wish the T. U. C. S. uses some of its "Common good fund" in these propaganda purposes and appoints an efficient staff.

I am glad that an addition to our non-credit activity has been made by the South India Co-operative Insurance Society. I am glad to learn that it is making steady progress. It is too early to pronounce about its success. One thing that strikes me ought to be stated. I would measure the success of the society by the number of policy-holders of Rs. 500 and less, and I do not attach much importance to the heavy number of urban policy holders. I believe that Co-operative Insurance is a mass agriculturist concern. It has come to supply a new want. It has a distinct mission, and the achieving of the object of the mission can alone be the measure of its success. So the field of activity of the South India Co-operative Insurance Society is again in the villages, in union boards and taluq areas. I hope the Managing Board or Executive will keep this in view and work out their campaign.

A word about another aspect of the working will not be out of place. I am aware of the formation of the local boards as Agents. I shall not be understood as being unco-operative if I say that the Board as a board cannot function effectively. Insurance is a personal matter. Brisk personal canvassing is necessary. Insurance is as yet an ominous idea in certain Indian circles. So individual agents ought also to be thought of and they should be paid directly on a commission or a salary basis. I would suggest the idea of paying an additional remuneration if a large number of canvassed policy-holders is from the agriculturist class and the rural population. The great leaders of the Anti-untouchability League have here a concrete platform to exhibit their sympathies in a material manner. I earnestly appeal to them and other social reformers and leaders of villages to pay more attention to this new co-operative venture and do this co-operative service which is not very onerous or laborious.

18. *The Ottawa Agreement and the Agricultural Population.*—I am not touching the political aspect of the matter but I allow myself to be guided by only a matter-of-fact commercial aspect, or rather by its effect on the co-operative movement which always stands for increasing the earning power of the farmer. One should protest against anything which will even at a distant date affect and lower the yielding capacity of the farmer. You will find an extremely impartial and a strictly economic study of the subject, in the article published by our illustrious friend Mr. V. Ramadas Pantulu in the Madras Journal of Co-operation for December 1932. As he says "though the agriculturist in India knows nothing of the Ottawa Agreement and its reaction on him, it is his interests that form the main theme of the controversy that is now raging between the defenders and opponents of the Agreement." Any way the agreement has been ratified by the Indian Assembly and it should be the endeavour of our economists to lessen the evils as much as possible. The champions of the farmer's interest have allowed the case to go by default.

19. *The White Paper.*—The Reserve Bank. This is not the time or the place to talk of the political contents of this important document—the White Paper. You are aware that in recent times, politics is getting inextricably mixed up with economics. That is my excuse to address myself on the strictly economic aspect of the White Paper. You are aware of the two important economic features in the proposals contained in that paper *viz.* the Reserve Bank and the Railway Board. I appeal to you co-operators of this presidency to take interest in these two subjects and express yourselves either way strongly. The very inauguration of the Federation is made subject to, among other conditions, the starting of the Reserve Bank. Seth Walchand Hirachand addressing the other day the Federation of Indian Chambers said "The condition particularly relating to the establishment of the Reserve Bank seems to be incapable of being brought into practice for yet a long time to come. This view is strengthened by the deliberate line of action which the Government of the country is following in respect of its currency, exchange policy and gold exports." What part should Co-operative banks play in the formation and constitution of the Reserve Bank, what should be the link between the finance of the Reserve Bank and the Co-operative Finance, what representation should Co-operative Banks have in the management, are all details to be thought of and

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resolved in time. The other day, Sir George Schuster said in the Assembly Hall that very soon consultations would be had regarding the Reserve Bank formation and it is upto us now to finally decide and send in our representations to the committee that is sitting. I hope this conference will direct its special attention to this problem in the forthcoming session. The previous Assembly discussions and the Special Committee proceedings afford instructive and interesting matter and I hope the Madras co-operators will give a proper lead to the rest of India on this matter.

20. *The Railway Board.*—I am at a loss to understand how the idea of a Statutory Railway Board was decided upon when the Constitution of the Reserve Bank was left to be decided by the Legislature. This also could have been left to the Legislature. You are aware that more than 800 crores have been invested in Railways and that they are one of the biggest assets in the country.

The Railway Board wields an enormous power to make and unmake any industry in the country and under the future Government it can be an effective force in the economic salvation of the land. It can insist on a large scale co-operative planning of railway materials and industries and what are common features in co-operative enterprises in Italian Railways, may be made to become the normal features of Indian co-operation. It strikes me that the "hands off policy" in regard to the Railway Board means a great loss to the economic future of the Indian Federal State to be and what is worse it takes off a big slice from the Indian Potential Co-operative enterprise and removes the little scope for relieving the unemployment in the land. I do not know how what has not been given to us by the Door of the White Paper is going to be given to us by the windows of the rules. I am not very optimistic, but I shall not forsake my usual optimism as I believe that something still may happen to give us in effect what we feel we are not getting.

21. *Leadership—Struggle between the Old and the New—Rural Reconstruction.*—As I said before, the responsibilities of the present generation of co-operators are very immense. Newer problems have arisen. Physical and intellectual energy of an unusual type are both necessary. Mere age and experience have their places but they have their limitations too. So the elders in the movement should gladly welcome youngsters in the movement and give them opportunities; guide them, and generally allow them to occupy positions of

trust and responsibility, themselves graciously remaining in the background. That will ensure a continuity of policy, a sort of harmonious non-official discipleship and a regular stream of workers who will drive on the institutions to the promised goal. If that is not happening, the situation is likely to end in disaster. Workers in the Co-operative cause are always few. If elders monopolise offices for an indefinitely long time, allowing themselves to be misunderstood as persons anxious for power and prestige; the ambitious youngsters who feel they are as good as the elders assert and revolt. The elders then retire or are unseated in the elections which create a situation not very pleasant. A sort of informal discipleship, every district leader should be able to run among his workers and he should be most happy to allow them to become district heads in his own life time. That is an honour to him and to the movement. I long for these days to come. The greatness of a co-operative leader should consist in his creating a school or band of workers and not in his doing his duty alone in his life time. He has a duty to those who are to be born hereafter and that could be best discharged if he creates and leaves intellectual "chips of the old block."

I am at some pains on this matter as I smelt from the last Administration Report of the Registrar that some older men are unseated in some places. I would only say that it is nothing unusual. It is happening in all places, in all institutions. That is the sign of the times. To draw a red line or to think of it as a calamity is to make too much of a small change in human organisations. The chief and effective solution lies in the old men imbibing juvenile and sportsman spirit and getting along with the youngsters as honourable colleagues in a noble cause. Do not old lawyers address young judges and get justice for clients? Do not old subjects appeared and submit their grievances to young Rajahs and sovereigns and get them redressed? Do not old parents allow their grown-up sons to dominate and run their houses. Do not the old yield in all these? All things being equal, why should age stand as a prohibition against anybody coming forward to shoulder the responsibilities of co-operative institutions. Swami Vivekananda surprised the world at 32. The younger Pitt was accused of the crime of being a young man. He survived the charge of youth and acquitted himself very creditably. What is the age of many of our Civilians? Do they not rule all sections of a District Revenue Department? Given the necessary training, given the opportunity,

many of our young men are bound to be of great use in the co-operation of the future. Smallness in the part of us, the elders, will surely drive away the few young men who are with us. I am not prepared to share your Registrar's feeling over the old men going out. It is bound to happen some day. Are we not to provide for it? In this connection I am reminded of the order—endorsement which I am told was made by that great Administrator and Statesman, I mean the late Sir P. Rajagopalachariar. It appears that when he was District Collector, he transferred one popular Tahsildar from one Taluk to another. A number of monster petitions came up to him from the ryots of the former taluk that he should not be transferred and the transfer was likely to ruin their prosperity and it ought to be cancelled. The great administrator appreciated the feelings of the ryots all the same possessed the robust common sense of feeling that nobody was indispensable to any state and wrote out only one word in Tamil on all these petition “செத்தாலே” meaning “if he (the officer) dies” and rejected seriatim every one of them.

I do not feel called upon to apologise for having taken up a few minutes of your time on this aspect of the matter as I have found that some intelligent and well meaning old men assume a patronising air and say when they are unseated from the Executive “Co-operation is gone. The institution is dead.” If the institution is to die the moment they leave it, it can only show one thing, viz., that the institution had already gone from bad to worse.

I most earnestly entreat the elders in the movement to take a charitable view and increase the number of young men in the movement. I also appeal to the youngsters to train themselves early, respect the elders, take advice from them and show a fatherly regard for them. We should have a happy family all through.

This entry of the youth of the country in the Co-operative Movement is absolutely necessary, in view of the great field work that has to be done. Better type of farming, better supervision and better financing warrant many more young men coming in. Village Reform or Rural Reconstruction can be done and ought to be done by them. So encourage their entry. I am glad to learn that Rao Sahib V. Kanaka Sabai Pillai, Retired Executive Engineer of Mannargudi feels young in his Ashram of Adult Education School and gives training to many a youth who is out to learn model agricultural farming. The example of the old Rao Sahib is for many to follow.

Both the non-official and official co-operative sections ought to place all their resources in the hands of such missionary workers.

22. *Communalism in Co-operation.*—It has become of late a sort of routine if not fashion to condemn communalism in co-operation. I shall not add to it. I am prepared to state from this platform—and I am quite sure the same will be borne out by your lives—that a Brahmin very often finds his best friend in a Non-Brahmin and a Non-Brahmin not infrequently finds his confidant in a Brahmin. The cordiality that exists between the Hyderabad Hindu and the Hyderabad Muslim is a thing which may well deserve emulation in other places. Humanity never has water-tight compartments. Mutual goodwill, readiness to give in and accept others' point of view have always made us Brahmin and Non-Brahmins good friends. The one should welcome the other: if the Non-Brahmin has not taken to office till now, it is good he comes in now, and the Brahmin who was there all this time gives his place to him. Absolute harmony is possible when absolute and earnest understanding is the basis. We shall not estrange ourselves by constantly talking we are this or that? Do all Brahmins agree and get on? Are there not parties and petty factions among them? Do all Non-Brahmins agree and get on? Are there not differences and sections among themselves? So it is not birth that is the cause for difference. Mental differences on something or the other give place by constant repetition to mental dislike. Mental dislike by one set of people against the other is magnified into a class dislike, which develops into class hatred. We shall not have more of this. I appeal to every Brahmin to withdraw from the contest if any Non-Brahmin stands and appeal to every Non-Brahmin to think that a Brahmin is not his enemy but a brother. If this attitude gives place to that which I understand is prevailing now, I am quite sure we may have more peace, greater happiness, and brighter prosperity both in co-operative and private life.

CONCLUSION.

I have done. I have made cursory observations on such matters as I thought necessary. As a fellow worker called upon by you to enjoy a place of honour, I have placed before you what I have sincerely felt. I have not gone into any details for the very obvious reason that there are always local variations and a general statement or wholesale criticism will lead us astray and will not be applicable

to all situations and conditions. I have left those to individual District Co-operators to meet and decide.

I am exceedingly glad to note that the relationship between the officials and non-officials has always been cordial. I wish it will be so in the years to come and among the non-officials themselves too. An attitude of service should pervade us all. Power and prestige are incidental and are not the charms for service or entry to the movement.

I know the co-operative movement is one of pure service; co-operative movement and co-operators are subjects of derision. Even the co-operative official is not cared for. A Deputy Registrar does not command the regard or respect which a Revenue Inspector does in a village. Still he and you have to plod on. Yours is one of work and no reward. One of voluntary hardship for service's sake and not for appreciation. Still human nature's instinct is that it gets encouraged by a kindly gesture or a word or two of praise. I am one of those who believe in them and in their value and influence on human conduct. In this connection, I have to put a strong case for the Government showing greater recognition of the services of official and non-official co-operators. Not that any of them craves for it; I dare say many have not even thought of it. But as one who believes in the growth of the movement, as one who wants that the Government should according to its policy of honouring all official and public workers adopt an impartial attitude towards all departments of work and public activity, I request them to show greater consideration and recognise the great services of their subordinates and the public in co-operation. That will raise indirectly the standard of work and quality of the men who join the movement. I have heard of several very distinguished co-operators being offered the higher class of titles and their refusing them but talking for the general mass and ordinary District worker, it is right he is given his due recognition.

I put it as the Government's duty whether the worker desires it or no.

The gospel of co-operation has been with us in its new form for a quarter of a century and more. Many an institution had its Silver Jubilee. Many, God willing, will live long to have a golden and Diamond Jubilee. We may not be in the land of living then. Our successors would have come in and taken their rightful places

then. The co-operative structures we have raised should be strong and enduring. Let them not be on the spoils of communal war or dividend fights, election fracas or on liquidation orders. Let them stand on the solid foundations of better farming, honest husbandry and contented citizenship. Let the structure raised be the structure of all, not restricted by class or religion. Let it be a tower for God of Service built by the godly instinct in all.

"A temple, neither Pagoda, Mosque, nor Church
But loftier, simpler, always open door'd
To every breath from Heaven and Truth and Peace
And Love and Justice came and dwelt therein."

May that God of Service guide you and me aright and may we reach Him with a conviction that you and I have served each other and Him rightly.

OM SHANTI!

SHANTI!!

SHANTI!!!

The Primary Land Mortgage Banks' Conference.

OPENING SPEECH

BY MR. V. RAMADAS PANTULU.

BROTHER CO-OPERATORS AND FRIENDS,

It is indeed very kind of the organisers of this Conference of Primary Land Mortgage Banks to have asked me to open its proceedings. I render my sincere thanks to them for the honour they have done me by their generous invitation. My first duty on this occasion is to congratulate the non-official and official co-operators of this Province on the success that has so far attended their efforts to organise a system of land mortgage credit on a satisfactory and stable basis. With the knowledge I possess of the working of the Land Mortgage Banks elsewhere in India, I have no hesitation in saying that the organisation in Madras is on the whole the soundest. The first Primary Land Mortgage Bank in the Province was registered in 1925 and, by the end of the calendar year 1929, about a dozen tiny independent primary banks operating over an area of five to seven miles radius were set up here and there. It soon, however, became evident that many of those banks could not work successfully as independent societies, each floating its own debentures to find the needed capital and without any help and guidance from a central institution of their own. Madras was the first province to realise that a Central Land Mortgage Corporation in which the debenture issue and the co-ordination of the activities of the Primary Land Mortgage Banks are concentrated, was indispensable for the successful functioning of the primary banks. There can be no doubt that the credit for this goes largely, if not mainly, to the Madras Provincial Co-operative Union. The Union, persistently urged this view in the columns of the Madras Journal of Co-operation and did considerable propaganda in that behalf. A definite scheme for a Central Land Mortgage Bank was first evolved by the Committee appointed by the XV Madras Provincial Co-operative Conference held at Madura in 1927. The Report of that Committee which was published in the Madras Journal of Co-operation (*vide* Vol. XIX, page 492) has substantially furnished the basis for the constitution of the Madras Co-operative Central Land Mortgage

Bank as it was eventually constituted, and registered on the 12th December 1929, though some of the good features of the Provincial Union's scheme were shed in order to arrive at the maximum of agreement between the official and non-official views on the entire scheme. Our thanks are due to Mr. H. M. Hood who registered the Bank and to Mr. D. N. Strathie who almost from the commencement of the Bank's working took a genuine and keen interest in its development and unstintingly gave his co-operation, advice and guidance to the non-officials who have been in charge of the Bank. We cannot be too grateful to my late lamented friend Dr. S. Swaminadhan for the splendid start he gave to the Bank as its first President. He gave practical proof of his faith in the land mortgage banks by putting substantial sums of his own money in them long before the general public had time to judge of their soundness and stability. The Bank, as you all know, owes its subsequent expansion and its present sound position to the commendable labours and disinterested services of Dr. S. Swaminadhan's equally zealous and energetic successor, Dewan Bahadur M. Ramachandra Rao Pantulu as the President and of his collaborators, Dewan Bahadur P. Seetharamiah Pantulu as the Vice-President and Rao Bahadur C. Gopala Menon as the Treasurer. While we recognise with gratitude the services of these men at the top, we shall be failing in our duty if we forget that the real strength of the organisation depends upon the soundness of its foundations—the Primary Land Mortgage Banks. So, I pay my humble tribute to the enthusiasm, initiative and enterprise of co-operators in charge of the primary banks, like Messrs. N. Satyanarayana, Rao Sahib G. Venkataratnam Pantulu, Mr. S. Annadurai Aiyar, Mr. K. M. Chinnarangayya Gounder and Mr. Tiruvengada Mudaliar, to mention only a few who are toiling in the field.

Since the establishment of the Central Land Mortgage Bank, the development has been comparatively more rapid, and in the 3½ years that have elapsed since its registration, about 40 new primary banks have been started. More than that, the fifty and odd banks that now exist, though all of them are not in good working order are not isolated, unrelated units, each depending on its own resources but are integral parts of a well-knit organisation. The central institution has already attained an assured position in the money market and is able to attract adequate working capital for the primary banks at reasonable low rates of interest. If a primary bank in any

locality does not work, it must be attributed to lack of initiative and enterprise among local co-operators or other adverse social or economic local conditions and not to want of funds or facilities for organisation.

The land mortgage banking organisation is about to enter on yet a new chapter in its development with the passing of the bill dealing with land mortgage banks. The bill as modified by the Select Committee is on the whole a helpful measure and ought, in my opinion, to be generally supported by the co-operators of the province. The new powers with which the land mortgage banks are vested to effect recoveries of loans by sale of the mortgage of properties without recourse to tedious and exhaustive proceedings through civil courts ought to go a long way to strengthen the debentures of the Central Land Mortgage Bank by improving their negotiability and marketability. The Select Committee is also to be congratulated on its recommendation to the Government to guarantee the principal and interest of the debentures issued by the Central Land Mortgage Bank. I hope the local Legislature and the Government will accept the recommendation. Although the Indian Central Banking Enquiry Committee did not recommend the guarantee of the principal of the debentures by the Local Government, yet that Committee definitely recommended that the debentures must be made trustee securities. If in order to induce the Government of India to undertake appropriate legislation for the purpose it becomes necessary for the Local Government to guarantee the principal also, there is nothing in spirit of the Indian Central Banking Enquiry Committee's recommendations to militate against such a course.

I shall now express my views very briefly on what I consider to be a few outstanding questions bearing on the future development of the system of land mortgage banks in the province. In doing so, if I depart from the orthodox opinions that now hold the field, I do so merely with a desire to submit my views for the consideration of officials and non-officials who are in charge of land mortgage bank organisations. But I must not be taken to express any final views on the matter. Indeed I am looking for guidance from those who are actually working the institutions concerned. I also wish to make it clear that the views I express here are entirely my personal views and not of any institution, with which I am connected. Furthermore, anything that I say must not be understood to be a criticism involving any adverse comment on the

working of the central or the Primary Land Mortgage Banks. My purpose is merely to discuss the merits and demerits of the system in order to think about with you so that we may begin to plan ahead on right lines.

Speaking for myself I must say that the existing system strikes me as somewhat anomalous. In one sense, the Central Land Mortgage Bank has not the slightest vestige of control over the dual agency by which the primary banks are working. The paid agency of primary banks which carries out the initial processes of investigation of titles to and valuation of the securities offered by the borrowers as well as the main business of collecting the loans, is entirely recruited and controlled by the primary banks and the Central Land Mortgage Bank has no voice in the matter. The Sub-Deputy Registrars who oversee and test to the work of the primary banks' staff and of their directorates are appointed by the Government and here again the Central Land Mortgage Bank has naturally no control over them either. But in another sense the Central Land Mortgage Bank's control over the operations of the primary banks is absolutely complete. A primary bank has no power to sanction loans to its members and every individual loan application of every borrower is ultimately examined by the Central Land Mortgage Bank and sanctioned by it. It is merely helped in this process by the results of the investigations of the two agencies over neither of which it has any control. As matters stand, the primary banks are mere agencies for collection and transimission of loan applications to the Central Land Mortgage Bank and the distribution of the money to the applicants as and when it comes from the Central Land Mortgage Bank. The Bill completes the process by making the primary agents of the Central Land Mortgage Bank to serve and execute the notices and warrants of distraint and sales ordered by the Central Board and nevertheless making the primary banks liable for damages for the consequences of such action.

Recently Mr. E. S. Ganapathi Iyer of Erode, a veteran co-operator of wide and varied experience in the movement, suggested in the pages of the Madras Journal of Co-operation that the primary banks may be made virtually the branch or the local office of the Central Land Mortgage Bank. If the primary banks' functions are to remain what they are, that is, as stated by me, it is certainly better to convert them into branches of the Central Institution. This will be a correct solution on the existing basis and there is a great deal to be

said in its favour. Briefly speaking, the primary banks are now Post-Offices to transmit loan applications to the head office and carry remittances from the head office to the borrowers; and a new role of amins to execute the processes of the Central Board is now assigned to them by the Bill.

But I must say as one who was a party to the Provincial Union's scheme of a Central Land Mortgage Bank, that a slightly different system was envisaged. It set up a Central Institution in which debenture issue is centralised but contemplated at the same time, that the function of sanctioning loans to ultimate borrowers would be the legitimate function of the primary banks, subject to centralised financial and administrative control of the Central Land Mortgage Bank over them and their operations. It was then thought that the State and the Central Land Mortgage Bank would set up a machinery in each district or group of districts for the due enforcement and observance of the rules about the investigation of titles to and the valuation of the securities offered by the borrowers by the appointment of duly qualified legal advisers and competent inspectors to oversee, guide and control and test the work done by the staff and directorates of the primary banks. Having done this, the initiative for scrutinising loan applications and sanctioning them was meant to be vested in primary banks. I am sure that there are co-operators connected with the Primary Land Mortgage Banks even now who still favour this view.

I realise that the most potent objection to the acceptance of such a scheme is the likelihood of the Government not agreeing to guarantee the principal and interest on the debentures of the Central Land Mortgage Bank, if the present complete responsibility of the Central Land Mortgage Bank, for loan issue is modified so as to vest the primary banks with a power to sanction loans even under any safeguards. If it is known to be the Government's view and if the supreme need of the organisation is to make the debentures trustee securities by the guarantee of the principal and interest thereof, then it is a question of Hobson's choice.

In passing, I may be permitted to suggest that in places where there are no primary banks now, and where the starting of new ones will take considerable time, the desirability of starting local branches of the Central Land Mortgage Bank with a paid chief Executive Officer, a small advisory committee of three or five members and

necessary staff may be tried. The province can be covered more rapidly with agencies to disburse long term credit.

I am also of opinion that the present system of the Government appointing Sub-Deputy Registrars to control primary banks is not quite satisfactory. It is at best a temporary measure of assistance to the movement. I do not expect the Government to go on increasing the number of Sub-Deputy Registrars with the growth in the number of primary banks. If we work up to the ideals of a bank for each taluk, then the number will be about 250. There are now about 10 Sub-Deputy Registrars to deal with about 50 banks. We want five times that number when we have 250 banks. Is it the intention of the Government to give 50 Sub-Deputy Registrars to the Land Mortgage Banks eventually or say even 30 when we have 150 banks? I am of opinion that the work now done by the Sub-Deputy Registrars legitimately pertains to the inspectors of the Central Land Mortgage Bank. It is true that the Central Land Mortgage Bank has not now sufficient business to give it the requisite margin of profit wherefrom the expenditure on them is to be met. Until such time as the bank builds up sufficient business to earn the requisite profit to meet the expenditure from, the Government may make an annual money grant to the Central Land Mortgage Bank for this purpose. The activities of the primary banks are in my opinion unduly cramped by the existing arrangement. I do not think that it involves any relaxation of Government control. The control and influence of the Registrar, the other nominee of the Government on the Board of the Central Land Mortgage Bank, and the Trustee appointed by the Government not to speak of the local co-operative officials are ample to secure Government control.

The two Deputy Registrars at the headquarters of the province will, in my opinion, be required till the organisation of the primary banks makes considerable progress, for there is now no other suitable agency to organise new banks after making adequate local investigations as to the chances of the successful working of the new banks.

Before I conclude I would like to lay some stress on one other topic, namely, the relations that should subsist between the Land Mortgage Institutions and the ordinary co-operative credit institutions. I feel that these two sets of institutions should not look upon themselves as organisations which are wholly unrelated to each other. That will be an essentially unsound position. If co-operative credit is to be a real and effective factor in our rural economy, the

villagers' economic problems must be solved by close co-operation between the credit institutions which dispense different varieties of credit, not to speak of co-operative institutions which deal with problems other than credit. While the ordinary co-operative credit societies must concentrate on what I consider to be their legitimate co-operative functions, namely, seasonal credit for agricultural operations, and the financing of the movement and marketing of produce and the land mortgage banks on long term credit not merely for discharge of prior debts but improvements of holdings and all other productive long term purposes, there must be a common endeavour on the part of both sets of institutions to promote thrift amongst their members and to wean them away, as far as possible, from the money lender for the satisfaction of all their credit needs. Leaving out details for the present, what I lay stress on is the need for the two organisations to co-operate and to evolve sound policies and programmes of co-operative credit and to give a unified lead. As an important step in this direction, I plead for the closest co-operation of a consultative nature between the Provincial Co-operative Bank and the Central Land Mortgage Bank in the matter of regulating credit policies and programmes and I appeal to the Registrar to endeavour to co-ordinate the activities of these central organisations to the maximum advantage of the movement.

I do not wish to trench on your time and patience any more. I congratulate you on the choice you made of your President. In my esteemed friend Rao Bahadur T. A. Ramalingam Chettiar, you have an "informed enthusiast" a gentleman with wide and varied experience in public life and a practical co-operator with undoubted integrity and sound business instinct. He has immense faith in the potentialities of the movement. He has unique opportunities to so shape the Land Mortgage Banks' Bill in the Local Legislature so as to make it subserve the best interests of the movement. He comes from a district where a number of land mortgage banks are satisfactorily working. So, your choice could not have easily fallen on a better co-operator. I now request you to instal him in the chair and to proceed with your business. I declare the conference open.

PRESIDENTIAL ADDRESS

By

RAO BAHADUR T. A. RAMALINGAM CHETTIAR, B.A., B.L., M.L.C.

BROTHER CO-OPERATORS.

I thank you very much for the honour you have done me in asking me to preside over this Conference.

The rural indebtedness is proverbial in our country and Madras is not different in that respect from other parts of India. The ryot wants money for short term purposes as well as for long term purposes. The accumulated debt makes him specially liable to the exactions of the money lender. I have always held the view that Co-operation will not do the ryot much good unless all his needs are met within the movement itself. Hitherto the Primary Societies with the Central Banks and the Provincial Bank to finance them were eager to meet only short term needs of the ryot with the result that he had to go outside the movement for his long term needs and mortgage his properties to others. This led to two evils—one was that where possible, he, the ryot, misrepresented matters and borrowed for short term money which he would repay only in a long number of instalments, with the inevitable result that he defaulted and overdues were mounting up and the other what security is available for borrowings in the movement was reduced by the mortgage to outsiders; so, instead of the society getting the first charge for the advances they make, they really got as security what was left after other mortgages were satisfied. This state of things also led the improvident ryot to borrow from all available sources and the Co-operative Society often figured as only one of numerous creditors.

We, co-operators should arrange things in such a way that every member of the movement should be financed for all his legitimate needs in the movement itself and a true co-operator is one who will not go outside and borrow. In that way both he and the societies will be benefited and the default in payment and the accumulation of *overdues* will be things of the past.

From the nature of deposits received, it was not possible to finance the ryots for long term needs from the ordinary Co-operative

Societies. Borrowing for the short term needs of the ryots is no doubt an important and necessary item in the financial structure of the village. But it is also necessary that the ryot should be supplied with money for his long term needs. Opinion was divided in the movement as to whether a portion of the funds at the disposal of the village societies and the Central Banks, for example their owned capital, may not be utilised for the purpose. All the difficulties have now been set at rest by the starting of Land Mortgage Banks. These have come rather late in the field, especially at a critical time of world financial depression. The ground to be covered is very vast and it will be a long time before they are able to cover the ground with a net work of institutions, which in conjunction with the Central Mortgage Bank will meet all the needs of the ryots.

The present financial position of the ryots requires the careful and anxious consideration of everybody interested in the welfare of our country. The price of agricultural produce has gone down in all cases by more than 50 per cent. and the price of our lands has gone down even more, while the real value of the debts has increased two or three fold. The credit of the ryot has consequently gone down and he is finding it increasingly difficult to get the money he needs for his cultivation and other legitimate expenses as well as to meet his old debts. Unless the ordinary primary societies and the Land Mortgage Banks wherever they exist work in co-operation and try to meet all the needs of the ryots, it will be difficult to save even a small percentage of the ryot from the impending disaster. The co-ordination of the activities of the two sets of societies the Primary Credit Societies and the land mortgage banks is called for to meet the urgent situation. We have to admit that at the present moment, there is no co-ordination between these two agencies.

We have now in this presidency only Land Mortgage Banks registered. Many of them were registered recently and have not begun to function and it will be a long time before we have got a sufficient number of banks constituted to serve the ryots of the presidency. The question is whether pending the formation of these Land Mortgage Banks some other method may not be found for giving mortgage loans for long terms to ryots who are in urgent need. There was a suggestion made by the President of the Co-operative Conference held the day before yesterday in his address in which he suggests that the two activities may be co-ordinated as two distinct departments under one in the same institution. That

suggestion is well worth consideration even though there are difficulties in the working of two departments in the same institution. Probably in the case of land mortgage for long terms the institution will have to work as agent whereas in the other it acts for itself. This will probably raise the question whether it will not look after its own interest when it happens in any way to be antagonistic to that of the institution for which it is agent. The feeling of responsibility may also be wanting to a certain extent when it acts merely as agent. It is for us to consider what provision we should make for financing the areas not served by any Primary Land Mortgage Bank.

Now that we are having a large number of Land Mortgage Banks established in the province, the question of supervising these institutions will have to be considered. We cannot be depending on the Government for the supervision of these societies as they will naturally relax their interest in individual societies as the number increases. So the question arises, whether the Land Mortgage Banks are going to be linked with the other co-operative institutions in the district for the necessary elements of supervision or the Land Mortgage Banks and the Central Land Mortgage Bank are going to make arrangements separately for supervision. While there are elements in the constitution and working of the land mortgage bank which are not strictly co-operative, it has to be considered whether the land mortgage banks with the central bank have to remain separate from the other co-operative institutions in the country or whether for that very reason, it is not advisable to bring them alongside other institutions in one system.

We have at the present moment got enough funds to finance the needs of all the land mortgage banks started so far. Even from the co-operative movement itself funds can be found to finance most of the present requirements of these banks. But the meeting of the long term needs of the ryots of the whole presidency is a very big affair and it is a growing need and the funds necessary will go on increasing. It will be necessary to go to the market for funds as we go on and in that case, the need for making the debentures issued by the Central Land Mortgage Bank Trustee Securities will arise. The Madras Government have been helping the Land Mortgage Bank in no niggardly way. It has supported the demand of the Central Land Mortgage Bank to make Debentures Trustee Securities. It has itself guaranteed interest on the debentures issued

within the first up to the limit of 50 lakhs. When it has guaranteed the interest on the debentures, there is no reason why it should not go further and guarantee the principal also. After all guaranteeing the principal, does not throw on the Government more responsibility than guaranteeing the interest. It will probably be better for the Government to guarantee the principal for they can go to the open market, if need arises for money at a lower rate of interest than that paid by the central bank and pay back debentures. Thus its responsibility will diminish rather than increase by guaranteeing the principal also. I do hope that the Government will agree to guarantee the principal also, so that the only objection that is said to stand in the way of making these debentures. "Trustee securities" will vanish. With the Debentures as "Trustee Securities," there will be no difficulty whatever in raising any amount of money that may be needed in the open market.

The present land mortgage banks are constituted as limited liability societies and their owned capital at the present moment is not very large. There will be complaints also that some of the societies are not functioning satisfactorily. The procedure adopted for sanctioning loans is very cumbersome and leads to delay. The valuation of the land mortgaged has to be checked by some outside authority if possible. It may not be possible for the Central Land Mortgage Bank to go into each case minutely, as it is doing at present. The rapid increase in the number of primary banks in their transactions will increase the work in Central Bank. It is worth considering whether the Central Land Mortgage Bank or the Registrar may not appoint a competent legal adviser for all the banks in a district whose advice can be relied upon. The question of appointment of person who have to check the valuation of the property by personal inspection and with the aid of local knowledge may also be considered. If these two necessary matters can be provided for, will it not be possible to leave ordinarily the question of sanctioning loans to the primary banks themselves with the reservation of a veto or the power of cancellation of the sanction to the Central Bank.

Some of the difficulties felt in the working of the land mortgage banks and those likely to be felt are provided for in the land mortgage banks' Bill, that is before the Local Legislative Council. The Select Committee has met and reported on the Bill. It is for you to consider the provisions of the Bill as amended by the Select Committee and suggest amendments if any. In some matters I have not been able

to see eye to eye with the majority of the Select Committee, and it is for you to consider whether we want the Bill to be amended as I propose or not. One important question that arises in considering the provisions of the Bill is the power of distraint claimed for land mortgage bank. A ryot has in most cases to borrow for his cultivation expenses, his maintenance, payment of kist, rent and other purposes. For these he has to borrow from the rural credit societies or from the moneylender. It is these borrowings which strictly contribute to the produce on the land and should therefore take precedence over the instalment of mortgage debt which has to be paid, no doubt, from the margin left in the produce after meeting the other charges. Otherwise, the credit of the ryot will suffer and the interest of those who lend money to raise the crop will also be jeopardised. So, it is for you to consider whether you would like to have the power of distraint retained in the Bill or not.

There is, I feel, too much centralisation in the Central Land Mortgage Bank. It is for you to consider whether in the first instance the powers may not be given so the primary banks themselves and reserve the right of intervention to central bank, wherever it is necessary. We are now almost in the beginning of this organised attempt to meet the long term need of the ryot. It depends on us to make the procedure and the arrangements for the working of these institutions satisfactory. To a large extent, the institutions and their usefulness are moulded by persons who are in charge of them in the beginning. So, the responsibility is all the greater on them to give the proper lead and to put them working on a sound basis. Those who took part in the investigation and the inauguration of the movement deserve our gratitude. It is a matter for regret that the late Dr. Swaminathan, who took the lead did not live long enough to see the fruits of his labours gathered. His enthusiasm and energetic work in the field deserve great admiration. Dewan Bahadur Ramachandra Rau has taken his place and has been working very hard for improving the position of the Central Land Mortgage Bank and is supplying the primary banks with all the funds they wanted. He is ably assisted by a committee of enthusiastic workers. But, as I said, there is not that co-ordination between the working of the land mortgage banks and the rural credit society as one would like to see. This is a difficulty which I fear, if not removed at once will affect the working of both the institutions later. In this connection it is worthwhile giving a trial to the new proposal

made in certain areas to work two sets of institutions with the same common agency.

There is a complaint in the districts that the activities of the mortgage banks have not increased as they should and sufficient number of institutions are not brought into existence as required. While one has to recognise the difficulties in the way especially at a time of unprecedented depression, one has also to realise that it is at such a time that the people want speedy help. In a large number of cases in every village, with the present low level of prices of both agricultural produce and immovable property, it will not be possible for us to help the ryots unless some sort of debt reconciliation is effected. I am trying to introduce a Bill in the next session of the Legislative Council to provide for arrangements on the lines of the Central Provinces *Debt Reconciliation Bill*, with suitable provisions for enabling the land mortgage banks to undertake the liability of the debtors in suitable cases and finance them to discharge the debts and provide for payment in 15 or 20 years. If that Bill secures the support of the country, the Council and the Government, the work of financing the ryots and saving them may be attempted under better auspices. At the same time, even as things stand at present, there is room for speeding up the help that can be rendered to the ryot. I suggested sometime back that the central banks in a district may receive applications from areas, not served by Primary Land Mortgage Banks and transmit them to the Central Land Mortgage Bank after some sort of preliminary investigation. This device, if adopted, may help the ryots to a large extent; but I fear the Central Land Mortgage Bank is not in favour of utilising the services of the central banks unless the central banks are prepared to guarantee the loans. This obviously they cannot undertake to do.

I have touched only some of the important issues that are facing the working of the land mortgage bank institutions at the present moment as I could see. It is for you to consider these and other questions and formulate your views for the proper working of these institutions.

I thank you once again for having done me the honour of asking me to preside over this conference.

Extracts
FROM THE MESSAGES AND GREETINGS TO
THE 20TH MADRAS PROVINCIAL CO-OPERATIVE
CONFERENCE.

FROM DISTINGUISHED INDIANS.

"I wish the Conference all Success."

RABINDRA NATH TAGORE,
Glen Eden,
Darjeeling.

"Co-operation can and ought to do much more for our villages and villagers, than it has yet done. I trust your conference will devise the necessary steps. My best wishes for the success of the conference."

S. SATYANURTHI,
Kodaikanal.

"I most heartily wish full success to the Conference."

C. V. VENKATARAMANA IYENGAR,
Dharma Vilas Coimbatore.

"I wish the Conference all success."

RATNASABAPATHY MUDALIAR,
Coimbatore.

FROM DISTANT COMRADES.

"We send you our best greetings and our sincere wishes of good work. In the present world crisis we are convinced that Co-operation is the only way to establish welfare and peace."

INTERNATIONAL CO-OPERATIVE ALLIANCE,
Brussels.

"Please accept our best wishes for the success of your Meeting and the prosperity of the Co-operative Movement in your country."

INTERNATIONAL CO-OPERATIVE ALLIANCE,
Paris.

"As you will be aware, the Co-operative Movement is at present the object of hostile attacks. In India also we fully realise that our Co-operative Organisations are suffering from the present economic depression, and we are watching from afar the march of events. In all these

circumstances, the International Co-operative Alliance appeals to Co-operators in every country to defend their interests and to do whatever is possible to secure a greater measure of Co-operative Solidarity in order that Co-operation may come through its present difficulties unscathed and at the same time, strengthened to continue the march towards the goal. We convey our most cordial greetings and sincere wishes for the success of your deliberations."

THE INTERNATIONAL CO-OPERATIVE ALLIANCE,
London.

"We send the earnest greetings and good wishes from the Co-operative women of the world to all fellow Co-operators assembled at the Madras Conference. May your meetings be most successful and may they bring fresh inspiration and courage to all the assembled delegates in their efforts to expand and develop the Co-operative Movement in Madras. The Co-operative Movement throughout the world is going through a period when its strength and resisting power will be taxed to the utmost, but united beneath the rainbow flag, the Co-operators can be confident of standing the test and thus proving to the world that Co-operation is an uniting force and that the realisation of Co-operative ideals and the adoption of the Co-operative system of economy would lead to world recovery both in the political and economic field. We hope that the success of your work may be maintained and increased."

THE INTERNATIONAL CO-OPERATIVE WOMEN'S GUILD,
London.

"We take this opportunity to convey to you our greetings and best wishes for the result of the Conference."

THE SCANDINAVIAN CO-OPERATIVE WHOLE-SALE SOCIETY, LTD.
Copenhagen.

"We are convinced, that the proceedings of your Conference will fructify and promote the Co-operative Movement in Madras. We send you and to the 20th Co-operative Conference on this way our best wishes and fraternal greetings."

ZENTRALVERLAND OSTERREICHISCHER KONSUMVEREINE,
Wien, II/1 Praterstrasse.

"We send our best wishes and fraternal greetings for the success of the Conference."

SCOTTISH CO-OPERATIVE WHOLE-SALE SOCIETY, LTD.
Glasgow.

Kindly convey to your Congress our wishes of best success.

E. VARIASH,
CENTROSOYUS, U.S.S.R.
Moscow.

"Hope is the great inspiration of every true Co-operator. And so, despite the world economic crisis and all its attendant evils of national narrowness, tariff barriers, and the like, we have faith in the future progress of our Movement."

That our faith is justified is evident in the past year's work of the English Co-operative Whole-sale Society, which to-day supplies the needs of five and a half million members, whose dependants make up nearly half the population of the country, that it has £69,000,000, shares, loans, and deposits invested with it, with reserves totalling £ 7,300,000; that its total sales last year were over £82,750,000 in value; that it has over 130 productive undertakings; and that its bank, where over £ 2,500,000 passes over the counters every working day in the year, now ranks among "the big eight" of Great Britain.

And then as to Charity—the world never had greater need of the application of the Co-operative principle to its affairs than to-day. Your own great Poet Rabindranath Tagore, has rightly said it is only on Co-operation, as between man and man, of nation with nation, and of race with race, depends the future of Mankind.

The International Co-operative Whole-sale Society, is purely a Trading Committee which has for its aims and defects the furthering of International Co-operative Trade, and we shall be pleased to answer any enquiry which you may later desire to make, or put any of your members into contact with members of the International Co-operative Whole-sale Society. Please convey to your members at the Congress and to our Co-operative brothers of your province our cordial greetings and good wishes. We express the hope that you will have a most successful Congress."

INTERNATIONAL CO-OPERATIVE WHOLE-SALE SOCIETY,
Manchester.

"MONSIEUR LE PRESIDENT,

Nous avons bien reçu l'invitation que vous nous avez adressée d'assister à votre Conférence qui se tiendra à Madras, les 17 et 18 Juin 1933. Vous comprendrez qu'en raison de l'éloignement, il ne nous est pas possible de nous y faire représenter.

Mais nous tenons à vous dire les vifs sentiments de sympathie que les co-opérateurs français ont à l'égard des co-opérateurs de votre pays et nous formulons les vœux les plus sincères pour la réussite de votre Congrès.

Veuillez croire, Monsieur le Président, à l'assurance de nos sentiments cordiaux." Federation Nationale des Co-operatives De Consommation.
Paris.

"We express to the Congress delegates our heartiest wishes of the best success of your Movement" Sangio Kumiai Chuokai.
Central Union of Co-operative Societies of Japan

THE MADRAS JOURNAL OF CO-OPERATION

"Co-operators in Malaya have learnt much from the experience gained by Co-operators in Madras and the Journal published by the Madras Provincial Co-operative Union is read here with great interest. The problems confronting Co-operators were never so great as they are to-day, and I look forward to reading in your journal a full account of your deliberations."

R. BOYAL, M.C.S.,
Ag. Director of Co-operation, F.M.S. & S.S.
Co-operative Societies Department.
Kuala Lumpur, Malaya States.

"The stage of development which you have reached is so much advanced than that to which we have attained in Ceylon, that I feel that it would be presumptuous on my part to offer anything beyond an expression of my best wishes for the success of your deliberations."

CAMPBELL,
Registrar Co-operative Societies,
Colombo, Ceylon.

"Der Zentralverband deutscher Konsumvereine spricht der Madras Provincial Co-operative Union für die freundliche Einladung zum 20. Kongress—die am 29. Mai 1933 in Hamburg eingetroffen ist—seinen verbindlichsten Dank aus. Zu unserem grossen Bedauern können wir auch für die diesjährige Tagung keinen Vertreter entsenden. Die verantwortlichen Körperschaften des Zentralverbandes deutscher Konsumvereine haben beschlossen, solange die Wirtschaftskrise anhält, ausländische Tagungen nicht zu beschicken. Die deutschen Konsumgenossenschaften müssen deshalb auch auf Veranstaltungen in Ländern, die von Deutschland nicht so weit entfernt sind wie Indien, bis auf weiteres unvertreten bleiben.

Die Grusse, die die deutschen Verbrauchergenossenschaften ihren indischen Freunden nur auf schriftlichem Wege übermitteln können, mögen nicht weniger herzlich aufgenommen werden als die persönlichen Ansprachen der Vertreter anderer Länder. Der Zentralverband deutscher Konsumvereine hofft, dass die Wirtschaftsstürme, die gegenwärtig über die Welt hinweggehen, die Konsumgenossenschaften in der Provinz Madras unversehrt gelassen haben. In Deutschland hat sich der genossenschaftliche Geist bisher stark genug erwiesen, um den wachsenden Schwierigkeiten fast überall erfolgreich begegnen zu können. Die deutschen Konsumgenossenschaften sind bemüht, weiterhin mit aller Kraft für den Gedanken der genossenschaftlichen Selbsthilfe der Verbraucher zu wirken.

Mögen auch die Beratungen auf der 20. Tagung der Madras Provincial Co-operative Union vom Geist echter Genossenschaftlichkeit getragen sein. Der Zentralverband deutscher Konsumvereine wünscht den Verhandlungen am 17. und 18. Juni 1933 in Madras den besten Erfolg."

MIT GENOSSENSCHAFTLICHEM GRUSS
Zentralverband deutscher Konsumvereine V., Hamburg.

EXTRACTS

FROM INDIAN REGISTRARS

FROM K.L. PANJABI ESQ., I.C.S.,
Registrar of Co-operative Societies,
Bombay Presidency.

"It is very necessary that we should all muster our force and present a united front.....I hope your deliberations will be fruitful and will assist the Movement in regaining its stability."

FROM G. S. BHALJA ESQ., I.C.S.,
Registrar of Co-operative Societies,
Central Provinces and Berar.

"I wish your conference all success."

FROM R. L. CHATURVEDI ESQ.,
Deputy Registrar, of Co-operative Societies,
United Provinces.

"I wish your conference every success."

FROM E. C. ANSORGE, ESQ., I.C.S.,
Registrar of Co-operative Societies,
Behar and Orissa.

"The Conference has my sincere good wishes for a very successful session."

FROM J. B. WACE, ESQ., I.C.S.,
Registrar of Co-operative Societies.
Punjab N.W.F., Province & Delhi.

"I need hardly say that the Conference has my heartiest good wishes. The last three years have been a time of prolonged strain and a severe test of the soundness and vitality of Co-operative Institutions. That they have come through it as they have is a conspicuous testimony to the soundness of their foundations and should give us even greater hopes for the future of the movement."

FROM I. MAJID, ESQ., I.C.S.,
Registrar of Co-operative Societies.
Assam.

"I wish the Conference all success and hope that its deliberations will bear good results."

FROM R. K. HARPER, ESQ., I.C.S.,
Registrar of Co-operative Societies, Burma.

"I wish the Conference every success."

THE MADRAS JOURNAL OF CO-OPERATION.

FROM R. R. PAWAR, ESQ.,
*Registrar of Co-operative Societies,
Baroda State.*

"The Indian Co-operative Movement is passing through a very critical time. It therefore requires genuine sympathy from Government and real Co-operative spirit from the workers to pull through. If this be done, the movement will emerge triumphant and its future will be assured for the good of all concerned."

FROM SARDAR SAHIB SARDAR KARTAR SINGH SADHU, B.A., P.C.S.,
*Registrar of Co-operative Societies,
Ajmer, Merwara.*

"I wish the Conference every success and trust that Co-operators all over India will be benefited by its deliberations."

FROM THE REGISTRAR OF CO-OPERATIVE SOCIETIES,
His Highness' Government Jammu and Kashmir.
"I wish the Conference every success."

FROM BANKS.

FROM THE CENTRAL PROVINCES AND BEHAR
PROVINCIAL CO-OPERATIVE BANK, LTD., NAGPUR CITY.

"We strongly hope that the Conference will be able to suggest the methods of solving the present knotty problems relating to the present depression, lightening the burden of indebtedness under which the agriculturalist is labouring, development of cottage industries by which several unemployed will find employment, rural uplift and problems of like nature. We have great pleasure in sending you our greetings and we hope the Conference will be a great success."

FROM BEHAR & ORISSA PROVINCIAL CO-OPERATIVE BANK, LTD.,
Patna.

"Kindly accept our good wishes for the Success of the Conference. The Movement is passing through very difficult times at present throughout the country but the times have also helped the workers to locate the weak points in the Movement. Our sincere prayer is that with this experience may succeed in eliminating the weak points and re-establish the Movement on a truer and sounder foundations."

FROM THE BOMBAY PROVINCIAL CO-OPERATIVE BANK, LTD.
Bombay.

"We wish the Conference all success."

EXTRACTS

FROM MR. J. N. BASU M.L.C., PRESIDENT.
THE BENGAL PROVINCIAL CO-OPERATIVE BANK, LTD.,
Calcutta.

"Any organization that helps in the spread of knowledge regarding co-operation and that can bring home to the people of this country the great potentiality of the Co-operative Movement is deserving of sympathy and support from all quarters."

Our present economic condition is to a very large extent due to want of proper organization of an economic life. Co-operative Institutions can not only bring home to the people the benefits of the Movement, but it imparts a lesson in the most practical form of what can be achieved by Co-operation.

The Movement is not yet a vigorous plant in our soil. There have been mistakes and there is in many quarters lack of proper appreciation of the objects and methods of Co-operation. The preliminary difficulties should not deter us.

I wish your organization every success. I trust it will lead to the stability and spread of a Movement which is such a powerful instrument for general progress."

FROM THE COCHIN CENTRAL CO-OPERATIVE BANK.

"We convey our sincere and fraternal greetings and wish the conference unprecedented success."

FROM CO-OPERATIVE DOMONIAN BANK,
Hyderabad.

"We convey our fraternal greetings and wish the Conference all success."

FROM INSTITUTES AND OTHER ORGANISATIONS.

FROM THE TRAVANCORE INSTITUTE, LTD.,
Trivandrum.

"We agree that as a result of the deliberations of the conference, you will be able to chalk out lines of action such as will be helpful to the Co-operators not only of Madras but of the rest of India as well. We take the privilege of conveying to the Conference our heartfelt congratulations and good wishes to the complete success of the Conference."

FROM MR. KALE, VICE-PRESIDENT,
Bombay Co-operative Institute.

"Our Institute conveys its fraternal greetings and wishes your conference success."

FROM THE COCHIN CENTRAL CO-OPERATIVE INSTITUTE,
Trichur.

"We heartily wish every success to the conference of this year and pray that under its benign flag that the economic prosperity of the province might grow more and more."

THE MADRAS JOURNAL OF CO-OPERATION.

FROM THE BENGAL CO-OPERATIVE ORGANISATION SOCIETY,
Calcutta.

"We offer our sincerest greetings to Co-operators of Madras in their Twentieth Provincial Conference and wish it every success."

FROM THE CO-OPERATIVE FEDERATION,
Patna.

"Please accept our sincere good wishes for very successful session."

FROM ANDRA SAHAKARA SAMMELNAM LTD.,
Bezwada.

"May God give us all strength and courage to be frank, do and die for 'Co-operation and Rural Service' is our fervent and incessant prayer."

FROM U. P. CO-OPERATIVE UNION, LTD.,
Lucknow.

"We wish the Conference every success."

FROM SHRI SAYAJI SAHAKAR SEWAK, LTD.,
Baroda.

"We heartily wish the Conference every Success."

FROM THE SURMA VALLEY CO-OPERATIVE ORGANISATION
SOCIETY, LTD.,
Silchar (Assam.)

"The Surma Valley Co-operative Organisation Society hope that the Movement in Madras will not be retarded by any ill-conceived measure of paralysing retrenchment and they also hope that Sister Societies in Madras will be saved from stagnation which undue official interference from outside is bound to cause. They also hope that your Conference would be able to give a definite lead in solving the almost baffling problem of Rural Co-operative Finance which has been causing serious anxiety in this part of the country. We wish your Conference and the Movement in the Progressing Presidency of Madras continued success."

FROM THE PRESIDENT, BOMBAY CO-OPERATIVE
INSURANCE SOCIETY

AND HON. SECRETARY, ALL-INDIA CO-OPERATIVE INSTITUTES'
ASSOCIATION.

"Under the leadership of your President, and with the guidance of local leaders of the eminence of Mr. Ramadas and others, I have no doubt the Conference with concentrate thoughts on the fundamentals of the Co-operative Structure so as to secure a new orientation of Co-operative policy which would aim more at village uplift and rural reconstruction at merely having Co-operative Credit Societies amongst illiterate villagers. Myself and our Hon. Secretary Mr. K. C. Desai send our greetings to your Insurance Society and to the Conference and we wish all success to your deliberations."

Proceedings of the 20th Madras Provincial Co-operative
Conference.

17th and 18th June 1933.

The first session of the 20th Madras Provincial Co-operative Conference began at 4 p. m. on the 17th June 1933 at the P. S. High School, Brodies Road, Mylapore, Madras with prayer. Mr. V. Ramadas Pantulu in a short speech requested Sir Muhammad Habibulla to open the Conference. After a short address Sir Muhammad Habibullah declared the Conference open. Dewan Bahadur S. Aravamuda Iyengar, the President-Elect took the chair and read the presidential address. Mr. S. V. Ramamoorthy, I. C. S., Director of Agriculture in a neat speech spoke to the audience about the improvement specially made by the agricultural department in the manufacture of sugar and formally declared the Agricultural Exhibition opened and invited the audience to visit the exhibition conducted by the department. The President of the Provincial Co-operative Union announced that, apart from the draft resolutions prepared by the Executive Committee and printed and circulated to the Delegates, those of the delegates who wished to move some more resolutions might meet informally after dinner at 8-80 p. m., and accordingly some delegates met and discussed the draft resolutions prepared by the Executive Committee of the Provincial Co-operative Union and also framed a few other resolutions for discussion at the Conference.

The business session of the Conference began at 12 noon on the 18th June with Dewan Bahadur S. Aravamuda Iyengar, president of the Conference, in the chair. The Chairman read out the following resolutions (1, 2 and 3) of which Tamil and Telugu translations were read by Prof. S. K. Yegnanarayana Iyer and Mr. N. Satyanarayana respectively. The Chairman put them to the vote and declared the resolutions carried unanimously.

GROUP A.—(GENERAL.)

Resolution No. 1.

"This Conference sends its respectful congratulations to Mahatma Gandhi on his successfully passing through the ordeal of 21 days' fast and prays to God that he be spared for many more years to come for rendering service to humanity in general and to our mother country in particular."

Resolution No. II.

"This Conference heartily supports the sentiments contained in the manifesto published by the International Co-operative Alliance and extends wholeheartedly its moral support to brother co-operators in their struggle against the tyranny of capitalism.

Resolution No. III.

This Conference gives its moral support to the efforts of brother co-operators in England to prevent the levy of extra tax upon Co-operative Societies by the Chancellor of the Exchequer which levy strikes at the root of the principle of mutuality.

GROUP B.

Co-operative Organisations.

Resolution No. IV.

The following resolution was moved by Mr. V. Ramadas Pantulu.

(a) "This Conference requests Government to have a policy of 'cautious expansion' side by side with the present policy of rectification and consolidation of the existing societies and in furtherance of this policy, the Conference suggests that a few societies may be started where promising human material is available and where the principles of co-operation are understood by the people."

(b) "This Conference further resolves that new types of societies especially for doing Non-credit work may be started in promising areas."

Mr. K. Venkata Rao of Sree Konaseema Co-operative Central Bank moved an amendment deleting "and where the principles of co-operation are understood by the people". He said that he would not be a party to a resolution which imposes as a condition precedent to the starting of Co-operative Societies that principles of co-operation should be understood by the people. Mr. N. G. Ranga while seconding the amendment spoke at considerable length on the resolution and the amendment urging that expansion must not be circumscribed by so many limitations. The proposer accepted Mr. K. Venkata Rao's amendment and the proposition was carried.

Resolution No. V.

"This Conference resolves that in selected areas the experiment of running Thrift Societies and Better Living Societies should be conducted."

Resolution No. VI.

"This Conference resolves that village Co-operative Societies should be re-organised so as to envisage all the various problems of village life

as one inter-connected whole and it should regard itself as nucleus for reconstruction work and should effectively participate in such wider activities." Passed unanimously.

These two resolutions were passed unanimously.

Resolution No. VII (a)

"This Conference resolves to request the Government to form a Provincial Development Board consisting of officials and non-officials to co-ordinate the working of the various development departments such as Co-operation, Agriculture, Veterinary, Education, Sanitation and Forest.

This resolution was proposed by Mr. V. Ramadas and was seconded by Prof. S. K. Yegnanarayana Iyer. Mr. N. G. Ranga suggested that 'Officials' be substituted by 'Ministers' and after the word 'Veterinary' the word 'Industries' be included. The object of the suggestion he said was that he would like the non-officials to associate themselves with Ministers who are responsible to the legislatures rather than with the I. C. S., who are generally heads of the Department and also that the Department of Industries should also find a place in the list of departments included in the resolution. The proposers of the resolution accepted the suggestion. Mr. A. Ranganadha Mudaliyar and Rao Bahadur T. A. Ramalingam Chettiar spoke in support of the Resolution and it was passed with the suggestion incorporated.

Resolution No. VII (a) as amended would read as follows:—

"This Conference resolves to request the Government to form a Provincial Development Board consisting of Ministers and Non-officials to co-ordinate the working of the various development departments such as Co-operation, Agriculture, Veterinary, Industries, Education, Sanitation and Forest."

Resolution VII (b) was moved and seconded which reads as follows:—

Resolution No. VII (b).

"That similar Development Boards be started for districts and Taluks with officials and non-officials to prepare and carry out definite programme of general rural and urban developments."

Prof. N. G. Ranga suggested the deletion of the word 'similar' and 'with officials and Non-officials'. The mover of the resolution accepted the suggestion and the resolution was passed as amended.

Resolution No. VII (b) as amended.

"That Development Boards be started for districts and taluks to prepare and carry out definite programme of general rural and urban development."

GROUP C—(LOAN POLICY).

Resolution No VIII.

The following resolution was moved by Mr. V. Ramadas Pantulu and seconded by Mr. N. Satyanarayana.

"This Conference is of opinion that the policy pursued by some Central Banks of wholly stopping credit to defaulting societies is injurious to the movement and therefore it requests the Central Banks to finance good and punctual members of even defaulting societies in suitable cases."

The resolution was unanimously passed.

Resolution No. IX.

"This Conference is of opinion that the programme of rectification ought to make provision for giving suitable extensions to debtors who are able to give adequate security for the over-due loans (decreed or undecreed) so as to prevent as far as possible the sale of properties of such debtors specially during the present economic depression. The following conditions shall be observed in regard to the extensions:—

- (a) These extensions shall be given on mortgage security of immovable properties; fresh (with new or additional security) where necessary, must be taken in renewal of the old bonds if any.
- (b) No extension shall be given for a period exceeding seven years from the date of the extension.
- (c) Mortgage for sums in excess of a limit to be agreed upon shall in all cases be taken by the societies with the previous approval of the Central Bank by which they are financed, and such bonds, if necessary, may be transferred to the Central Bank. It is not necessary for the Central Bank when it applies for accommodation to the Provincial Bank to transfer such bonds to the Provincial Bank as cover for the loan, but a suitable agreement will be made between the Central Bank and the Provincial Bank as regards making such security available to the Provincial Bank, in case necessity arises for such a course.

Clauses a, b and c were passed without an amendment.

An amendment was moved to clause (d) which is given below:

"In areas where Land Mortgage Banks are in operation and when such banks are willing to take up such over-due loans, the rural societies and the Central Bank concerned must not entertain proposals for such extensions."

An amendment was proposed to read after "Central Banks concerned" in line (3) 'must recommend in such cases to the Central Land Mortgage Banks for their disposal.' The mover of the resolution said that the Central Banks should not entertain such proposals for such extensions. The amendment was duly seconded. Mr. K. V. Raghavachariar opposed the amendment as it would work great hardship to debtors and said that the resolution, as it may, be passed. After some others had spoken supporting the amendment, the movers agreed to the amendment and the resolution as amended was passed *non-com.*

Resolution No. IX (d) as amended.

In areas where land mortgage banks are in operation and when such banks are willing to take up such over-due loans, the rural societies and the Central Banks concerned must recommend such cases to the Central Land Mortgage Bank for their disposal.

Resolution No. X.

(a) "This Conference is of opinion that there are many advantages to be gained by the Central Banks developing a system of directly advancing loans against produce to members of Primary Societies to help them in the marketing and movement of the produce raised by them. In areas where the Central Banks are not prepared to take up this business, the Provincial Bank may transact such business through a suitable agency."

NOTES:—(1) The period of these loans shall not exceed six to nine months and adequate arrangements must be made for storing, securing and insuring the produce pledged.

(2) The Central Banks must normally employ their own paid agency for the purpose. In areas where an indigenous banker can be found to do this business for the bank, his services may be availed of.

(b) "The Registrar be requested to encourage this form of Co-operative credit by giving the necessary facilities to Central Banks so as to be able to lend to non-members."

Mr. A. Ranganadha Mudaliar moved that the following be included after the words "raised by them" in 3 (a). In areas where suitable co-operative organisations do not exist or cannot be developed for the purpose'. The amendment was accepted. Another amendment was moved that the word 'through' be substituted for the word 'if' in line 3 of the resolution and to add 'in consultation with the societies concerned' before 'to help etc.' in line 4. Discussion followed in which several took part and the amendment was accepted by the mover of the resolution and the amended resolution was finally passed.

Resolution No. X (a) (as amended.)

"This Conference is of opinion that there are many advantages to be gained by the Central Banks in developing a system of directly advancing loans against produce to members through Primary Societies in consultation with the societies concerned to help them in the marketing and movement of the produce raised by them in areas where suitable co-operative organisations do not exist or cannot be developed for the purpose. In areas where the Central Banks are not prepared to take up this business, the Provincial Bank may transact such business through a suitable agency."

An amendment was moved to make the meaning of non-members clear as it was accepted.

Resolution No. X (b) as amended.

The Registrar be requested to encourage this form of co-operative credit by giving necessary facilities to Central Banks so as to be able to lend money to non-members of Central Banks who are members of Co-operative Societies.

Resolution No. XI.

Mr. N. Satyanarayana moved the following resolution which was seconded by Prof. S. K. Yegnanarayana Iyer:

"This conference requests the Registrar to permit all suitable Urban and central banks to advance loans against gold on such conditions as may be laid down as to safe custody, testing and valuing of the gold pledged."

Certain amendments were proposed and they were accepted by the mover. The amended resolution would read as follows:

"This Conference requests the Registrar to permit all suitable Urban and Central Banks to advance loans to members who may not themselves be members thereof but members of co-operative societies in consultation with them against gold on such conditions as may be laid down as to safe custody and valuing of the gold pledged."

Resolution No. XII.

Mr. N. Satyanarayana moved the following resolution:

"This Conference is of opinion that facilities should be provided to the Provincial Bank and to the Central Banks to finance industrial concerns organised on a co-operative basis and recommended by the Industries department and approved by the Registrar of Co-operative Societies."

The resolution was passed *nem-com.*

GROUP D.

Facilities to Co-operative Societies.

Resolution No. XIII.

"This Conference resolves to request the Government through the Registrar of Co-operative Societies (1) to remit the entire registration fees for co-operative documents, (2) to remit the fees for furnishing encumbrance certificate to co-operative societies.

Resolution No. XIV.

"This Conference is of opinion that the scale of audit fees prescribed by the Government for auditing Central Banks and limited liability societies with a working capital of Rs. 20,000 and above is excessive and requests the Government to reduce the scale by 50 per cent. of that now prescribed.

The above resolution was duly seconded and passed unanimously.

Resolution No. XV.

"This Conference resolves that the Registrar of Co-operative Societies be addressed to allow Rural Credit Societies to charge interest at 1½ pies per month per rupee instead of 1¼ pies as is the case now."

An amendment was moved to substitute 1 pie for 1½ pies. It was said that the poor ryot could not really afford to pay 1½ pies interest per rupee per month, and that the lower rate of interest would relieve the ryot of some difficulties and could enable him to lay by something. This was opposed by Mr. V. Ramadas Pantulu who said that all his sympathies were with the ryot but he wondered how it could be possible for a society to put down its rate of interest when the rates of central banks were not correspondingly low. Moreover, experience in Banking has shown in India that it was easy to lower the rate of interest but not so easy to put it up when the money became dearer. He also said that due to commitments of the Provincial Bank and the Central Banks, it may not be possible for them to lower the rate still further. The Provincial Bank has to pay 5½ per cent. interest on the Reserve Fund of the Central Bank's deposit with the Provincial Bank. Mr. A. Ranganadha Mudaliar moved that the following may be added at the end of the resolution: "Provided that necessary facilities are afforded by the financing banks." This amendment was accepted by the mover and the resolution was passed.

Resolution No. XV (as amended.):

"This Conference resolves that the Registrar of Co-operative Societies be addressed to allow rural credit societies to charge interest at 1½ pies per month per rupee instead of 1¼ pies as is the case now, provided, that necessary facilities are afforded by the financing banks."

Resolution No. XVI.

"This Conference requests the Government (1) to reduce the rate of interest on loans advanced by them to building societies to 6 per cent. and (2) to permit the Co-operative Central Bank to advance loans directly to building societies at the rate of interest not exceeding 6 per cent."

This was passed unanimously.

GROUP E.

Land Mortgage Banks.

Mr. N. Satyanarayana moved the following resolution:

"This conference accords its full support to the bill dealing with the Land Mortgage Banks as modified by the select committee and requests the Government to guarantee the principal and interest on the debentures issued by the Madras Central Land Mortgage Bank as recommended by the Select Committee."

This resolution was duly seconded. Some of the representatives of the Primary Land Mortgage Banks who were present said that it would be better to discuss the bill clause by clause. Mr. V. Ramadas Pantulu said that the bill may be considered by the sectional Conference of the Land Mortgage Bank which would meet on the 19th morning. Then an amendment was moved to substitute "General" for "Full" in line (1). Rao Bahadur T. A. Ramalingam Chettiar moved another amendment that the clause dealing with the distraint of property in the bill as reported by the select committee be deleted. Dewan Bahadur M. Ramachandra Rao opposed the amendment. He had not concluded his speech when the president announced that the Conference stands adjourned to 8-30 p. m. to consider other resolutions.

The Conference again met at 8-30 p.m. and Dewan Bahadur M. Ramachandra Rao continued his speech opposing the amendment. Mr. D. N. Strathie, Registrar of Co-operative Societies made an effective speech explaining why such a provision should be retained. Mr. O. Visvanatha Rao of Nellore and some others opposed the amendment. The amendment was put to the vote and declared lost by a vast majority. Then the resolution as originally amended was passed *nem-con.*

Resolution No. XVII (as amended.)

"This Conference accords its general support to the bill dealing with the Land Mortgage Banks as modified by the Select Committee and requests the Government to guarantee the principal and interest on the debentures issued by the Madras Central Land Mortgage Bank as recommended by the Select Committee."

GROUP F.

Co-operative Insurance.

Prof. S. K. Yegnanarayana Iyer then moved the following resolution:

"This Conference resolves that the Co-operative Life Insurance Society started by the Madras Provincial Co-operative Union be actively encouraged by all Co-operators, officials and non-officials. This Conference also requests the local and municipal bodies and the educational authorities to encourage their employees to insure with the Co-operative

Insurance Society and to permit the diversion of their Provident Fund for payment of premiums."

Mr. S. K. Yegnanarayana Iyer said that he being one of the directors of the concern would not like to say much about the society and requested the Registrar, Mr. D. N. Strathie to say a few words about what he thought of the Society. Mr. D. N. Strathie thanked the Conference for the opportunity given to him to say a few words about the Insurance Society which was registered by him after much deliberation. He said that he was accused of wholly stopping expansion but he was proud to tell the Co-operators that the Insurance Society which is a child of his is showing good progress in these days of acute financial depression. He was much satisfied with the way in which the affairs of the society were being managed and appealed to the co-operators to take advantage of this first class non-credit organisation.

Prof. S. K. Yegnanarayana Iyer moved the following resolution:

Resolution No. XIX.

"Resolved that a committee be appointed consisting of the President of the Provincial Co-operative Union, the Registrar of Co-operative Societies, Prof. K. C. Ramakrishnan and four other members to be nominated by the Executive Committee to consider the question of revising the present method of elections in force so far as large Urban Banks are concerned and make recommendations about the desirability of adopting such method or methods as may be considered proper for reflecting the opinion of the General Body without all the disadvantages arising from size and unwieldiness."

Mr. V. Ramadas Pantulu in opposing the resolution said that in the last two Urban Bank's Conferences one held at Erode and the other at Tiruvannamalai the question was not moved and that showed that the Urban Banks were not keen on this. He would not like the Executive Committee of the Provincial Co-operative Union to commit itself one way or the other on this point before the Urban Banks had their say upon it. He said he would prefer to wait till the Urban Bank's Conference proposed to be held at Periyakulam in December next considered this question and requested the mover to withdraw the resolution which he did.

Resolution No. XX.

Prof. S. K. Yegnanarayana Iyer moved the following resolutions:

(a) "This Conference exhorts all co-operative organisations in the province to utilise a good portion of their common good fund in forming and running libraries both general and co-operative and in encouraging schemes of mass education."

(b) "This Conference places on record its high appreciation of the good services which the Madras Library Association and the Andhra Library

Association are rendering in this province in the matter of formation and promotion of libraries."

(c) "This Conference recommends to Co-operative Institutions that they should become members of either of the two Central Institutions above-mentioned and utilise their services in the formation and efficient running of their libraries"

Resolution No. XXI.

"This Conference while regretting that the Government has not seen fit to recognise the need for permitting non-official audit, reaffirms its faith that, as an important step in the de-officialisation of the movement, non-official audit should be recognised."

The Mover said that the private auditors were in no way inferior to the Government Auditors and that non-official audit should be recognised and must be insisted upon. Mr. Ramadas Pantulu replied that the decision of the Government on the question of audit was so recent, and that the Government should be allowed some time to take stock of the situation and revise their opinion about audit. He deplored the way in which some Central Banks and Urban Banks passed resolutions in favour of Non-official audit but when questioned individually gave a quite contrary opinion. He requested the mover of the resolution not to press it, so that the resolution in favour of Non-official audit passed unanimously in previous conference may remain intact. The mover then withdrew the resolution.

Resolution No. XXII.

Mr. Kala Venkata Rao then moved the following resolution:

"This Conference is deliberately of opinion that the Madras Provincial Co-operative Bank should forthwith undertake the financing of longterm money for periods not exceeding ten years."

In moving this resolution he said that there are number of ryots who are in need of ten year loan which could be got without undergoing the ordeal of getting them sanctioned in the Central Land Mortgage Bank. In corroborating this statement he said that the ryots would like to plant Battavia and other fruit gardens which could begin to yield only in course of time. For this purpose they would require ten year loans.

Mr. V. Ramadas Pantulu replied that the resolution as it stands is wholly unacceptable because the resolution requests the Provincial Bank to forthwith undertake to finance long term money. The resolution does not state to whom it should give long term money and under what conditions and does not give any other particulars. He requested Mr. Venkata Rao to withdraw the resolution which he did.

Resolution No. XXIII.

Mr. V. Ramadas then moved the following resolution:

"This Conference places on record its high sense of appreciation of the valuable services rendered to the Co-operative Movement by Mr. D. N. Strathie, M.A., I.C.S. during his regime as Registrar of Co-operative Societies."

He said that Mr. D. N. Strathie, Registrar of Co-operative Societies, has been with us for the last four years nearly and was working for the betterment of the Co-operative movement. Mr. Pantulu continued that as he had said that very evening at another function he (Mr. Strathie) may not come up to the ideal Registrar whose picture was drawn by the Linlithgow Commission; but that as friend, philosopher and guide of the movement he came as near the picture as possible. He possessed many of those qualities and has endeared himself to the people of this province. He appealed to Mr. Strathie to tell his countrymen when he goes to his mother country that the best safeguards that the members of the Indian Civil service can rely upon would be the good will of the people of India.

Dewan Bahadur Ramachandra Rao seconded and associated himself with all that has been said by Mr. Ramadas Pantulu and paid a tribute to the good work done by Mr. D. N. Strathie for the Land Mortgage Banks.

Dewan Bahadur S. Aravamuda Ayyangar associated himself with the sentiments expressed by the previous speakers. He said that although he had very little opportunity to have personal knowledge of the work done by Mr. D. N. Strathie, from what he heard and read of him as head of the Co-operative Department, his services are appreciated by one and all. The resolution was carried unanimously.

Mr. D. N. Strathie replied thanking the Co-operators for the kind sentiments expressed about him and said that he did his duty honestly and conscientiously during the time he was Registrar of Co-operative Societies. He added that it had given him great pleasure to meet all the Co-operators of this province and work with them. He admired the way in which Mr. Ramadas Pantulu risking his popularity pursued the firm policy of good finance in past three years in Co-operative Banking and as a result of the firm policy he is now having the bulk of the Co-operators with him and appreciated the good work that Mr. Ramadas Pantulu has been doing as President of the Madras Provincial Co-operative Bank and the Madras Provincial Co-operative Union. He also referred to the good work of Dewan Bahadur M. Ramachandra Rao as President of the Central Land Mortgage Bank. In conclusion Mr. Strathie thanked all the Co-operators present for their hearty Co-operation in making his way easy.

Mr. Ramadas Pantulu in proposing a hearty vote of thanks to the President, Dewan Bahadur S. Aravamuda Ayyangar who had kindly agreed to preside over the Conference at great personal inconvenience said that Mr. Ayyangar was a very keen Co-operator and he came to know him when he was last at Hyderabad for the All India Co-operators Conference. The depth of his learning and broad vision and outlook in general on rural and economic problems will come home to us from his masterly address delivered on the previous day which dealt with almost every problem. He complemented the Co-operators of the Presidency on the wise selection of their President of the Conference and thanked the delegates assembled there for their hearty Co-operation in making the conference a success.

Professor S. K. Yegnanarayana Iyer expressed the thanks of the Provincial Co-operative Union to the delegates who attended the Conference

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with great personal inconvenience. He thanked the various Co-operative institutions in the city like the Madras Provincial Co-operative Bank, the South India Co-operative Insurance Society and the Triplicane Urban Co-operative Society who helped the Provincial Co-operative Union in connection with the Conference arrangements by lending their staff. He paid a tribute to the magnificent work that has been done by the volunteers. He thanked the authorities of the Agricultural and Industrial department who kindly conducted their departmental exhibition. He thanked the authorities of the P. S. High School for their uniform kindness in placing their building at the union's disposal for holding the Conference. He thanked the authorities of the Triplicane Urban Co-operative Society for opening a stall of their provisions for the convenience of the Conference.

The President then declared the session closed.

PROCEEDINGS OF THE GENERAL BODY OF THE P. C. U.

*Held at 8 a. m. on Sunday, the 18th June 1933 at the
P. S. High School, Mylapore.*

There were representatives present of the various affiliated institutions. Mr. V. Ramadas Pantulu, the President of the P. C. U. took the chair. The one important item in the agenda was the adoption of the administration report of the P. C. U. for the year 1932-33 and the audit order. The report which was already circulated before hand was taken as read.

Mr. Sri Ram Babu Naidu moved that the report be adopted and Rao Saheb V. I. Muniswamy Pillai seconded. It was then thrown open for discussion.

Dewan Bahadur M. Ramachandra Rao in supporting the motion for adoption of the report emphasised upon the need for a widespread campaign among the masses for promoting thrift amongst them and for the starting of Better Living Societies. The reasons that led to the stopping of the Village Panchayat were asked for and given; the remarks about the working of the Lepakshi Centre which were objected to by Mr. Gangadhara Sastri, the President said, were justified by the facts of the case and could be corroborated by the records available at the P. C. U. Office. When the criticism was levelled against the P. C. U. that not much Non-Credit propaganda was done, the President pointed out that one substantial achievement—the starting of the South India Co-operative Insurance Society—stands to the credit of the P. C. U. as a result of its work during the year. He also added that the P. C. U. propagandists during their tours were delivering lectures upon Store movement and other aspects of Non-Credit Co-operation.

Mr. S. Krishnaswamy Iyengar pleaded for more intensive propaganda in the villages by paid and honorary propagandists and for this purpose he said that the Union should take steps to find the necessary funds. The President in reply said that every endeavour would be made to give effect to the suggestion.

The report was then unanimously adopted.

SUPPLEMENT TO THIS ISSUE.

List of candidates who passed in the Co-operative Training Examination held in April, 1933.

BY
THE MADRAS PROVINCIAL CO-OPERATIVE UNION

ANANTAPUR CENTRE

Roll No.	Name of the Candidate.	Roll No.	Name of the Candidate.
FIRST CLASS			
215	Lakshminarayana Singh K.	232	Subrahmaniam P. R.
226	Satyanarayanaiah N.	234	Suryanarayana Rao D. R.
SECOND CLASS			
211	Bheemasena Rao R. S.	224	Rama Rao K. R.
213	Hanumantha Rao K.	230	Srinivasa Rao P.
222	Ramachandra Rao M. D.	237	Venkoba Rao K.
PASSES IN PART—I ONLY			
220	Raghavendrachar V.	231	Srinivasa Rao S.
223	Ramamoorthy S.	233	Sundar Rao R.

BEZWADA CENTRE

FIRST CLASS			
274	Venkataramasastri G.	SECOND CLASS	
241	Kameswara Rao K.	264	Subrahmaniam M.
242	Krishnamoorthy B. H.	265	Subrahmaniam M. V.
243	Krishnamoorthy U.	266	Subrahmaniam P.
245	Lakshminarayana L.	267	Subrahmaniam Sastri Ch.
246	Lakshminarayana P.	271	Varadacharyulu M.
247	Lakshminarayana Sastri D. V.	272	Venkatanarayana P.
248	Malakoundayya S.	275	Venkateswara Rao K.
249	Mukteswara Rao K.	276	Venkateswarlu L.
252	Parvatheswara Sastri J.	277	Venkateswarlu V.
258	Ramalingamurthy M.	PASSES IN PART—I ONLY	
259	Copalayya N.	261	Sheik Farid Saheb.
260	Hanumantha Rao S.	262	Subbaramayya A.
264	Krishna Reddi P. V.	263	Subbaramayya V.
269	Satyanarayanaamoorthy K. V.	PASSES IN PART—II ONLY	

SUPPLEMENTAL CANDIDATES PART—I ONLY

278 Narayana Rao M.

COIMBATORE CENTRE

Name of the Candidate. Name of the Candidate.

FIRST CLASS

283 Balasubramanian P.
282 Kunhikrishnanan P. K.
304 Paramaswaram K. V.
308 Ramakrishnan S.
319 Sundaram K. V.

SECOND CLASS

279 Ananthasubramanian V. S.
280 Arunachalam M. S.
281 Balakrishna Menon C. P.
282 Balasubramanian V. R.
285 Chinnaswamy K. M.
286 Chockalingam E.
288 Kesavatharagan C. T.
289 Krishnan K. V.
290 Krishna Varier V. V.
291 Kuppuswamy D.
295 Meenakshisundaram K.
296 Muthukrishnan S.
298 Narasimhan V. C.
300 Narayanaswamy S. R.
309 Ranganathamurthy C. S.
310 Shanmugavelayudam M.
314 Shanmugam P. M.
315 Sivasubramanian P.
317 Subramanian A.
318 Subramanian K. A.
320 Suryanarayana S.
321 Vaidyanathan S.
324 Venkateraman A.
325 Venkatesan G.
326 Venkatesan V.
327 Virajam S.

PASSES IN PART-I ONLY

311 Sankara Varier K.
322 Vasudeva Panikar P.
328 Visvanathan A.

RAJHAMUNDY CENTRE

FIRST CLASS

333 Krishnamoorthy V.
345 Ramachandramoorthy V.

SECOND CLASS

332 Butchiramalingam S.
333 Gani Raju D.
334 Gopal Rao K.
340 Manikyal Rao P.
341 Narasimham K. V.
342 Narayana V. L.
346 Ramamoorthy B. H.
355 Sri Batcha Padhi
356 Subba Rao Ammu
359 Subba Rao N.
359 Subrahmanyan T.
361 Suryanarayana S. M.
364 Venkateswarlu M.
365 Venkata Rao G.
366 Venkata Rao N.
367 Venugopal Rao P.
369 Visweswara Rao T.

PASSES IN PART-I ONLY

336 Hayagriva Rao D.
349 Rama Rao S.

SUPPLEMENTAL CANDIDATES

454 Thandra Venkata Subrah.
460 Lakshminarayana
453 *Ganesh V.

(Completed by passing Part II only)

TANJORE CENTRE

Name of the Candidate. Name of the Candidate.

FIRST CLASS

387 Somaaswaran K. B.
402 Subramania Rao S.

SECOND CLASS

381 Ananthachalam R.
382 Ganesan K.
376 Kandaswamy S.
377 Krishna Das N.
379 Lakshminarayana S.
380 Meenakshisundaram V.
384 Natarajan G.
385 Natarajan K.
386 Neelamegham R.
387 Raghavachari T.
391 Ramaswamy N.
382 Ramaswamy T. P.
393 Ramu S.
398 Srinivasan C. J.
399 Srinivasan E.
400 Srinivasan P. S.
401 Subramanian Iyer R.
404 Subramanian K.
407 Swaminathan R.
410 Vedavyasa Rao H.
412 Venkataraman R.

PASSES IN PART-I ONLY

388 Rajagopalachari S.
389 Ramabadrar S.
390 Ramamoorthy T. V.

PASSES IN PART-II ONLY

396 Somaaswaran K.

VELLORE CENTRE

FIRST CLASS

428 Narayanasamy N. G.
429 Natarajan S.
432 Ramachandran V. R.
434 Ramaswamy Rao S.
435 Ratnam E.

SECOND CLASS

415 Annamalai K.
418 Chidambaram M.
419 Chandrasekharan P. V.
420 Danapal Chetty M.
422 Jeevaratnam V. M.
423 Kannan H.
426 Mohanaragam K. V.
427 Narayana Panikar V.
430 Ponrusamy Pillai S.
433 Ramaswathan K.
436 Sadagopan H.
437 Sampathakumaran D. S.
438 Samuel A.
440 Sivapathan N.
441 Sree Ramulu R.
442 Srinivasan K.
443 Srinivasa Iyengar A. N.
444 Subramanian Pillai M.
445 Venkatesan Pillai M.

PASSES IN PART-I ONLY

424 Krishnasamy M. V.
431 Purushothaman I. V.
446 Vidyasathan S. S.

SUPPLEMENTAL CANDIDATES

459 Somaaswaran K.

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The Madras Agricultural Journal.

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SUPPLEMENT TO THIS ISSUE

REPORT ON THE WORKING

OF

The Madras Provincial Co-operative Union

ROYAPETTAH.

From 1st April 1932 to 31st May 1933.

The report on the working of the Union up to 31st March 1932 was presented to the General Body which met on the 10th April 1932. The present report covers the period from 1st April 1932 to 31st May 1933. During this period the General Body met once, on 10th April 1932, and adopted the last administration report and Audit Review for 1930—31. The General Body also discussed amendments to the Bye-laws of the Union.

The proceedings of the General Body were printed and circulated to all the members of the Union.

Amendments to the Constitution

During the period under report the constitution of the Union underwent a thorough change. In the words of the Registrar, (in his administration report for 1931—32) "the constitution of the Provincial Co-operative Union was amended during the year so as to make its Board of Management more truly representative. Instead of having some of the members of the Board elected by their respective constituencies at the annual general body meeting of the Union, the bye-laws were so amended as to have them elected in the constituencies themselves. Thus the district representatives of the Federations and Unions are now to be elected in the districts in accordance with the rules framed by the Executive Committee in this behalf. The representatives of Village Banks, Non-Credit Societies, Land Mortgage Banks and Building Institutes are to be elected separately by postal voting. The composition of the Executive Committee of the Union also was altered by dropping the provision for separate representation for the Northern, Central, Malabar and Kanarese areas."

The Registrar, who was present at the meeting gave the

effect to the new constitution and elect the office bearers and representatives of the Central Banks to the Board of Management for the next term under the new system.

The Bye-laws as amended and registered by the Registrar were published as a supplement to the May 1932 issue of the Madras Journal of Co-operation and supplied to all members of the Union.

The General Body also elected the Honorary Members for the next term.

The General Body passed a resolution recommending to Government the free audit of all Unlimited Liability Societies and also of Limited Liability Societies with a working capital of less than Rs. 20,000. We are glad to report that this recommendation was accepted by the Government. But the General Body's recommendation about the formation of a Provincial Audit Union to arrange for audit of Central Banks and Urban Banks with a working capital of over Rs. 20,000 was not accepted by the Government.

Membership.

The number of member societies rose from 442 on 31-3-31 to 472 on 31-5-33. Together with the 20 Honorary Members elected by the General Body on the 10th April '32, the total number of members on 31st May 1933 was 492.

The number of different classes of members is given below:—

	As on 31-3-32	31-5-33
Provincial Societies	6	6
Language Federations	1	1
Central Banks	31	31
Federations	10	10
Co-operating Unions	266	266
Audit Unions	4	4
Non-Credit Societies	45	41
Urban Banks	32	32
Primary Land Mortgage Banks	2	2
Training Institutes	8	8
Honorary Members	20	20
Total	442	492

The Board of Management.

During the period under review, the Board met twice, that is, on the 9th April 1932 and 23rd July 1932. The Board that met in July was that constituted in accordance with the new constitution passed by the General Body at its meeting held on the 10th April 1932 (Vide Appendix I for the names of the members of the Board of Management). At this meeting the Board formed the Executive Committee by election and co-option according to the new constitution. The list of the members of the Executive Committee is appended. (Vide Appendix II.)

The Executive Committee.

The Executive Committee met thrice during the period under review and transacted business of the Union from time to time and urgent matters were circulated to the members of the Committee for their opinion.

The Editor of the Madras Journal of Co-operation and the Treasurer were appointed by the Executive Committee under the new constitution at its meeting on the 23rd July 1932.

At one of its meetings held on 19th March 1933, the Committee discussed a communication from the Government regarding the exemption from attachment of salaries of Government and other officials drawing a monthly salary of below Rs. 300 and forwarded their views to the Government. The note embodying the views of Executive Committee has been published in the April '33 issue of the Madras Journal of Co-operation. (Vide Page No. 567.)

PUBLICATION OF CO-OPERATIVE LITERATURE.

The Madras Journal of Co-operation.

The Executive Committee constituted an Editorial Committee consisting of Professor S. K. Yegnanarayana Iyer, Professor K. C. Mahalingam and Mr. V. Ramadas Pantulu to be in charge of the publication of the Journal. The Journal is being issued regularly every month. In the year 1931-32 it has worked at a profit of Rs. 1,421-1-11 and in the year under report also it is expected to work at a profit.

Andhra Sahakara Patrika.

Some months prior to its liquidation, the Andhra Sahakara Patrika ceased to publish the Telugu Journal of Co-operation. The Board of Management which met on 23rd July 1932 decided to purchase the Andhra Sahakara Patrika from Madras.

and sanctioned a subsidy of Rs. 600 towards meeting the deficit in conducting the Journal.

The Executive Committee appointed Dr. P. Gummurthy, Mr. N. Satyanarayana and Mr. V. Venkatasubbaiya to be in charge of the Journal. It is being published on or about the 20th of each month. The Government which was approached to subscribe for copies of the Journal has not done so pending the appeal of the Andhra Sahakara Sammelanam against the liquidation order. Efforts are being made to popularise the Journal but on account of bad times through which most of the societies are passing, we have not met with sufficient encouragement. It is difficult to say how long it may take to make the Journal self-supporting.

Subsidy to the Tamil Journal.

The Tamil Nadu Co-operative Federation applied for a grant to meet the deficit in conducting the "Kutturavu" and Rs. 1,10 (Rs. 500 for 31-32 and 600 for 32-33) were sanctioned and the sum have been paid to them.

Other Publications.

Reprints of Mr. V. Ramadas Pantulu's article on the Ottawa Trade Agreement were taken and distributed to important societies and commercial bodies. The publication of the village panchayat was stopped from July 1932 in accordance with the resolution of the Board of Management in July 1932.

Library and Reading Room.

Books to the value of Rs. 180-4-8 were added to the Library from 1st July 1932 to 31st May 1933. The free Reading Room, attached to the Library, continued to be popular as is evident from increase in the number of visitors to the Reading Room which is now an average of 34 to 40 per day. During the period in question 14,500 visitors made use of the Reading Room. Application has been made to the Corporation for a grant to the Reading Room and is pending reply.

Propaganda.

The Executive Committee at its meeting on the 10th July 1932 appointed a Propaganda Committee to be in charge of the propaganda for propaganda. The Committee was composed of Mr. V. Venkatasubbaiya, Mr. N. Satyanarayana, Mr. S. K. Yeghanarayana Iyer and Mr. K. C. Ramakrishnan.

Co-operative Propaganda and Messrs. S. K. Yeghanarayana Iyer, B. Naganna Gowd, Rao Bahadur A. Rajabadar Mudaliyar and V. Venkatasubbaiya were appointed to do propaganda on Co-operative Insurance and Loan and Sale Societies in addition to general propaganda. Mr. K. C. Ramakrishnan was requested to deliver two lectures on agricultural marketing to students of each of the Institutes. But he did not find time to visit the Institutes. B. Naganna Gowd could not do propaganda on Loan and Sale Societies.

Messrs. G. Srirambabu Naidu and V. Venkatasubbaiya were requested to prepare a scheme regarding the financing of Building Societies through Central Banks; but the scheme is not yet ready.

The President, Mr. V. Ramadas Pantulu, during his visits to Central Banks on behalf of the Provincial Bank, did general propaganda on behalf of the Union. He presided over the Godavari and Guntur District Conferences held at Rajahmundry and Tenali on 10th July 1932 and 7th April 1933 respectively and the Second Urban Banks' Conference held at Tiruvannamalai on 15th September 1932. Rao Bahadur A. Rajabadar Mudaliyar toured in the North Arcot and Chingleput Districts and did propaganda. Messrs. V. Venkatasubbaiya and S. K. Yeghanarayana Iyer visited some of the Training Institutes and spoke to the students on Non-credit Co-operation with special reference to the T. U. C. S. and the South India Co-operative Insurance Society. Mr. V. Venkatasubbaiya delivered lectures in some places in East Godavari and Krishna Districts with the aid of the magic lantern. Mr. S. K. Yeghanarayana Iyer and Mr. Venkatasubbaiya did propaganda in the South in Salem, Madurai, Trichy, Tanjore and Tirunelveli Districts. Mr. N. Satyanarayana arranged Co-operative and Rural Reconstruction Exhibitions at Kotipalle and Korukonda in East Godavari District on festival days when large numbers of people assembled and lectures were delivered by various persons including himself on Co-operation and Rural Reconstruction. He did propaganda in the Agency in East Godavari District and in the Tanjore District in the Agency in West Godavari District where he delivered lectures on Rural Reconstruction and Land Mortgage Banks. He also did propaganda in the Tanjore and Orissa Taluk Co-operative Societies on the 2nd and 3rd of July '32 and on the 10th of July '32. He also did propaganda in the Tanjore District on the 10th of July '32.

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Library and Reading Room.

Books to the value of Rs. 180-3-8 were added to the Library from 1st July 1932 to 31st May 1933. The free Reading Room, attached to the Library, continued to be popular as is evident from the increase in the number of visitors to the Reading Room which rose from an average of 34 to 43 per day. During the period under review over 14,500 visitors made use of the Reading Room. An application has been made to the Corporation for a grant to the Reading Room and is pending reply.

Propaganda.

The Executive Committee at its meeting on the 28th July '32 appointed a Propaganda Sub-Committee to be in charge of arrangements for propaganda. The Committee met twice during the period and made arrangements for propaganda. The District Vice-Presidents and the Secretaries were requested to be in charge of propaganda.

Co-operative Propaganda; and Messrs. S. K. Yegnanarayana Iyer, R. Naganna Gowd, Rao Bahadur A. Rajabadar Mudaliyar and V. Venkatachallam were appointed to do propaganda on Co-operative Insurance and Loan and Sale Societies in addition to general propaganda. Mr. K. C. Ramakrishnan was requested to deliver two lectures on agricultural marketing to students of each of the Institutes. But he did not find time to visit the Institutes. R. Naganna Gowd could not do propaganda on Loan and Sale Societies.

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of the Provincial Co-operative Union and spoke to the Co-operators assembled on non-credit Co-operation. Mr. E. S. Sunda addressed meetings at Bodinayakkanur in Madura District on Agriculture and Co-operation.

Education.

The Provincial Co-operative Union continued to co-ordinate the activities of the six Training Institutes through its Education Committee consisting of representatives of Institutes, the Registrar and the President of the Provincial Co-operative Union and two Educational Experts co-opted by the Committee and a Secretary nominated by the Executive Committee of the Provincial Co-operative Union. As noted in the Union's last administration report, the students of the Institutes were examined by the examiners appointed by the Education Committee. In the year 1931-32 168 first year students, and 14 supplementary students passed the examination. The Education Committee which met on the 20th August 1932 made some alterations in the classification of subjects for the examination. The two papers on Co-operation Historical and General and Law and Principles were classified as one part and the Commercial subjects of Book-keeping, Banking and Audit as the second part. The syllabus on audit was revised during the year and examinations for 32-33 were held in April last. 252 Students applied for the examination; 19 came out successful in the 1st class and 112 in the second class. 26 Students passed in Part I only and 3 in Part II only.

Arrangements for practical training of the students have been made and it is being conducted at some of the Institutes.

The Education Committee at its meeting held on the 18th February 1933 discussed a communication from the Registrar regarding the establishment of a Central Co-operative College and resolved in favour of its establishment, provided that it is run under the auspices of the Provincial Co-operative Union and the Government agreed to bear not less than half the annual cost of its maintenance.

The Executive Committee at its meeting on the 19th March last appointed a Committee consisting of the President, the Vice-Presidents and Professors K. C. Ramakrishnan and S. K. Yegannarayana Iyer to draft a scheme for a college and circulate it to the Members of the Executive Committee. The Committee met on the 20th April 1933 and a scheme was drafted and circulated to all

Members of the Education and Executive Committees. The Registrar also attended that meeting and made valuable suggestions.

ORGANISATION WORK.

The South India Co-operative Insurance Society.

In our last report we mentioned about the registration of the South India Co-operative Insurance Society which was organised by the Provincial Co-operative Union. The Provincial Co-operative Union agreed to meet a sum of Rs. 383-13-0 as organisation expenditure of the Insurance Society. The Society actually started working during the first week of March 1932. An excellent start has been made and considerable business secured through the efforts of its energetic and influential Directors. The aim of the Society is to carry the benefits of Insurance to the homes of the middle and poor classes, especially in rural areas and it hopes to attain this object by enlisting the support of the numerous co-operative organisations and thus reducing the cost of management.

Accordingly the Society has now established Local Boards at the head quarters of some Central and Urban Banks. Proposals to the extent of Rs. 7.63 lakhs were received and 553 policies for the amount of Rs. 5,62,700 were issued up to the date of the report (31-5-33).

Magic Lantern and Slides.

The Magic Lantern and Slides prepared by the Union had good sales during the year. The Director of Public Health who inspected the Magic Lantern was satisfied with its working and recommended it to the Health Department. We received orders from some districts and are expecting some more from the other districts. Our thanks are due to the Director of Public Health for the interest he has shown in our Lantern.

General.

The audit review of the Department on the working of the Union for the year 1931-1932 is appended to this Report. A sum of Rs. 16,089-13-7 was actually received during the period from 1st July 1932 to 31st May 1933 by way of annual subscriptions from member societies, subscriptions for the Journals, grants etc.

The total expenditure incurred on the publication of the Journals and on establishment, propaganda, office expenditure subsidy to the Tamil Journal, etc., amounted to Rs. 13,272-8-5.

A sum of Rs. 2,966-9-0 still stands as overdue on 31st May 1933 from Societies, being the subscriptions for Tamil, Telugu and English editions of the Bulletin supplied prior to 1923. A sum of Rs. 440-12-0 was collected from Societies under this head during the current co-operative year. In this connection, we acknowledge with thanks the warm co-operation received from the Deputy and Sub-Deputy Registrars in the concerned districts. The bulk of the collections under this head is due to the energetic action of Rao Bahadur A. Rajabadar Mudaliyar and the Chingleput Federation, who are taking all possible steps for the realisation of these long-standing arrears. A sum of Rs. 177-2-0 was written off under this head as it could not be recovered. Of the balance now outstanding a good amount may have to be written off in course of time.

As per the Audit Report for 1931-32 a sum of Rs. 2,196-2-0 was pending collection on 1st July 1932 as annual contribution from members. Since then a sum of Rs. 1,292-0-0 has been collected. Member societies are earnestly requested to clear up the arrear contributions as early as possible.

Rural Reconstruction.

During the period under review, only six centres were working, the one at Maharajapuram in the Ramnad District having been closed in January 1933.

Applications for opening centres were received from Ariyalur in Chingleput District and the Central Banks at Guntur and Coimbatore Districts. The opening of a centre at the Annamalai University was also considered. But owing to lack of funds, new centres could not be opened. Only two—Elur in Salem District and Indukurpet in Nellore District—out of the working centres received their full grant from their District Banks. The Centres in Bellary and East Godavari districts are making up their portion of the contribution by donations and other grants. The Kistna Bank continued its reduced grant to the Gudlavallera Centre this year also. The Lepakshi Centre (Anantapur DE) received part of its contribution from the Central Bank and part from the assets of the liquidated Federation.

During the period under review, the Maharajapuram centre had to be closed for want of local contribution. Since the District Bank at Srivilliputtur did not contribute any amount, the members of the

Committee, Messrs. G. Alagiriswamy Naidu and P. S. Kumaraswamy Raja approached the Ramnad District Board for a grant. But the Government disallowed the grant sanctioned by the Board for its work. The Committee could not raise the necessary funds and the Rural Reconstruction Committee at its meeting held on the 20th March decided to close the centre.

While the finances of the centres were generally in such an unsatisfactory state, those of the Central Rural Reconstruction Committee were not much better. Only a sum of Rs. 2,000 could be allotted for Rural Reconstruction work this year from the Provincial Bank's contribution as against Rs. 9,000 last year. It was possible to contribute amounts to the centres on a rupee to rupee basis only because of the balance of funds of previous years. With the volume of business in the Central Banks going down on account of the economic depression and other causes, it is doubtful whether the Banks will have enough funds to continue the grants to the centres in future. The Provincial Bank's contribution cannot be expected to be anything like that in previous years. The whole question of Rural Reconstruction programme for 1933-34 has therefore to be considered afresh.

A brief account of the work done in the six centres is given below :

The work in all the six centres continued to be done on the same lines as those indicated in the instructions to Supervisors and published as appendix to the consolidated report referred to in our last report.

During the year under review Mr. V. Venkatasubbaiya, the Secretary of the Rural Reconstruction Committee visited all the centres except Lepakshi and Elur and the President, Mr. V. Ramadas Pantulu, visited Gudlavallera, Malapanagudy and Elur Centres.

Indukurpet, (Nellore District.)

The Indukurpet Centre acquired a plot of land and settled Enadis (a criminal tribe) in it. The colony was named Madhavapurpet Enadi Colony. The Enadis live with their families and earn their livelihood by honest labour. "Mr. Raghaviah (a member of the Local Committee) has helped them" notes the District Superintendent of Police "to set an example to their brethren in the neighbourhood of the village. The Government have assigned some lands to the colonists and they have some cattle

of their own. By industrious habits they have been able to earn money enough to build decent habitations in the colony." The Equadi colony, we are glad to note, is developing on right lines. The Nellore District Bank proposed to start another centre at Podalakur. The Local Committee considered it and resolved in favour of deputing the existing supervisors to the Podalakur area for 10 or 12 days in the month. The Central Rural Reconstruction Committee, which discussed the question on the 20th March, resolved to address the District Bank informing them that the Provincial Co-operative Union has no objection to their starting another centre at Podalakur but that the Provincial Co-operative Union's contribution would be for only one centre. The Services of the physical instructor, who was working in the Centre from March 1932, were discontinued from December 1932.

Gudlavalleru, (Krishna District.)

The Gudlavalleru Centre made attempts to establish new Panchayats in the area but the applications are pending with the Inspector of Local Boards and Municipalities. Societies in the area of the Centre were induced to contribute from out of their common good fund to libraries started in the Villages and we are glad to note that the library work in this centre is going on well. The centre opened a day and a night school for adult education.

Malapanagudy, (Bellary District.)

The Malapanagudy Centre had the benefit of the personal supervision and guidance of Mr. A. Ranganadha Mudaliyar, our Vice-President throughout the period under review. Education (physical, intellectual, moral and spiritual) which counts most in the Rural Reconstruction work, is pursued in the Centre with vigour. Attempts were made to instal a Bura Sugar manufacturing plant in a village in the Centre, but were not quite successful on account of delay in getting the necessary machinery though a furnace was built and got ready. The need for a sugar factory at Hospet is felt and Mr. Ranganadha Mudaliyar has successfully taken steps to establish one on a commercial basis. As a result, sugar cane growers in the area may get good price for their cane and sugar cane lands may rise in value.

Alamuru, East (Godavari District.)

In the Alamuru area, instead of appointing one supervisor as in other centres, four *pracharakas* were appointed with work specified for each. Mr. N. Sathyanarayana, the Superintendent of

the Centre co-ordinating their activities. A library worth about Rs. 3,000 consisting of books of all branches of Telugu Literature is established at Alamuru. Books are delivered to men and women in their homes twice a week in carts at Alamuru and other villages in the Centre. A free Reading Room is attached to the library and a *Pracharaka* appointed for the purpose is in charge of both. He also arranges public lectures and *Kalakshepams* and is in general charge of educational work in the villages. He is helped in his work by the lantern *Pracharaka* who exhibits the slides to the rural folk with the magic lantern supplied by the Provincial Co-operative Union. A special *Pracharaka* was appointed to give training to Harijan boys in *Bhajana* and *Kolatam* and he is training boys in the villages of the area. The Panchayat work is in charge of the *Pracharaka* who helps the Panchayat in preparing estimates and in the execution of sanctioned works. He also helps them in their correspondence. The Panchayats in the area are doing exceedingly well.

Lepakshi, (Anantapur District.)

In the Lepakshi Centre the supervisor took steps with the co-operation of the Taluk Board to start a central school on the lines of the Moga institution, where students learn to translate what they learn in practice. He has been selected a member of the Committee, appointed to formulate proposals for the amalgamation and centralisation of the Elementary Schools in the area. The Supervisor also served as an advisor to the District Board Committee to consider proposals for industrial schools. The Committee made its proposals regarding the same and now attempts are being made to start one at Dharmavaram to begin with. If it were to be successful, they would be extended to a suitable place in the area.

The Supervisor continued to help the Village Panchayats and the Co-operative Societies in their work. He took interest in reviving bad societies. He also helped the villagers in settling petty quarrels amicably by arbitration instead of resorting to Court. An organisation called the Lepakshi Rural Development League was organised. It has first taken up the work of economic survey of the villages. The Supervisor prepared questionnaire to be answered in their economic survey but the League for some reason or other is not functioning. The supervisor's pay is under attachment by the Civil Courts and the Union for some months past has been acting as the collecting agent to the creditors of the Supervisor. There has been definite slackness in work since this development has taken

place. The question of continuing the work under these conditions has to be considered.

Elur, (Salem District.)

When Dewan Bahadur R. Ramachandra Rao was personally supervising the work of the Elur Centre, he requested the Government to close the arrack and toddy shops in the area. The Government experimentally closed all the shops in the Namakkal and Tiruchengodu taluks. But in December 1932 the Government published for general information that all the shops will be reopened from April 1933. The President of the Salem District Urban Bank who is also in charge of the Rural Reconstruction work addressed a communication to the Minister for Excise and Education through the President of the Madras Provincial Co-operative Union, requesting that the period of experiment may be extended by at least two years. In the alternative, he requested that if for any reason it was not possible to keep all the shops closed, those at Elur and the neighbouring seven villages may be closed. The President of the Provincial Co-operative Union in forwarding the letter to the Minister supported it and stated that if the experiment be continued, the Rural Reconstruction Centre would use all its resources to promote the experiment and expose illicit distillation in the area. But the Government, for reasons best known to themselves, reopened all the shops. Even representations to shift arrack and toddy shops at Elur, which are at the entrance to the village, to another less prominent locality have been ignored by the Government.

A leprosy clinic has been opened in the village of Elur where lepers are treated with injections. About 200 lepers are thus treated on Thursdays and Sundays. Mrs. Todd has been taking great pains in this behalf and the Leper Relief Council has appointed a Doctor to look after these patients, in view of the large numbers that are now attending the clinic. A grant of Rs. 25 per month is made to the doctor from Rural Reconstruction funds. It is to be considered whether it is necessary to do so in view of the fact that the leper relief committee has adequate funds and that they appointed an inoculator.

Arrangements for sweeping the quarters of the Adi-Dravida along with the other streets of the village have been made. When the President of the Provincial Co-operative Union visited the centre the Adi-Dravida complained that their quarters are neglected.

Hand spinning and hand weaving, which were a special feature of the village when it was selected as its centre in 1928, have practically ceased since 1931. But attempts are now being made in the last two or three months to revive it. The village Co-operative Society has been moribund for the last three years and no new members were admitted nor any loans given to existing members. The statutory Panchayat has no resources except the Government grant of Rs. 112 a year and does no work. What little is done by the Rural Reconstruction Supervisor in the name of the Panchayat goes to its credit. The village roads are in a neglected condition. The village is inaccessible. It is 26 miles from Salem and 5 miles off the main Road. The question of continuing the work in this centre has to be considered.

Our thanks.

We tender our grateful thanks to the Madras Provincial Co-operative Bank for its generous grant of Rs. 9,000 for Propaganda, Education and Rural Reconstruction for 1932-33. We realise that our activities in the various directions are largely dependent upon the Bank's grants. Our thanks are also due to Mr. D. N. Strathie, I.C.S., the Registrar of Co-operative Societies, who has been evincing immense interest in the work of the Union and generously responding to the Union's invitation to be present at our meetings and helping us with his timely advice.

V. VENKATASUBBAIYA,
G. SRINIVASARAGHAVACHARIAR,
N. SATYANARAYANA,

Joint Secretaries.

ROYAPETTAH,
5th June 1933.

APPENDIX I.

The Madras Provincial Co-operative Union.

MEMBERS OF THE BOARD OF MANAGEMENT.

- | | | |
|-----|---|------------------------------|
| 1. | Mr. V. Ramadas Pantulu, (President). | |
| 2. | " A. Ranganadha Mudaliyar. | |
| 3. | " Rao Bahadur T. A. Ramalingam Chettiyar. | Vice-Presidents. |
| 4. | " V. Venkatasubbaia. | |
| 5. | " N. Satyanarayana. | |
| 6. | " G. Srinivasaraghavachariar. | Joint Secretaries. |
| 7. | " Rao Bahadur C. Gopala Menon, (Treasurer). | |
| 8. | " Prof. S. K. Yegnanarayanier (Editor M. J. C.) | |
| 9. | " Rao Saheb T. Srinivasa Rao. | |
| 10. | " A. Venkatachalam Pantulu. | |
| 11. | " S. Krishnaswamy Iyengar. | |
| 12. | " Diwan Bahadur M. Ramachandra Rao. | Provincial Societies. |
| 13. | " V. Venkatachalam. | |
| 14. | " A. Sivarama Menon. | |
| 15. | " K. G. Sivaswamy (Language Federation). | |
| 16. | " Rao Bahadur A. Rajabadar Mudaliyar. | |
| 17. | " A. Sivavanda Mudaliyar. | |
| 18. | " E. S. Sunda. | |
| 19. | " B. Venkataratnam. | Central Bank. |
| 20. | " C. Subba Rao. | |
| 21. | " D. Venkoba Rao. | |
| 22. | " Rao Saheb V. Krishna Menon. | |
| 23. | " V. Srinivasa Kamath. | |
| 24. | " O. A. Narayanaswamy Iyer. | Training Institutes. |
| 25. | " Dr. P. Gurumurthy. | |
| 26. | " E. S. Ganapathy Iyer. | |
| 27. | " S. Nagaswamy Iyer. | Urban Banks. |
| 28. | " Dr. E. S. Ramasubbu. | |
| 29. | " K. L. Narasimha Rao. | |
| 30. | " G. Sriram Babu Naidu. | |
| 31. | " Rao Saheb M. S. Seshachala Iyer. | Non-Credit Societies. |
| 32. | " B. V. Devaraju Rao. | |
| 33. | " N. Kameswara Rao. | Primary Land Mortgage Banks. |

DISTRICT FEDERATION AND UNIONS.

- | | |
|-----|--|
| 34. | " Y. Hanumantha Rao, (Anantapur District). |
| 35. | " Rao Saheb K. M. Singaravatu Mudaliyar, (Arcot District). |
| 36. | " Muthusankara Reddiyar, (South Arcot District). |

- | | | |
|-----|--|---------------------------------|
| 37. | Mr. R. Bunday Goud. (Bellary District). | |
| 38. | " K. Venugopala Mudaliyar. (Chingleput District). | |
| 39. | " M. Chenga Reddi, (Chittoor District). | |
| 40. | " Rao Saheb K. M. Chinnarangayya Gounder, (Coimbatore District). | |
| 41. | " A. Venkatasubba Rao, (Cuddapah District). | |
| 42. | " B. V. Ramanayya, (Ganjam District). | |
| 43. | " Kuchumanchi Venkataratnam. (East Godavari District). | |
| 44. | " C. Seshagiri Rao, (West Godavari District). | |
| 45. | " P. Kotiswara Rao, (Guntur District). | |
| 46. | " K. N. Aithala, (South Kanara District). | |
| 47. | " K. Narasimha Rao, (Kristna District). | |
| 48. | " V. B. Chenchu Reddi, (Kurnool District). | |
| 49. | " V. Chinnakrishna Naidu, (Madura District). | |
| 50. | " N. Ramanunni Nair, (Malabar District). | |
| 51. | " T. Malla Reddi. (Nellore District). | |
| 52. | " Belli Gounder, (Nilgiris District). | |
| 53. | " R. G. Nallakuttalam Pillai, (Ramnad District). | |
| 54. | " Janab V. K. Peer Batcha Saheb, (Salem District). | |
| 55. | " V. S. Sesa Iyengar. (Tanjore District). | |
| 56. | " L. M. Kandaswamy Chettiyar, (Tinnevely District). | |
| 57. | " M. M. Krishnaswamy Pillai, (Trichinopoly District). | |
| 58. | " I. Satyanarayana Pantulu, (Vizagapatam District). | |
| 59. | Sir K. V. Reddy Naidu. | |
| 60. | Prof. K. C. Ramakrishnan, | |
| 61. | Mr. K. V. Raghavachariar, } | |
| | | Co-opted from Honorary Members. |

APPENDIX II.

The Madras Provincial Co-operative Union.

MEMBERS OF THE EXECUTIVE COMMITTEE.

Mr. V. Ramadas Pantulu, B.A., B.L., President.	
Rao Bahadur T. A. Ramalingam Chettiyar.	} Vice-President.
B.A., B.L., M.L.C.,	
Mr. A. Ranganadha Mudaliyar, B.A., B.L., M.L.C.,	} Hon. Joint Secretaries
„ V. Venkatasubbaiya, B.A.,	
„ G. Srinivasaraghavachariar, B.A.,	
„ N. Satyanarayana.	
Rao Saheb K. M. Singaravelu Mudaliyar.	
Rao Bahadur A. Rajabadar Mudaliyar, B.A.,	
Mr. E. S. Sunda, B.A., B.L.,	
„ C. Subba Rao, B.A., L.T.,	
Prof. S. K. Yegnanarayana Iyer, M.A.,	... Editor M. J. C.
Rao Bahadur C. Gopala Menon.	... Treasurer.

AUDIT REVIEW

BY

M.R.Ry. K. Nagaratnam Iyer, Dip. Econ.,

Sub-Deputy Registrar of Co-operative Societies, Madras.

On the Accounts of the

Madras Provincial Co-operative Union, Ltd., 1130.

For the year ending 30th June 1932.

The accounts of the Madras Provincial Co-operative Union for the year ending 30th June, 1932, as audited by M.R.Ry. M. Sanjivi Pillai, Senior Inspector of Co-operative Societies, are approved. The statements of receipts and charges and (2) assets and liabilities as submitted by him are appended to this review.

2. The number of members on the rolls at the commencement and at the end of the year was 440 and 444 respectively and they are classified as follows:—

Class.	Number as on 30th June '31.	Number as on 30th June '32.
1. Provincial Societies ...	5	6
2. Language Federations ...	1	1
3. Training Institutes ...	6	6
4. Central Banks ...	30	31
5. District Federations ...	15	8
6. Supervising Unions ...	264	270
7. Audit Unions ...	4	3
8. Non-credit Societies ...	43	42
9. Non-agricultural Primary Societies ...	71	75
10. Land Mortgage Banks ...	1	2
Total ...	440	444

3. *Demand Collection Balance of Annual Contributions*:—One of the main sources of income of the Union is the levy and collection of annual contributions from member societies. Out of a demand of Rs. 6,658-2-0 including the arrears of past years, a sum of Rs. 4,462-0-0 was collected during the year under audit leaving a balance of Rs. 2,196-2-0, a rather heavy sum for collection. The Union is requested to recover the amounts.

There are several member societies which have not paid their annual contributions for several years consecutively. In such cases the Executive Committee will please decide, as per bye-law IV (iii) whether or not they should be members of the Union.

4. *Meetings*:—The General Body and the Board of Management met once during the year, and the Executive Committee twice. At the meeting of the General Body on 10th April 1932 some important amendments to the bye-laws improving the constitution of the Union were passed and duly registered. The Executive Committee passed resolutions on important matters and approves of the statements of receipts and charges placed before them. The proceedings of the Executive Committee are also communicated to the members of the Board of Management.

5. *Publication of the Journals*:—In addition to monthly publication of the Madras Journal of Co-operation, the Union continued to publish the "Village Panchayat" Journal in English, Tamil and Telugu. The publication of the Journal of Co-operation is successfully carried on. It will be seen from the appended statement of income and expenditure that the journal worked at a profit of Rs. 1,421-1-11. The Village Panchayat did not however receive as much response as was expected and it worked at a loss of Rs. 1,605-14-3. The Executive Committee that met on 19th September 1931 therefore resolved to discontinue the publication of the Village Panchayat from July, 1932. Consequently the publication of the Journal since July has been abandoned.

6. *Library and Reading Room*:—Books to the value of Rs. 222-12-0 were newly added to the library during the year under review. The reading room was as usual popular and the number of visitors is on the increase. The work of the reading room is attended to by an Attender who has been specially employed for the purpose. Books on Co-operation, Economics and allied subjects are made available to the visitors of the reading room.

7. *Propaganda and Organisation*:—The Members of the Board of Management and the Executive Committee of the Union and other members deputed by the Executive Committee undertook propaganda work in various districts. A sum of Rs. 2,158-14-6 was spent for Travelling allowance and other expenditure in this behalf. A further sum of Rs. 489-13-0 was spent on the Panchayat classes in the city. One lecturer and two Supervisors were employed by the Union till 31st August, 1931 and from September, 1931 only one supervisor was kept in service.

any grant from the Government as in previous years and on account of financial stringency, the classes in the city were discontinued from May 1932.

During the year under review the Provincial Co-operative Union organised the South India Co-operative Insurance Society which was registered by the Registrar of Co-operative Societies on 6th January 1932.

RURAL RECONSTRUCTION FUND OF THE PROVINCIAL CO-OPERATIVE UNION.

8. The accounts of the Rural Reconstruction Fund are kept separately. The statements of Receipts and Charges and Assets and Liabilities as on 30th June 1932 are enclosed.

During the year under review there were eight centres out of which seven were functioning satisfactorily. The various Local Committees in charge of the centres incur necessary expenses and submit statements of receipts and charges to the Rural Reconstruction Committee. They are scrutinised by the Committee and cheques for the actual amounts spent and accounted for are issued to the centres. It is learnt that the Rural Reconstruction Centre at Elur, sends yearly statements of accounts to the Committee, instead of monthly statements.

9. *Magic Lantern and Slides*:—During the year under review two new sets of slides, one, on Co-operation and Thrift and another, on Rural Reconstruction were prepared by the Union. The Union had also manufactured a new type of magic lantern. Some members carried on propaganda in the city and in the mofussil with the aid of these magic lanterns and slides. The slides and lanterns prepared by the Union are sold to the public at comparatively cheap prices and they have met with good encouragement from propagandist institutions both in this province and also from outside.

9. *General*:—The Provincial Bank continued to subsidise the Union as in the previous years and with the financial help so given, the Union was able to successfully carry on its work. The Union is requested to continue to take steps to collect the arrears under annual contributions and of subscription towards the bulletin.

K. NAGABATNAM,
Sub-Deputy Registrar.

THE MADRAS PROVINCIAL CO-OPERATIVE UNION.

STATEMENT OF RECEIPTS AND CHARGES FOR THE YEAR 1931-32.

RECEIPTS.

	Rs.	A.	P.	Rs.	A.	P.
I. Annual Contribution from Members—						
1 Current	...	...	...	3,001	0	0
2 Arrears	...	...	...	1,461	0	0
3 Advance collections	...	...	...	93	0	0
				<u>4,555</u>	0	0
II. Subscription for the Journal of Co-operation (English)—						
1 Current	...	...	...	3,604	15	0
2 Arrears	...	...	...	84	8	0
3 Advance collections	...	...	...	827	14	0
				<u>4,517</u>	5	0
III. Subscription for the Village Panchayat Journal—						
1 Current (includes Rs. 183-10-0 to be refunded)	...	...	...	1,316	11	0
2 Arrears	...	...	...	3	0	0
3 Advance collections	...	...	...	8	5	0
				<u>1,328</u>	0	0
IV. Arrears of Bulletin Subscription— (prior to 30th June 1923)						
1 Tamil Bulletin	...	...	...	135	10	0
2 Telugu Bulletin	...	...	...	68	11	0
				<u>204</u>	5	0
V. Sale of Journal copies and Pamphlets—						
1 Journal of co-operation	...	...	...	16	8	0
2 Village panchayat	...	...	...	18	4	0
3 Pamphlets	...	...	...	40	6	0
				<u>75</u>	2	0
VI. Sale of Magic Lanterns & Slides—						
1 Magic lantern	...	...	...	675	0	0
2 Slides	...	...	...	2,584	11	0
				<u>3,259</u>	11	0
VII. Grants & Contributions—						
1 Grants	...	...	...	12,419	11	8
2 Contributions	...	...	...	306	0	0
				<u>12,725</u>	11	8

VIII. Advertisement fees—

	Rs.	A.	P.	Rs.	A.	P.
1 For the Journal of Co-operation.	109	0	0			
2 For the Village Panchayat	410	8	0			
				<u>519</u>	8	0

IX. Training Institutes' Examination

622 0 0

X. Investments withdrawn—

1 Prudential Deposit A/c (M.P. C.B.—H.O.)	...	...	600	0	0
2 Prudential Deposit A/c (M.P. C.B.—T.B.)	...	...	75	0	0
			<u>675</u>	0	0

XI. Interest and Dividend on Investments and Rebate—

1 On Fixed Deposit	...	...	55	0	0
2 On Current Account	...	...	58	1	0
3 On Prudential Deposit (M.P.C.B. H.O.)	...	...	13	7	0
4 On Prudential Deposit (M.P.C.B. T.B.)	...	...	2	5	0
5 On Savings Bank A/c (Indian Bank)	...	...	0	3	8
6 On Reserve Fund (Xian Central Bank)	...	...	14	11	0
7 Dividend on Shares—M.P.C.B.	...	...	9	0	0
8 Do. —C.C.P. Wks.	...	...	75	0	0
9 Rebate from the C.C.P. Works	...	...	52	15	0
			<u>280</u>	10	8

XII. Employees' Provident Fund—

1 Deductions from Employee's Salaries	...	...	171	5	0
2 By the M.D.C.C. Bank, Ltd.— Deduction from Employee	...	...	6	2	0
Bank's Contribution.	...	...	6	2	0
			<u>12</u>	4	0
3 Interest on Investments	...	...	32	7	0
4 Withdrawals	...	...	142	9	0
			<u>358</u>	9	0

XIII. Advances and Suspenses—

1 Advances from R.R. Fund	...	...	1,832	10	9
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	Rs.	A.	P.	Rs.	A.	P.
2 Advances Conference A/c ...	86	14	6			
3 Recovery of advances ...	2,925	15	0			
4 Advances received ...	91	5	0			
5 Advances recovery for previous years ...	43	4	6			
Total ...	4,980	1	9			
6 Suspenses ...	1,098	11	6	6,078	13	3
XIV. Miscellaneous—						
1 Recovery of postage ...	118	10	9			
2 Other items ...	111	1	9	229	12	6
XV. Sundry Creditors—						
Books Company ... 59 7 0						
C.C.P. Works ... 679 1 6						
Total ...	738	8	6	738	8	6
XVI. Books on Consignment Account						
Total ...				153	12	0
Opening Balance—						
1 M.D.C.C. Bank, Ltd. ...	275	5	7			
2 M.P.C. Bank, Ltd. (H.O.) ...	513	13	2			
3 Cash and Postage on hand ...	60	1	9	849	4	6
Grand Total ...				37,165	0	8

CHARGES.

1. Publication of the Journals—

(A. The Madras Journal of Co-operation)

	Rs.	A.	P.	Rs.	A.	P.
1 Printing and paper ...	3,250	12	6			
2 Honorarium ...	360	0	0			
3 Postage ...	595	9	3			
4 Blocks ...	4	0	0			
5 Commission on advertisement.	18	14	0	4,229	3	9

(B. Village Panchayat Journal)—

	Rs.	A.	P.	Rs.	A.	P.
1 Printing and Paper ...	1,671	9	6			
2 Honorarium ...	970	0	0			
3 Translation charges ...	126	6	0			
4 Postage ...	303	12	3			
5 Contingencies ...	20	11	6			
6 Commission on advertisement fees ...	119	0	0	3,211	7	3

II. Office—

	Rs.	A.	P.	Rs.	A.	P.
1 Contingencies ...	270	4	4			
2 Stationery ...	296	7	5			
3 Establishment—						
i. Salary	2,804	5	0			
ii. Provident Fd.	354	14	0	3,159	3	0
4 Rent ...	780	0	0			
5 Telephone ...	243	9	0			
6 Lighting & Electrical repairs ...	102	3	6			
7 Furniture ...	122	10	0			
8 Postage ...	380	10	6			
9 Telegrams ...	26	13	0	5,381	12	9

III. Propaganda & Meetings—

	Rs.	A.	P.	Rs.	A.	P.
1 T.A. for Propaganda ...	2,158	14	6			
2 T.A. for Board Meeting ...	226	4	0			
3 T.A. for Executive and other committee meetings ...	1,087	13	0	3,472	15	6

IV. Publication other than the Journals—

	Rs.	A.	P.	Rs.	A.	P.
1 Reports, reprints & circulars.	904	14	3			
2 Postage for sale of pamphlets.	9	8	6	914	1	9

	Rs.	A.	P.	Rs.	A.	P.
V. City Classes				489	13	0
VI. Magic Lantern and Slides—						
1 Magic Lantern	556	0	3			
2 Slides	2,653	0	6	3,209	0	9
VII. Library and Reading Room—						
1 Books and Binding (including Rs. 59-7-0 to be paid to the City Book Company)	222	12	0			
2 Periodicals for Reading room.	134	8	9			
3 Repairs to the Reading room.	197	8	0	554	10	9
VIII. Training Institutes' Examination				596	10	9
IX. Investments made—						
1 Prudential Deposit (M.P.C.B. H.O.)	13	7	0			
2 Prudential Deposit (M.P.C.B. T.B.)	2	5	0			
3 Savings Bank A/c (Indian Bk.)	0	3	8			
4 Reserve Fund (Xian Central Bank)	14	11	0			
5 Shares in other Co-operative institutions	100	0	0	130	10	8
X. Employees Provident Fund A/c—						
1 Investments (By adjustment of interest)	32	7	0			
2 Refunds	142	9	0	175	0	0
XI. Advances and Suspenses—						
1 R.R. Fund—Advances paid	847	4	9			
2 " —Refunded:—						
Of 1930-'31	2,361	9	9			
Of 1931-'32	1,832	10	9	4,194	4	6
3 Conference Account	5,041	9	8			
4 Other Advances	42	4	0	2,781	4	0

	Rs.	A.	P.	Rs.	A.	P.
5 Suspenses refunded to R.R. Fund:—						
Of 1928-'29	48	4	6			
Of 1929-'30	2,497	1	3			
Of 1931-'32	801	3	6	3,346	9	3
6 Other suspenses refunded:—						
Of previous years	30	9	10			
Of 1931-'32	410	9	0	441	2	10
7 Suspenses paid				12	10	8
XII. Advance collection refunded:—(Of 1930-'31.)						
1 Journal of Co-operation	1,159	14	0			
2 Annual Contributions	115	0	0			
3 Village Panchayat	443	0	0	1,717	14	0
XIII. Miscellaneous—						
1 Cheque commission	3	3	3			
2 M.O. Commission and insurance charges	5	1	6			
3 Entrance fees for shares invested	5	0	0			
4 Other items	383	8	0	396	12	9
XIV. Books on Consignment account (postage)				5	8	0
Total				36,121	2	2
Closing Balance—						
1 M.P.C. Bank (H.O.)	577	8	11			
2 M.D.C.C. Bank	161	9	1			
3 Cash and Cheques on hand	302	2	3			
4 Postage stamps	2	10	3	1,043	14	6
Grand Total				37,164	0	8

STATEMENTS OF ASSETS AND LIABILITIES AS ON 30-6-1932.

ASSETS.

	Rs. A. P.	Rs. A. P.
I. Cash on hand and in Banks—		
<i>On hand</i>		
Cash & cheques ...	302 2 3	
Postage stamps ...	2 10 3	
	<u>304 12 6</u>	
<i>In Banks</i>		
M. P. C. B. (H. O.) ...	577 8 11	
M. D. C. B. Bank ...	161 9 1	
	<u>739 2 0</u>	
		1,043 14 6
II. Investments—		
Prudential Deposit a/c.		
M. P. C. P. (H. O.) ...	218 9 0	
Do. Tn Branch ...	39 12 0	
	<u>258 5 0</u>	
Savings Bank a/c. (Indian Bank) ...	7 0 3	
Fixed Deposit (M.D.C.C. Bank) ...	2,000 0 0	
Reserve Fund (Christian Central Bk.)	262 11 11	
	<u>2,528 1 2</u>	
III. Shares in other Co-operative Institutions—		
1. M. P. C. Bank ...	100 0 0	
2. C. C. P. Works ...	1,000 0 0	
3. T.U.C.S. ...	17 8 3	
4. Sadananda Printing Works ...	25 0 0	
5. South India Co-operative Insurance Society ...	100 0 0	
	<u>1,242 8 3</u>	
IV. Employees Provident Fund A/c ...		778 14 0
V. Library & Furniture—		
Cost of books as on 30-6-1931 ...	2,056 7 0	
Purchased during 1931-32 ...	222 12 0	
Furniture purchased 1931-32 ...	122 10 0	
	<u>2,401 13 0</u>	
Less depreciation ...	352 0 0	
	<u>2,049 13 0</u>	
Gramophone and records less depreciation ...	67 8 0	
Magic lantern and slides for propaganda, less depreciation ...	340 0 0	
2 cycles, 2 type writers and 1 duplicator, less depreciation ...	560 0 0	
Furniture (reading room) less depreciation ...	400 0 0	

VI. Stock for sale—

Cost of books and pamphlets as on 30-6-'31 ...	666 0 0
Less sold 40 6 0	
Depreciation. 140 12 0	
	<u>181 2 0</u>

Magic lantern & Slides—

Lanterns 128 0 0	
Slides 349 4 0	
	<u>477 4 0</u>

VII. Revenue due—

(a) Annual contribution from members

2,196 2 0

(b) Journal of Co-operation ...

28 14 8

(c) Bulletin arrears—

Tamil as on 30-6-'31 ... 2,792 11 0

Collected in 1931-'32 ... 135 10 0

2,657 1 0

Telugu as on 30-6-'31 ... 783 5 0

Collected in 1931-'32 ... 68 11 0

714 10 0

English ... 212 13 0

212 13 0

5,809 8 8

VIII. Miscellaneous—

1 Cost of publications pending recovery ...

101 11 0

2 Advertisement fees—

For 1924-'25 ... 30 0 0

„ 1931-'32 ... 45 0 0

75 0 0

176 11 0

IX. Advances and Suspenses—

Advances ... 1,446 15 6

Suspenses ... 12 10 6

1,459 10 2

X. Cost of slides pending collection—

Hyderabad Central Co-operative Union ... 142 0 0

Parchoor Village Panchayat ... 204 4 0

346 4 0

XI. Commission due on sale of books on consignment account ...

30 0 0

Total ...

17,794 14 9

LIABILITIES.

	Rs.	A.	P.	Rs.	A.	P.
I. Shares and Dividends to be refunded ...	385	6	0			
II. Do. do. of the apex bank.	15	0	0	400	6	0
III. Central Agricultural Committee fund ...				1,453	11	0
IV. Due to T. U. C. S. out of arrear collections ...				3	0	0
V. Bills Payable ...				927	6	6
VI. Advance collections to be adjusted for 1932-33—						
(i) Annual contributions ...	93	0	0			
(ii) Subscription for the Journal of Co-operation (including Rs. 20-2-0 of 1930-31) ...	848	0	0	941	0	0
VII. Village Panchayat subscription to be refunded ...				191	15	0
VIII. Advances and Suspenses—						
(i) Advances to be refunded ...	91	5	0			
(ii) Suspenses to be refunded ...	631	3	8	722	8	8
IX. Due for preparation of magic lanterns and slides ...				370	8	0
X. Commission on advertisement fees to be paid ...				11	4	0
XI. Annual contributions to All-India Institutes' Association ...				250	0	0
XII. Cost of books sold on consignment account to be remitted ...				150	0	0
XIII. Employees Provident Fund ...				778	14	0
Total ...				6,200	8	2
Excess of assets over liabilities ...				11,594	5	7
Grand Total ...				17,794	14	9

INCOME AND EXPENDITURE OF THE MADRAS JOURNAL OF CO-OPERATION.

Income.			Expenditure.		
	Rs.	A.	P.		Rs. A. P.
1 Subscription received ...	3,604	15	0	1 Printing and paper ...	3,250 12 6
2 Subscription to be collected ...	28	14	8	2 Honorarium ...	360 0 0
3 Allocations out of annual contributions received ...	1,262	0	0	3 Postage ...	595 9 3
4 Do do to be received ...	529	0	0	4 Blocks ...	4 0 0
5 Advertisement fees received ...	109	0	0	5 Commission on advertisement fees ...	16 14 0
Do do to be received ...	45	0	0	6 Do do due ...	11 4 0
7 Recovery of postage ...	29	15	0		4,240 7 9
8 Rebate from C. P. works ...	52	15	0	Profit ...	1,421 1 11
Total ...	5,661	9	8	Total ...	5,661 9 8

INCOME AND EXPENDITURE OF THE VILLAGE PANCHAYAT JOURNAL.

Income.			Expenditure.		
	Rs.	A.	P.		Rs. A. P.
1 Subscription received Rs. 1,328 0 To be refunded ...	191	15		Printing and paper ...	1,671 9 6
	1,136	1	0	Honorarium ...	970 0 0
2 Advertisement ...	410	8	0	Translation charges ...	126 6 0
3 Postage recovered ...	59	0	0	Postage ...	303 12 8
	1,605	9	0	Contingencies ...	20 11 6
				Commission on advertisement ...	118 0 0
					3,211 7 3

Loss Rs. 1,605-14-3.

RURAL RECONSTRUCTION FUND OF THE P.C.U. Statement of Receipts and Charges for 1931-32.

Receipts.

	Rs.	A.	P.
Contribution from Provincial Bank ...	9,000	0	0
" Dt. Banks ...	4,754	14	9
Advances from P.C. Union ...	7,567	9	0
Suspense ...	300	0	0
Recovery of Advance from Individuals ...	1,745	12	9
Current Account withdrawal ...	13,384	1	11
Interest from Current Account ...	194	7	0
Sale of Magic Lanterns ...	360	0	0
Petromax Lights ...	32	0	0
Miscellaneous ...	58	7	2
	37,397	4	7
Opening Balance ...	19	1	9
Total ...	37,416	1	4

Charges.

Remittance to Rural Reconstruction Centres ...	10,452	4	11
T.A. to Honorary Workers ...	1,109	9	0
" Staff ...	108	5	3
Contingencies ...	14	5	3
Stationery ...	24	7	9
Establishment ...	1,295	0	0
Postage and Telegrams ...	35	13	9
Printing ...	175	14	0
Advance to P. C. U. ...	1,813	4	9
" Individuals ...	1,498	6	6
Remittance to Current Account ...	13,642	15	2
Magic Lanterns ...	450	0	0
Petromax Lights ...	32	0	0
Miscellaneous ...	40	5	6
Amount made over to P. C. U. with permission of the M. P. C. B. ...	6,419	11	3
Suspenses ...	300	0	0
	37,412	7	1
Closing Balance ...	3	15	3
	37,416	6	4

ASSETS OF THE RURAL RECONSTRUCTION SCHEME OF THE MADRAS PROVINCIAL CO-OPERATIVE UNION AS ON 30TH JUNE 1932.

	Rs.	A.	P.
Cash on Hand ...	3	15	3
Stamps ...	2	3	6
Cash in Bank ...	6,880	5	3
Advance from Individuals ...	62	0	0
Magic Lanterns ...	90	0	0
Screen ...	7	6	0
Total ...	7,045	14	0

Liabilities —

To Provincial Co-operative Union ...	46	1	3
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125-949

37
14th 2nd 1932
11.11.12

The Madras Provincial Co-operative Bank Ltd.

(Registered under Madras Act VI of 1932, formerly Act II of 1912)

HEAD OFFICE: Luz, Mylapore, Phone No. 2390.

TOWN BRANCH: Armenian St., George Town, Phone No. 3334.

The Bank is the chief organisation for providing credit to the agriculturists of the Province.

The above Bank acts as Bankers to the Madras Corporation, University of Madras, Andhra University, Annamalai University and the various Local Boards and District Municipalities.

For rules and terms of business, apply to :—

THE SECRETARY,

THE MADRAS PROVINCIAL CO-OPERATIVE BANK Ltd.

Luz, Mylapore, MADRAS.

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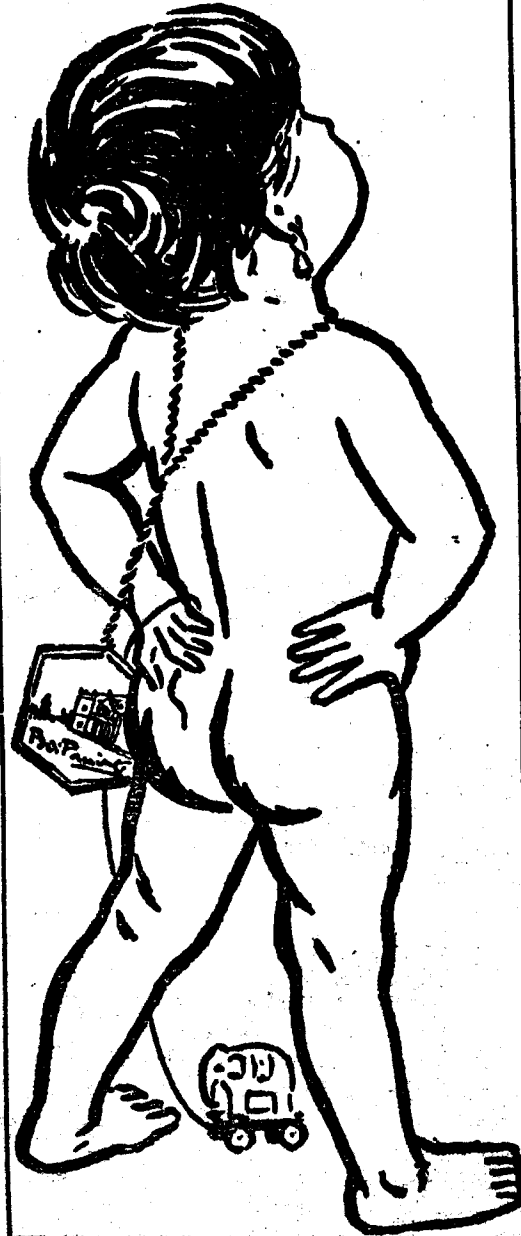
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