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Editorial Notes.

The Madura-Ramnad District Co-operative Conference.

The Presidential address of Rao Bahadur T. A. Ramalingam Chettiyar delivered at the Madura-Ramnad District Co-operative Conference, which is published as a supplement to this number, deals with the various problems connected with the co-operative movement, in a comprehensive manner as might be expected from one of Mr. Chettiyar's experience and position in the Co-operative world. Mr. Chettiyar is not only the President of the Coimbatore District Urban Bank, one of the most important central banks in the province, but is one of the Vice-Presidents of the Madras Provincial Co-operative Union, member of the Executive Committee of the Madras Provincial Co-operative Bank, and Director of the South India Co-operative Insurance Society and the Vice-President of the Central Land Mortgage Bank. Besides he was a member of the Townshend Committee and as a member of the Local Legislative Council he has been devoting great attention to problems concerning the co-operative movement.

As is inevitable in any address bearing upon economics and co-operation delivered at the present time, he started with a reference to the present economic depression and its effect upon the movement with special reference to the position of the agriculturists. He reiterated his belief that without some measure of debt conciliation adequate relief could not be given to the heavily indebted agriculturist and pleaded for a sympathetic treatment of the bill he has introduced in the Legislative Council, by the party in power. We are glad to note that the Government have appointed a Civilian Officer to ascertain the extent of agricultural indebtedness and report within six months. But we regret to note that the local government are unable to commit themselves even to the principles of Mr. Chettiar's bill. Dealing with the Co-operative Movement in particular, he assured the public at large, as the Joint Registrar did in his address at the Madras International Co-operators' Day Celebration, that there is absolutely no need for panic on the part of investors and that the Movement is financially quite sound. Mr. Chettiyar, however, suggested that hereafter members should be made to depend for their help on co-operative institutions only and that they should not borrow outside. He referred to the growing popularity of the land mortgage banks and pleaded for co-ordination of the different co-operative agencies working for the amelioration of the condition of the agriculturist such as the primary society catering to his short-term needs, the Land Mortgage Banks catering to his long-term requirements and marketing societies helping him get better prices for the produce he raises from his fields. We are not sure whether the rate of progress of the Land Mortgage Banks is at all commensurate with the requirements of the indebted agriculturist. In reviewing the progress of the Central Land Mortgage Bank we had occasion to observe that consistent with safety, the authorities of the Bank have been trying to expand; but expansion has not been rapid enough to meet the requirements of the agriculturist and certainly not so as to enable him to confine himself exclusively within the movement for all his financial requirements. In this connection we venture to suggest that having regard to the easy money market conditions the rate of interest to the ultimate borrower may be reduced to 6 per cent. and the period for repayment may be extended up to 30 years. These measures will give larger relief to agricultural debts.

Dealing with the question of Supervision, which is one of the most important problems engaging the attention of all leaders of co-operation, Mr. Chettiyar had no cut and dry solution to offer. He declared himself to be "not one who believes in any one panacea being universal. Problems as well as their remedies differ from place to place." It is just possible that this theory of different solutions for different areas might lead us to one extreme while the opposite theory of centralisation might perhaps, take us to the other extreme, and co-operators have to steer clear of these two extremes and devise a *via media*. The policy of the Provincial Co-operative Union as expressed in one of its resolutions that wherever unions are functioning efficiently they may be encouraged to continue and District Banks might take up supervision directly in areas where supervising unions are not functioning properly, seems to be an eminently workable plan and this may be tried before we decide in favour of scrapping the existing machinery and handing over all supervision to district banks or other agencies that might be created.

Regarding the queston of co-operative education Mr. Chettiyar said that so far as this province is concerned the actual working of the co-operative institutions is in the hands of non-officials and the Department has not shown any great tendency to interfere in their working. Mr. Chettiyar goes on to add that "the Provincial Co-operative Union has been allowed to have its own way and also conducted training of candidates for service in the Department and in the non-official institutions". In the Editorial note on Co-operative Training in Madras which we published in July last, we traced the history of co-operative training in our province and it will be seen from that the training institutes were started without the Provincial Co-operative Union being consulted. They were latter on brought under the co-ordinating agency of the Provincial Co-operative Union; but the government started an institute of its own and closed it down only on account of economic depression, and even now when the economic position has improved a wee bit, they have started again another institute for the training of the patricians of co-operation, those who are likely to be incorporated in the Government service, leaving it to the Provincial Co-operative Union to train the large number of plebeians of the co-operative service, through a short course of five months which the Provincial Union before condemned as useless. We are glad however that

Mr. Chettiyar has voiced forth the opinion of a number of co-operators in demanding the formation of a co-operative college in Madras and we hope his very modest request of non-officials being put in charge of this co-operative school started by the Government will be acceeded to.

We are sorry we have to differ from Mr. Chettiyar on an important point, namely, his views on the audit. We are not at all certain whether many share his view that audit at least so far as Central Banks and large Urban Banks are concerned would be better done by departmental agency. The P.C.U. once expressed the view that it would be better done by certified auditors who are on the Government approved list should be under the control of independent. We are glad that Mr. Chettiyar has pleaded for the Government doing audit of all co-operative societies free of fees as auditing is one of the duties of the Department. We endorse his valuable suggestion that the Government should bring about the proper co-ordination of the various agencies engaged in village uplift, such as the departments of Agriculture, Co-operation, Veterinary, Education, Public Health etc.

The complaint of the Registrar mentioned in two of his reports that local board politics is being imported into co-operative movement is echoed by Mr. Chettiyar. A prominent public man that he is, and hailing from an important district, he knows more about this than people in Madras are likely to know. We hope his statement that there have been complaints that "influence has been brought to bear in some matters from persons highly placed to the detriment of the movement", refers to persons not only highly placed among the non-officials, but also amongst officials, because we have heard some complaints about co-operative officials taking part and party elections. We may not be in a position to substantiate the statement, but we agree with Mr. Chettiyar that "those who are in high positions should not give room even for a suspicion of this kind."

Consumers' Co-operation in Madras.

There is so much of talk about non-credit co-operation at the present time that we need offer no apology for reviewing the state of affairs as revealed by the Audit Reports of the three Consumers' Co-operative Societies working in the City of Madras. The store-movement has not been thriving very well in other parts of India and in most of the places where there are successful stores, they are run by Madrasis, as in Paono

Bombay, Karachi and Delhi. Madras, has, therefore, established a reputation for being able to run the stores successfully.

(i) Of the three stores in the city, we take up for study the Report of the Madras Government House Co-operative Stores first, because its membership is confined to the establishment of the Government House and hence there is a compactness and centralisation about the whole arrangement. This society has published its sixth Annual Report for the year ending 30th June 1934 and there is every evidence that the society has turned the corner and is again on its way to prosperity. It has 233 members with a paid up share capital of Rs 7,366 and they were able to effect sale of goods during the year under review to the extent of over Rs. 78,000 and earned out of the transaction a gross profit of Rs. 6036-12 and a net profit of Rs. 2,642-10. They have steadily been adding on to their reserve fund, which, during the short period of the existence of the society, *i.e.*, six years, has amounted to the substantial sum of Rs. 6,913-14. Except for the first year of its starting, when they declared a dividend of 6½ per cent. upon the paid up share capital, they have been declaring during all the other five years of its existence 9 per cent dividend on capital and what is still more interesting, all through the six years they have been able to pay three pies per rupee upon purchase to members, which is a very creditable record of progress. The success of this institution is due to the fact that the members, as we remarked before, are under one central agency and the authorities of the Government House have been co-operating most enthusiastically with the Board of Management of the Society. We hope that members would continue to be cent per cent loyal to the stores and enable the Board of Management to run the society more efficiently and, therefore, more profitably to all concerned. We wish the institution all success.

(ii) The M. & S. M., Railway Co-operative Society has a very much longer record than any other co-operative store in the province. Technically speaking it is a continuation of an old society established in 1878 and hence it has been in existence for 55 years. The latest report available is for the year ending 31st March 1933. We see that during the year under review it had 6052 share holders who have subscribed among themselves a share capital amounting to Rs. 1,31,970. The Society has got a main depot at Rayapuram, Madras, and has branches at Hubli, Guntakal, Bitragunta, Jolarpet, Arkonam and Gooty, besides branches one and two at Perambur and another at Park Town, Madras. The total sales for the year under review amounted to Rs. 6,37,359, giving a net profit of Rs. 6,671; but as the society has already a loss of Rs. 7,000 and odd, the Directors recommended this profit to be adjusted. They have yet a small fraction of loss to be made up. They have got four departments of grain stores, country stores, European stores and piece goods. Working expenses for the year amounted to over Rs. 78,000-which, we are glad to know, is slightly less than the amount for the previous financial year.

This society is also composed, like the Government House Society, of the employees of a single institution, the M. & S. M., Railway; but differs from the other in this respect, namely, that it has branches spread over long distances and the number of members is pretty large, but because of the homogeneity secured by single management they are able to run the store with some success. We hope the store would be able to induce its members to become more loyal and reduce the cost of the establishment and thus render cheaper, but none the less efficient, service to its members.

(iii) The Triplicane Urban Co-operative Society. This premier store of the province, nay of the whole of India, is in the habit of submitting its balance sheet every half year and we have before us the balance sheet for the two half years of 1933. We see that the year 1933, as revealed by the same figures of all the three societies was, from the commercial point of view, a bad year, *i.e.*, prices of articles were very low; and no wonder, therefore, the T.U.C.S., worked at a loss in the first half of the year though it was able to earn a profit in the second half. The membership of the Society stood at 5774 and the capital as on 31-12-1933 stood at Rs. 96,456. This Society has 26 branches spread over the various divisions of the Madras City including the suburban areas of Perambur, Villivakam, Mambalam and Saidapet.

We would like to make one observation about the way in which the common good fund of this society is utilised. They have a funded capital of Rs. 37,164 as common good fund and usually the interest alone from this is being utilised for running reading rooms in the branches. Whenever profits are declared and a portion of that profit as fixed by the bye-laws is added to the common good fund that goes to augment

the *Corpus* of the fund; we would like that this fund be utilised for education and propaganda more even than for running reading rooms. Most of the branches subscribe for one or two dailies and some illustrated magazines and very little money is spent in *Co-operative Propaganda.* There is a healthy tendency now seen, of branches celebrating 'Branch Day' which gives an opportunity to all the members of the branch meeting together and, as is often the case, of hearing some prominent co-operator expound to them some aspect of consumers co-operation. Money spent in this direction would be far more usefully spent than in maintaining reading rooms for the sake of a few members' only at the branches. We say advisedly 'for the sake of a few members' because, most of the members get their own copies of the dailies subscribed for at the reading room. In the earlier days, when the number of branches was much less, the Head Office celebrated the Co-operators' Day, when, after light refreshments, some prominent co-operator was requested to lecture on some aspect of the co-operative movement. For some reason or other, this good practice has, in reasent times, fallen into disuse. Perhaps the growth in the size of the society and the inconvenience felt by members of the distant branches to come to the Head Quarters to take part in the celebrations at the Head-Quarters are some of the reasons. If so the present practice of having local celebrations is to be welcomed and more money might be spent in making these celebrations really educative instead of degenerating into a *tamasha.* We would also suggest the Educational Committee concentrating attention on preparing some leaflets stating briefly and clearly, the rights and duties of every member, copies of which may be distributed among the members when they are recruited. As a matter of fact, no attempt is being made at tht present time to educate the fresh recruits in the matter of their rights and duties and in the fundamental Principles of consumers' co-operation of which the T. U. C. S., is an outstanding example. The commongood fund cannot be better utilised than in the spreading of the gospel of consumers' co-operation, through leaflets and pamphlets of an attractive nature-half advertisement and half propaganda.

Consumers' Co-operation in the West.

We would also invite the attention of the authorities of all these three consumers' co-operative societies in the city of Madras and all other societies in various parts of India to the fact that it is necessary to re-examine the fundamentals of consumers' co-operation and effect slight modifications to suit local conditions and requirements. We would invite the attention of those interested in this problem to the admirable report submitted to the 14th International Co-operators' Congress held recently at London, by the Committee which was specially asked to discuss the question of the present application of the Rochdale principles of Co-operation to the Consumer' co-operative societies. This Committee went into the question at great length and have enunciated seven important points which they consider to have been the essential principles of Rochdale pioneers as revealed by researches into the old records. They are:

I. Open Membership.
II. Democratic Control.
III. Dividend on purchase.
IV. Limited interest on capital.
V. Political and religious neutrality.
VI. Cash Trading.
VII. Promotion of Education.

With regard to each of these topics there is in the Report of the Committee submitted to the Congress, a section consisting of research conducted regarding the old practice and the gradual evolution of the rule, another section about the present application of the principle in all parts of the world and a third called conclusion, wherein the Committee make their final recommendation about the principle. They consider the first four alone as affecting the fundamentals of consumer's co-operation and would relegate the last three to the position of essential methods of action and organization rather than standards, the non-observance of which would destroy the co-operative character of the society. It is interesting to note that amongst the three relegated to a comparitively unimportant place comes cash trading. We have been told by teachers of co-operation in this country that the bedrock of consumers' co-operation are "Sale to members, Sale for cash and Sale at the market price". The report also has valuable information to give on these other two points, namely, sale to members and sale at the market price. The report forms very suggestive and useful reading and we hope the authorities in charge of consumers' societies in this country will study this valuable report, give that importance to its recommendations and observations that they deserve and remodel their practices in the light of the experience of the other nations of the world. We lay special emphasis upon remodelling our practices because there is a tendency visible in the case of those responsible for running the movement in this country to cling on to some formulae as if they are applicable for all time and under all circumstances. The way in which our friends in the west keep their practice flexible and change them from time to time in the light of experiences either of themselves or of others should be an eye-opener to our Diehards. We hope there would be a strong impetus given to Consumers' Co-operation in this country as a result of the spread of correct information as to what is being done elsewhere.

Women and the Co-operative Movement

BY MR. V. SRINIVASAN, M.A.

'OF WHOLE HEART COMETH HOPE'

W. C. G. Motto.

In 1930 the Punjab Provincial Banking Enquiry Committee reported[1] that 128 Co-operative Societies existed in that province worked entirely by women adding, 'in four or five years 2,000 women have accumulated nearly a lakh of rupees.' This certainly is striking when it is remembered that the Co-operative Movement in our country is less than fifty years old.

The women of the West, however, took to co-operation long ago. Their first society was started in England as early as 1834, just a century ago, for selling tea and coffee in order to establish dwelling houses for its members. They have advanced from success to success since that date.

But it should be remembered that women's attitude was one of apathy in many countries. The German view of a woman was that of a housemaker and in France an attempt made under high auspices to form a guild of women miscarried[2] and women's opposition appears to have rendered the Northern region rather backward in matters pertaining to co-operative marketing of milk.[3] Even in England membership of societies was for a long time limited by practice to men, usually one male member, the husband in a family. The inevitable change came with the use of the feminist movement, the position of inferiority was galling to women's newly developed sense of pride and equality and the practice commenced of securing by resort to what is known as the 'open membership' system as many members as possible in a family to membership of Co-operative Societies.[4]

The early apathy is in a way intelligible and has been explained by the fact that a housewife preferred the shop in the street corner to a store farther away. She might receive in the street shop an attention which she is not paid in the co-operative store. As wage spender she has also an eye on small discounts which the co-operative system does not allow her. A co-operative bakery may not

[1] at page 154 of their Report.
[2] Gide: *Consumers Co-operative Societies*, p. 74.
[3] M. Tiefainne: *Les Laitokes, Co-operatives en France*, p. 28. q. i. C. R Fay: *Co-operation at home and abroad*, p. 124.
[4] F. Hall: *Handbook for members of Co-operative Societies*, p. 39.

again provide her a gossiping centre as in the market-place and will not cook her *tit bits* in the oven as does the private baker. And she cannot look and pick as in a market. No wonder women were chary in using Co-operative institutions.

It was however found necessary that women should be converted, fitted as they were for running restaurants, and hence their adhesion is recognised to-day as a *sine quo non* of effective and useful co-operative work. The history of the Women's Co-operative Guild in England shows what women could do when properly organised and illustrates besides the change in their status during the past generation.

It was at the Congress of 1883 held at Edinburgh that the proposal was mooted by Mrs. A. D. Acland for a separate meeting for co-operative mothers. From her modest suggestion emerged a plan of a league which resulted in the organisation of the Women's Co-operative Guild on the lines of the men's guild. The Guild which had 930 branches in 1920 and a membership of 46000[1] has come to be regarded with its district and sectional arms as the strongest organisation of married women known to history. It has a page in the *Co-operative News* and has exerted itself by relentless propaganda in combatting mercantilist tendencies in the co-operative movement. It has instilled in its members a passionate love of knowledge and by its district conferences and through its spectacular annual meetings it has caught the imagination of English women and has combined them into a coherent force whose influence on consideration of social questions of import has been deep and profound.

Though at the left wing of the movement and essentially feminist in out look, the Guild has been interesting itself not in utopian schemes but in practical projects which may be given shape to by parliamentary and administrative sanction. Politics generally has no inducement to co-operators but the Guild made a departure when it endeavoured once to secure the reform of the Divorce law—a matter which roused strong feeling amongst the Roman Catholic members. In 1905 the Guild persuaded the English Co-operative Union to appoint a committee to carry on a definite anti-credit campaign. It has offered amendments to the Insurance Act and has secured the admission of domestic servants to the benefits of National Insurance Schemes. It has also been responsible for the starting

[1] Julia P. Madams: *The Story Retold*, p. 167.

of several maternity centres and as early as 1897 it undertook what amounted to a public health campaign and its agitation resulted in the creation of the Public Health Ministry. The care of the convalescent is among the Guild's minor objects and it supports a Convalescent Fund, an unique memorial to Mrs. Benjamin Jones, one of its early presidents. The Guild's policy in matters regarding factory legislation has been progressive and it agiated for a minimum wage for women and the fixing of it at 17 shillings is a memorable event in the history of British labour. Much attention has also been bestowed by its members on the public aspect of the housing problem and the Co-operative Settlement of Sunderland in 1902, though short lived,[1] is a testimony to their zeal in this sphere. The Guild has also striven hard for the promotion of industrial peace, has enjoined its members to join the A.U.C.E. in large members and turning down in 1920 a proposal for amalgamation with the men's body it has kept a distinctive and individual existence. 50

Organisations similar to the W. C. G. have been formed for Scotland and Ireland which have been however constrained by political considerations to confine themselves to safe activities. The English Guild indeed had its genesis at Edinburgh but many years had to pass before Scotland had one of her own. In 1889 the Education Committee of the Kinning Park Society started domestic economy classes for Women and the honour of founding the Scottish Guild for women (1892) belongs to Mr. Duncan McCulloch and Mrs. McLean. The distinctive work of the Guild has been in respect of the Scottish Convalescent Home for which it has raised considerable funds. In 1920 the Guild had 270 branches with 28,746 members.[2]

The Irish Women's Co-operative Guild was formed in 1906 by the union of seven branches of the Scottish Guild. Its educational work is modelled on that of the parent organisation, the English Guild. It had a membership of 1200 women in 1920 spread over sixteen branches.[3]

These Guilds have afforded British Women congenial opportunities for taking their place in the heirarchy of social duties from local councils to national boards. During the war their members did meritorious work and they held seats on the various committees

[1] It was closed in 1904. cp. Catherine Webb: *Industrial Co-operation*, p. 221.
[2] Julia P. Madams: *The Story Retold*, p. 177 (note).
[3] *Ibid*, p. 177.

appointed by Government, they worked as poor law guardians, they worked on maternity committees and served with equal zeal on food control boards. Creditable indeed has been their record.

Their sisters on the other side of the Atlantic were not to be beaten in their ardour for Co-operation and had played their own part, particularly in the urban credit movement. Women for instance operate the Industrial Credit Union of Boston, Massachusett's oldest and most successful Credit Union.[1]

The formation of Women's associations was one of the functions of Japan's famous Society for returning good for good—the Hotokusha.[2]

On the continent of Europe, however, the path of women has been beset with difficulties. Not much progress is visible in France and Germany but guilds like those of Britain have been working in Holland and Hungary while the Women's Guilds of Sweeden have rendered yeoman service to the movement during the 27 years of its history"[3]. In Belgium Women are not admitted to responsible places in middle class bodies like the Antwerp Eigenhulp Society but they appear to enjoy greater privileges in the more plebeian organisations like the Women Workers League (Le Lableur Feminin) at Brussels, where members produce good works of art and articles of fancy.[4] Several other guilds function as the one at Terbanck and they are all affiliated to the characteristic Belgian institutties known as the Central Bond.[5] In Italy the Co-operative Industrial Femininity at Palermo has been working for sometime. It bears a close resemblance to the Le Labour Femmini of Brussels and is composed of war widows engaged in the making of lace linen and ornamental chains.[6]

What has been said indicates the extent to which women of all lands have taken to co-operation. Some progress is visible in India too and, there is indeed much scope for women in the field of cottage industries and handicrafts. Experience elsewhere would offer to show that the quickest way of spreading co-operative ideas is to win the heart of the housewife and the female members of the population. For the movement to succeed it has been found necessary that they should be converted and it is among them and by them that much of the social work of the nation has to be done.

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1 Roy F. Bergengren: *Co-operative Banking*, pp. 138, 273.
2 Kiyoshi Ogata: *The Co-operative Movement in Japan*, p. 52.
3 Axel Gjores: *Co-operation in Sweden*, 77.
4 C. F. Strickland: *Studies in European Co-operation*, pp. 30-31.
5 *Ibid*, p. 34.
6 *Ibid*, p. 56.

Co-operation and Students.

By S. A. Sankaranarayana Iyer, M.A., L.T.,

Modern society is based on the idea of profit as the sole end of human existence and the many ills, social and political from which we are at present suffering may, with confidence, be traced to this operating factor. The Communistic type of Society now being experimented in Russia is the first manifestation of the revolt against this social order. It seeks to reorganise the society by elevating the labourer and dethroning the capitalist by having recourse to violent revolutionary changes both in the social and in the political field. But it is the ideal of Co-operation to seek to realise the same end by peaceful and educative means. It is concerned with bringing about a radical transformation in human outlook by fostering the ideals of service, love and patriotism: in creating a new earthly paradise described as the Co-operative Commonwealth.

In 1844 some flannel weavers in Rochdale, England, revolting from the injustices occurring in their company stores, due to artificially enhanced prices and frequent adulteration organised a store of their own with the following constitution:

1. every member of the store has a single vote,
2. that goods should be sold at the market price,
3. that the capital invested in the society should receive only the legal rate of interest,
4. if at the end of each quarter a surplus occurred after meeting all expenses and creating a reserve fund it should be distributed to the members in-proportion to their patronage.

At the 13th session of the International Co-operative Alliance Congress held in Vienna in August 1930, the task of enquiring into the present day application of the fundamental principles of the Co-operative movement was undertaken. The basis of the Rochdale Pioneers has been accepted as the unalterable basis of the Co-operative movement.

In consonance with this declaration the Central Committee of International Co-operative Alliance which met in October 1931 in Paris unanimously resolved that "the solution of Present world difficulties lies in the application and generalisation of the principles on which the Co-operative organisation of commerce and industry is based."

Our modern social system is based on competition and private profit and the consequent exploitation of the poor by the rich and the labourer by the capitalist. The inequalities in life and the consequent ills of human existence are all traced to the individualistic philosophy and the capitalistic organisation of society consequent on the Industrial Revolution and the Napoleonic wars.

Our Co-operative system offers the only effective alternative to this anarchy of competition and private profit, for it is based on service to the community and the elimination of private gain, and puts an end to the inequalities between the resources of the Consumer and the producer. Co-operation is, thus, built on the great spiritual values of friendship, service, trust and brotherhood.

Dr. Warbasse the well known American Writer defines a Co-operative society as "a voluntary association in which the people organise democratically to supply their needs through mutual action in which the motive of production and distribution is service, not profit, and in which it is the aim that the performance of useful labour shall give access to the best rewards—the ultimate tendency is the creation of a new social structure that shall be capable of supplanting both profit making industry and the compulsory political state by the Co-operative organisation of society".

Here is a vision of a glorious future through a Co-operative organisation.

But in March last year the Registrar of Co-operative Societies in a speech delivered at the Senate House deplored the failure of the Co-operative movement in South India.

He said that the rural societies in South India were often dominated by unscrupulous men diverting the resources of the societies for their own individual private ends. Here is a serious indictment against the character and credit of most of our men living in villages. Our men are lacking in habits of thrift. Our villages are steeped in rank ignorance and poverty and honorary workers in villages are rarely to be found.

Even in towns, taking loans and discharging them are the Alpha and Omega of Co-operation. Under the circumstances the glorious vision of a co-operative commonwealth and the social order based on the conceptions of democracy, service and brotherhood seems as though it can never be realised on the Indian soil.

The reason is not far to seek. The Co-operative movement in India is not an indegenious growth. As Mr. Strathie rightly described there has been no proved necessity in this Presidency referring to the problem of Co-operation from the point of view of supplying credit to the Agriculturist.

We in India live in villages to the extent of 90 per cent and our main occupation is Agriculture. There is no branch of village life which cannot be brought under co-operation. This movement is thus synonymous with village uplift. At this present moment the village life is anything but desirable. Rural India if it is to be prosperous needs the right type of men who can bring to her the benefits of Co-operation.

A village credit society, a small store Society, a co-operative adult school, a society for improving the sanitation and lighting of the village and another for supplying pure drinking water, and medical help have all to be—developed and worked by proper type of people who must have the welfare of the people of the village at heat. In other words the foundations of rural uplift must be based on Co-operative principles and policy.

Here is the proper field for the work of our University men. It is in the Universities that new knowledge which is the cause of progress grows. The life in the Indian University is alien to the soil unlike the life in the Universities of the West which are products of the life and history of the nation.

Because Indian Universities are foreign to the life and history of the Indian nation, they have a very important obligation to discharge in spreading the culture of the University to the nation. It is to this want of the assimilation of the culture of the University with the life of the nation that is responsible for the inefficient working of many of our important institutions in India the Local Boards and Municipalities; and the dwindling of the Co-operative spirit which is not a little to be deplored is due to the same cause. The 90 per cent of our people who are living in the villages are living on the old learning of India which has become useless. They suffer many ills, physical, moral and intellectual. In Europe men have learnt how to live well free from dirt, disease and stupidity. We in India live in disease, famine, chronic poverty, rank ignorance and superstition.

In Ancient India we have the evidence from the Brihadaranyka Upanishad that a group of scholars would wander from place to place holding intellectual discourses and debates thus popularising new knowledge and culture. In modern times we are lacking in such a machinery for popularising new culture that comes to us through Universities. University students in India should be made to study how to utilize science for improving village conditions and carry the knowledge of social sciences to the doors of the villagers. I foressee a great future for India, if only our students are so organised as to carry the message of the Co-operative movement to the villages. Mr. S. V. Ramamoorthy the Director of Agriculture in our Presidency recommends a compulsory training course for our University graduates *viz.* travelling in villages for imparting to villagers the knowledge of social and Natural sciences they have acquired in the Universities. Until and unless there is instituted what he has called intellectual conscription for the graduates of our University I am unable to foresee any future for our country whose development on Co-operative lines can alone solve the many ills to which she is at present subject.

The Menace to Co-operation.

By R. Satyanarayana Pantulu, B.A., B.L.,

If what is stated below smacks something of pessimism to some ardent, honest souls in the field of co-operation, I would like to assure them that the writer has given vent to such sentiments not on account of want of faith in, but mainly because of the existence of firm faith in the co-operative principles or ideals. The high place that co-operation occupies in the economy of things on this side of the world is easily secured and it is indisputable. The movemen has come to stay thanks to the selfless work of noble souls for the last 20 to 30 years. While going forward with the message of co-operation it is necessary also to look back with a view to take stock of the work. The short comings, if any, must be frankly exposed as they are of the man and his method but not of the movement. The movement has to be guarded against such pit-falls at any time.

Men who have something to do with co-operative institutions either in salaried official chairs or in honorary non-official seats but who can always speak with much authority or force on the matter, have expressed their views which must commend themselves to the generality of the public. According to all agreed notions, the real danger to the movement lies with the men and their methods of work. In the federal co-operative structure the primary societies with unlimited liability are the units and as such, they must play a very important part. Their weakness or their strength is the weakness or the strength of the whole superstructure so long as this federal basis continues.

Owing to the educational policy pursued in the immediate past each village cannot boast of more than a couple of literate or educated men. The popular desire to migrate to towns inquest of jobs keeps the village devoid of any men with some light. Of the men residing in the village, generally either the village officers or some one of their family and at times a well-to-do man of the village who carries on a money-lending business locally would be in a position to dominate the whole village. In some cases, where societies were hastily organised, we find unscrupulous men being at the helm of affairs apparently aided by unwilling or un-knowing men who just make up the required number in the directorate. The village school master is prohibited from being drafted to the Panchayat.

It is common knowledge that these men grab at power and so get into the directorate of village societies. Afterwards, no elections are held or recitals of a fictitious meeting for a general election would be found in the minutes book and signed by the president of the society or chairman of the meeting. The dishonest man, having thus made his position secure either permanently or from year to year uses all his resources to make the village society a supply agency of his own credit: In the name of social service, he elects himself as a delegate to other institutions to draw his travelling allowance; he will create benami loans in the name of his brother or other near relative or farm-servant; he invents a fictitious loan in the name of a person absent at Rangoon or Singapore and sometimes the absentee is not heard of by his own near and dear people for the last seven years and more. In his worldly wisdom, he will grant loans to his lessees, without any capacity to pay, and without any mind to realise and appropriates the loan amount towards the cist due to him or his relatives; The shrewd man has got other modes of reducting the cash balance which I will discuss when I deal with the methods. As the person in the seat of authority is himself a defaultor either directly or indirectly, he generally cannot and naturally unwilling to enforce discipline and take coersive steps against the other men; some of them put off payment because there is no pressure; some of them do not pay because others of the society are not paying; and some others cannot pay because they have no re-paying capacity; while some others think that they need not pay because they have only lent their names to the loan sometimes knowingly and sometimes unknowingly. These office bearers who have eaten away their principles, if any, exploit the credulity of the ignorant masses, exploit the credit of the borrowing village society and exploit the credit of the financing Central Bank. When no steps are taken, loans get time-barred. To remove the semblance of default from one's loan for election purposes one would strike out his name, if he happens to be a direct defaultor, in the loan ledger or the bond, and would replace it by the name of one of his dependents.

Then, it may be asked what is the union or the supervisor doing. The directors of the union are mostly these self-elected men who strive their best to get themselves elected by tipping or cajoling or otherwise canvassing the other delegates to the Union from the societies, who are so many birds of the same feather. After being elected, they try to retain their positions by winking at the short

comings of the societies and the omissions of the Supervisors, who pose themselves to be the custodians of technical knowledge of co-operation, overpowering the office bearers with their undigested co-operative lore and who reciprocally pledge themselves not to divulge the illegalities of the village society or who feel hesitant to lay bare the irregularities of the societies whose office bearers happen to be the functionaries of the Union also. In other cases, if at all the supervisors go to the village they have got to depend upon the hospitality of the mean exploiter to appease his wants. Even if the unworthy acts of village societies come to the notice of the Union the directorate strike a profitable bargain to suppress the commissions and omissions of the societies in consideration of retention of their popularity with the society delegates till next elections.

This is one aspect of the matter. So far I have dealt with the man *in the movement*. I will deal with the methods obtaining in the movement at some other time. The result is that the business aspect of the concern has been lost sight of. The inherently noble ideals of the great founders of the healthy movement met with a rude shock at the untidy hands of rural leaders. The urge to conscientious work given by the worthy band of co-operators from the metropolis either does not reach the little rural leader or is interpreted by his half knowledge in a dangerous self-serving manner shutting their eyes to the light thrown on the matter by official and non-official pandits.

I make bold to write, at the risk of being misunderstood, this, not with any despair for the movement, not with any motive to bring the movement into disrepute which is bound to thrive and go ahead in spite of the silly and selfish acts of 'mahajans' of the rural area. My aim is to forewarn those that are to be forearmed for safe-guarding the altruistic principles and ideals of the co-operative movement in its youthful carreer.

There are very many trained and qualified men in the field, who are out of work. They may be distributed throughout the area either one to each society or to a group of 2 or 3 societies not only to do the clerical work but also, if necessary to discharge the functions of the board of directors if it has got to be superseded at any time. The first requisite is unflagging and disciplined service.

If the loans are well secured, if there is a real demand for repayment at the proper season, if the punctual members do not suffer by the default of a few parasites in the society, if the executive work of the society goes on according to instructions form above, then the great future of the rural uplift is soundly assured.

Wanted Faith in Co-operative Ideals*.

BY K. C. RAMAKRISHNAN.

The International Co-operators' Day was not, perhaps an occasion for discussing parochial problems or ventilating local grievances. It was, however, desirable to draw the attention of those assembled to the striking contrast suggested by the compromising attitude adopted and the puny efforts made by most co-operators in this country to the lofty ideals held and the strenuous endeavours made by the leading lights in the International Co-operators' organisations. The fundamental difference seemed to the speaker to lie in the lack of faith in co-operative ideals in this country. The contrast might be brought out by a few illustrations of our failings.

Let us first take the choice of our Directors. The Registrar in his last Administration Report deplored the tendency of members of local bodies in the mofussil trying to grasp co-operative offices also. Things were not much better in the city. The Madras District Co-operative Bank had passed a wholesome by-law that anyone who was a Director of a joint-stock bank should not be eligible for a seat on its own Directorate on the notion evidently that the two were rival institutions. This has roused the warth of some local magnates. Indeed there were amongst us many honorary workers' who were out for honour and not for work and few who cared to specialise in a field or two with zeal and devotion. There was in the west a distinct cleavage between the capitalist world and the co-operative, and the latter took pride in choosing and developing its own leaders. But the plutocrat or politician in our country was not tired of honours and wanted to be everywhere; while the genuine co-operator fought shy of leadership and had almost a craven fear of becoming great.

As regards the extent of the spread of the movement, particularly in the sphere of marketing the produce of members which has been engaging the minds of co-operators everywhere, a comparison of our position with that of any other country could not but depress some of our ardent spirits. While a few officials declared from their office tops their lack of faith in co-operation doing any good to the people of this country with a candour which disarmed criticism, most of the officials and a number of non-officials seemed to be supremely satisfied with the very small successes achieved by our

* Substance of an address by Mr. K. C. Ramakrishnan at the meeting on the International Co-operators' Day at the Provincial Co-operative Union, Madras, on 3rd November 1934.

co-operative societies in marketing. In fact the business done by the best of our sale societies, like the one at Tirupur, was insignificant by the side of private trade flourishing in the locality. There was no insistant demand for bringing in, by persuasion as in Denmark and Holland or by legislation of the semi-compulsory type as in British colonies or even in Great Britain now, almost all the producers within the movement. Poor indeed are the chances of survival of co-operative sale societies of the magnitude we have—which might well strike an observer as window-dressing or a side-show to the main credit edifice.

Again, on the subject of linking consumers' societies with producers', which international co-operators have been for some years past been anxious to promote, we have in this country hardly begun to discuss this problem. Indeed there is little scope for such an ideally co-operative solutiou of our marketing problem, for the primary reason that stores are little developed here and sale societies are fostered more in the case of commercial and industrial crops than of directly and locally consumable stuffs. The Triplicane Stores (the T.U.C.S.) which is the biggest of its kind in India has made a few stray attempts to buy from co-operative sale societies dealing in foodstuffs. But it has both disappointed and been disappointed in such transactions. This was not the occasion to enter into the details of the difficulties encountered but the object was eminently worthy of pursuit by co-operators and worthy of special encouragement by the Department.

Lastly, trade restrictions of all sorts, including the Ottawa Pact, were anathema to international co-operators and firmly worded resolutions condemning all such agreements have been passed in co-operative gatherings. It was unfortunate that in India where the Government has taken such prominent part in organising and controlling co-operative societies such measures of State could not be discussed by officials. But barring a few leaders, who have in their individual capacity written and spoken on such topics, non-official co-operators as a class have kept silent on such un-co-operative measures.

This meeting on the International Co-operators' Day would not have been in vain, if henceforth at least serious students of co-operation would more closely study the world economic forces and activities affecting the co-operative movement and give a lead in the discussion of such problems.

Conferences.

*THE EIGHTH MADURA RAMNAD DISTRICT CO-OPERATIVE CONFERENCE.

Held on 24th and 25th November 1934.

WELCOME ADDRESS.

Mr. E. S. Sunda, B.A., B.L., President of the Madura-Ramnad Central Co-operative Bank, as the Chairman of the Reception Committee welcomed the gathering.

Mr. Sunda, in the course of his address, referred to the pioneers of the co-operative movement in the districts of Madura and Ramnad and paid a tribute of praise to the present leaders of the movement. He next adverted to the economic depression and the downfall of prices and the consequent problem of indebtedness. The problem was however common all over the world at the present time, he added, and was engaging the attention of economists and statesmen. The question of economic planning was being discussed everywhere but it was problematic whether there was any instant remedy which could be applied to the co-operative movement. The difficulties of agriculturists were many and of different kinds in different areas and no one remedy could be applied to all of them.

The District Bank, he observed, was doing its utmost to help the suffering agriculturists and there was no reason to be despondent about the financial condition. Despite the depression there was little fear of moneys becoming irrecoverable. The Bank had a membership of 506 Societies and 156 individual members. There were 18 unions and though each revenue taluk did not have a Union it was felt that it was needless to multiply unions which could not work efficiently. It was further felt that it was not possible to decrease the number of unions. While he could not claim that all the co-operative societies were being run on sound lines he would not support the idea of getting rid of them altogether but would suggest that they should be reformed. The work done by the union supervisors and officers of the Federation during the

* The Presidential Address of this Conference is published in this number as a supplement.

last year was appreciable and if such a work had been started years ago the movement could have made much headway. Though he was not going to give his opinion one way or the other on the question of representation in the District Bank, from the opinion received in reply to the working committee's questionnaire it was seen that the idea of decreasing the representation of unions, increasing that of Urban Banks and increasing representation for individuals was viewed with disfavour.

The Urban Banks in the two districts were in a flourishing condition and the primary societies too were generally working soundly despite the depression. It could not be said that co-operative stores had made much progress in the district. There were three Land Mortgage Banks in the District, one for Madura Taluk, one for Uthamapalayam and another for Sholavandan.

Marketing Societies had not been started in large numbers. The marketing society which was working for several years at Dindigul had opened an out-agency at Oddan Chattram and was doing good business. Another society was recently opened at Madura by the Hon'ble Mr. P. T. Rajan and was doing good work.

Building societies have been turning out really good work in Madura district and particularly in Madura city. With the aid of such societies a number of houses had been built at Sockikulam and several houses constructed for poor people at Arapalayam. The Government need have no fear in the advancing of loans to such societies as the loans were on the security of the buildings. In this connection he suggested that the accumulation of deposits to District Banks could well be utilised for making mortgage loans to building societies if the Government would approve of such a proposal.

It was worthy of note, said Mr. Sunda, that the benefits of co-operation have been extended to the depressed classes. There was a society working for the benefit of fishermen at Tondi and another society was doing service to Adi-Dravidas at Nilacottai.

Referring to the question of marketing of grains the address says that the District Boards owed a duty to the agriculturists by providing all possible facilities for transport of commodities by means of constructing and maintaining roads and bridges. The idea of appointing marketing officers to help the agriculturists was welcomed and it was suggested that such appointments should be made from among experienced non-official workers. In this connection there was great need for co-ordination of work among the various Government departments.

The speaker next referred to the appointments in the Rural Credit Department of the Reserve Bank and to the need on the part of co-operators and co-operative institutions taking a large number of shares in the Reserve Bank so as to make the above Bank serve a good purpose towards the co-operative institutions.—*By courtesy "The Hindu."*

OPENING ADDRESS.

The Hon. Mr. Rajan then declared the Conference open. Before doing so he said:

The Chairman had dealt at length on the difficulties of ryots and how that co-operation could be welcome to render the necessary help to them. In their as well as difficulties, if there is one way of hope, it is this: The co-operative movement will help them to solve our difficulties and find a new era of economic plenty and peace."

"I am sorry that when we are pinning our faith in this movement, the movement is in bad way. All is not well in the State of Denmark. Everywhere one turns, there are factions. What is worse, the factions in local bodies and Municipal Councils throughout the Presidency have their reactions in the co-operative movement. What time the department had to give a right lead and the necessary help to the co-operators that time had to be spent in deciding the arbitration claims and disputes among the co-operators themselves."

"I thought that the headquarters of the presidency at least will be in a position to set an example to the co-operators in the mofussil. I am sorry that here too there are differences of opinions. I should certainly not condemn for a moment those differences of opinion if they were healthy. I should be glad to welcome them. But I am sorry to observe that those differences of opinion have made the co-operators get into two different camps. If there is to be non-co-operation amongst co-operators, I am afraid very little can be achieved."

"If I am here to-day, it is only with a view to make a personal appeal to the co-operators present here and through them, to the

co-operators scattered throughout the presidency to sink their personal differences and unite together so that the movement can really achieve its very many objects."

"I can assure the co-operators that the Department of Co-operation and the Government will go through their suggestions and do what lies in their power to do. May I appeal once again, Brother Co-operators, to sink their differences of opinion and unite together and get the help of the Co-operative Department that is at present only sitting in judgment over co-operators. Instead of making them mere judges, I appeal to you to get their co-operation. Let them give you that help to solve the problems affecting our countrymen in the economic sphere. I have great pleasure in declaring the Conference open and wishing it every success." —"*Hindu.*"

RESOLUTIONS—PASSED AND DEFEATED AT THE CONFERENCE.

I. This conference is grieved to hear of the deaths of the following great co-operators and resolves to place on record their eminent services for the cause of the Co-operation in the District.

The late.

Messrs. 1. A. Sambamurthi Iyer, Retired Small Cause Judge and President of the Madura Urban Bank.

" 2. P. V. Narayanaswami Iyer Ex-President of the Tirumangalam Co-operative Union and Ex-Vice President of the District Bank.

" 3. G. Guruswami Iyer, Ex-Secretary of the Tirumangalam Urban Bank.

" 4. J. N. Ramanathan Ex-Secretary of the late Madura Co-operative Restaurant Society.

" 5. G. Gurumurthi Iyer, President of the Reception Committee of the VII District Conference.

II. This Conference felicitates Mr. P. S. Kumaraswami Raja, M.L.A. a great Co-operator on his election to the Assembly and requests him to try his best to serve the cause of industry, agriculture and Co-operation by introducing suitable bills and bringing amendments especially to the Reserve Bank Act.

III. This Conference felicitates Mr. V. Ramadoss Pantulu on his safe return from the International Congress of Co-operation and record their thanks for his labours in spreading the fair name of Indian Co-operation in distant parts and raising India's status in the Co-operative world.

IV. This Conference resolves that the surplus funds now lying idle in the District Bank, several Urban Banks and in the South India Co-operative Insurance Society may be utilised for the purpose of lending to Building Societies to a good habitation to poor and deserving men in several parts of the District and Presidency and that the Department may be requested to remove the restrictions on the above institutions for such financing.

V. This Conference resolves to request the District Bank to extend the period of long term loans to 10 years and short term loan to 2 years.

VI. This Conference exhorts all Co-operators and Co-operative Institutions to take shares in the Reserve Bank when its shares are open for subscription.

VII. This Conference resolves to request the Assembly and the Government to enlarge the sphere of the Rural Credit Department of the

Reserve Bank and to raise the status of the Agricultural Papers as early as possible.

VIII. This Conference is emphatically of opinion that for the posts in the Rural Credit Department, Officials and non-officials of the Co-operative Movement should be appointed and requests the Government to do so.

IX. This conference resolves to request the Department and the Central Bank to start Sale and Industrial Society to mitigate the difficulties of the Agriculturists and poor artisans.

X. This Conference resolves to request the Committee of the Imperial Agricultural Council of Reasearch that for the posts of marketing officers which it has advertised persons of tried Co-operative experience and service in the Department or as an official may be appointed and this conference is of opinion such appointments will be preferable.

XI. This conference is of opinion that to facilitate the easy and smooth working of the Land Mortgage Bank a Land register be prepared by the Government and made available for sale and that such a compilation will remove several difficulties, ryots are subject to now.

XII. This conference opines that to stabilise the market and ease the economic tension, the rate of exchange be reduced to 1sh. 4d. and that be made a permanent rate.

XIII. This conference requests the Madura and Ramnad District Boards to take early steps to connect all the villages in the Districts.

XIV. This conference requests the Government to reduce the rate of interest charged against Building societies to 4 per cent and the rate of penal interest to $6\frac{1}{4}$ per cent.

XV. This conference resolves to request the District Co-operative organisations that, to facilitate collection of overdues and to do propaganda (Co-operative agricultural etc.) in the villages efficient persons with agricultural training be appointed as salaried servants to carry on this work.

XVI. This conference resolves to request the Government to reduce the fees charged for Co-operative execution as it is heavy for primary societies.

XVII. This conference welcomes the Debt Reconciliation Bill brought by Rao Bahadur T. A Ramalingam Chettiar, B.A. B.L., M. L. C., and requests the Government to accept the same and take steps in pursuance of such an enactment.

XVIII. This conference resolves to request the Government to grant $37\frac{1}{2}$ per cent remission in kist.

XIX. This conference is of opinion that dividend equalisation fund should be opened in all Co-operative societies and that suitable amendments to by-laws should be made.

XX. This conference resolves to request the Railway authorities and the Government of India to grant concession in fares for Co-operative delegates in their tour to Co-operative conferences and back.

XXI. This conference resolves to request the Government to reduce the stamp, registration and encumbrance certificate charges and that societies be given full remission as of old.

XXII. This conference resolves to request the Government of India to exempt Co-operative societies from the payment of postal and money order charges.

XXIII. This conference resolves to request the Railway authorities and the Government of India to enact legislation, for half concession rates for the transit of articles of the Co-operative Stores and other non-credit societies.

XXIV. This conference resolves to request the Central Bank to accept payment of interest at 6¼ per cent when the payment of all arrears is made.

XXV. This conference is of opinion that for the two long districts of Madura and Ramnad as there are only 18 Unions, there is no necessity for lowering the number of Unions in the Bank area.

Resolutions not accepted but defeated.

1. This conference resolves that to guard the interest of Urban Banks (in the Central Bank) two seats both in the Board and Executive of the Board be given to Urban Banks by direct representation (and not through the Unions) lost by a huge majority.

2. This conference resolves to request the Central Bank and other institutions to invest ¼ of their idle surplus funds in the Central Land Mortgage Debentures—lost by a huge majority.

3. This conference resolves to recommend to the Central Bank to take away the representation of the delegates to the District Audit Union and to give the right of sending two representatives to the Bank Board directly to Urban Banks affiliation with the supervising Union should always continue and that will beneficial to the movement.

N. B.—" Urban Bank " includes all types of limited societies. —lost by a huge majority.

V. ALAGAPPAN,
Secretary.
17—12—34.

THE FIFTH MADRAS DISTRICT CO-OPERATIVE CONFERENCE.

WELCOME ADDRESS

BY MR. A. SIVARAMA MENON, B.A., B.L.,
President, The Central Co-operative Printing Works, Ltd.

Friends,

AN UN-PRECEDENTED SITUATION

The economic blizzard that has been blowing over the whole world for the past few years has caused the most acute distress and suffering in our country. It is of the at most important that the co-operators should do their best to meet the situation. The co-operative platform is perhaps the only meeting place available for our best men and women belonging to the different castes, creeds and political persuasions and it is only by the determined and joint efforts of the best people of our land that the unprecedented economic situation could successfully be faced.

CO-OPERATION IN THE CITY

There are 147 societies of all kinds in the city, the majority of them being credit societies. As a result of the recent attempts at rectification, there has been a slight fall in the total number of city societies. In membership, working capital and deposits there is a fair increase during the past quinquennium but considering the population of the city the progress attained can by no means be regarded as satisfactory even from a quantitative stand point. There should be an intensive campaign for the increase of membership of societies and also for carrying the message of co-operation to the very doors of one and all the citizens. While it has been recognised of late that all is not well with the co-operative movement in the city, there is hardly any continuous or constructive work to develop the movement on right lines in our midst. The economic condition of the people generally is worsening from year to year and unless the problem is properly tackled forthwith, a situation may soon arise when people may become desperate, making a solution of the problem by normal and peaceful methods well nigh impossible. It therefore behoves us to do our best to create in the average citizen a real interest in the co-operative movement and to evolve a scheme of reconstruction by which the suffering population would be enabled to find some real relief.

THE MADRAS DISTRICT CO-OPERATIVE CENTRAL BANK LTD.

It was at the 3rd District Co-operative Conference that the opinion for the formation of a District Central Bank for the city of Madras got focussed and soon after the conference, the Bank was organised for the purpose of looking to the financial needs of the city societies. The bank has been at work for over three years and to-day we find that 111 societies are affiliated to it of which 62 are indebted to the Bank. Out of this 62 societies, about 50 are in default, a fact which requires careful scrutiny. It should be the aim of the Central Bank to bring all the primary societies of the city within its ambit and the only way to do it is by revising and reducing the rate of interest to something like 6 per cent. One other matter relating to the Central Bank which requires to be brought to the notice of this conference is a recent amendment of its by-laws whereby certain restrictions are imposed in the matter of constituting its Board of Management by ruling that any co-operator connected with the management of a Joint Stock Bank is ineligible to get into the Board of Management of the Central Bank. This in my opinion is an unnecessary and unhealthy restriction imposed on the selection of directors. Such a rule does not obtain in anyother Central Bank in our province or elsewhere. I sincerely trust that the members of the Board of Management of the central bank will dispassionately re-examine this question and rescind this by-law at an early date.

NON-CREDIT SOCIETIES

In the matter of non-credit societies, the city of Madras does not show any marked development during the last quinquennium. It is true that it is to the lasting credit of this city that it owns the best distributing society in the whole of India. It is also true that the Central Co-operative Printing Works affords an instance of the success of another non-credit institution in our midst. The Milk Supply Union after a somewhat chequered career is, I am glad to state, showing a fair promise of a hopeful future. But there are various cases of attempts in the non-credit line in the city that have absolutely failed. The co-operators have to carefully examine why it has not been found possible to develop non-credit societies to the extent to which they deserve to be developed. One suggestion that I may offer to the Department is that a few more departmental officers should be deputed to carry on intensive work in the non-credit field. The present success of the Milk Supply Union

shows to what extent active aid by departmental officers could ensure the growth of non-credit societies and I appeal to the Registrar to follow a liberal and sympathetic policy towards all non-credit societies that are established in the city of Madras.

TWO PRESSING PROBLEMS

The two pressing problems that confront the co-operator to-day are the growing unemployment as well as the abnormal and appalling increase in the indebtedness of the people. These are problems that are not peculiar to the city but are universal in their character. The time for thinking of palliatives or half-measures to solve these problems are now long past. They have to be studied with great care and faced with cool courage. In all the previous conferences resolutions were passed pointing out the desirablity of conducting an economic survey of the city of Madras. Yet the work remains unaccomplished even to this day. At a recent meeting held under the auspices of the Oriental Cultural Academy in Madras a resolution was passed to conduct a civic survey of the educated unemployed in the city of Madras. This is no doubt a step in the right direction. Such attempts are to be encouraged and I recommend to this conference that a sub-committee be constituted to take all the necessary steps for conducting a complete economic survey of the city and find out the real position in which we stand to-day in the matter of unemployment and indebtedness; for it is clear that no useful solution can be devised unless the real nature and extent of the problem are clearly envisaged. It is absolutly necessary that a great change should be introduced in the educational policy followed by the Government and the University authorities. Instead of continuing from year to year the old syllabuses and curriculum of studies intact without any material alteration a courageous policy of giving a vocational turn to the training in the primary and secondary schools as well as a real impetus to teachnological studies in the case of university education must be forthwith introduced. In this connection I am happy to be able to congratulate the authorities of the Andhra University for the establishment of a technological department in their university and the recent appointment of a distinguished German scientist to be in charge of that department. This is an example which is worthy of being copied by the other Universities of this province. After all, the question of unemployment is inextricably connected with the question of industrial organisation. The better we organise ourselves industrially, the lesser will be the acuteness of the unemployment problem. Look at Japan and see how by a steady and courageous policy of industrialisation she is to-day able to compete successfully with the most advanced Western countries like England and America. What is there more striking to day in our local markets than to see the Japanese and English goods side by side selling at rates which are incomparably low in the case of the former? Beginning with boot lace which you can have for three pies a pair there is not single commodity which Japan is not able to put in the market as against England or any other Western country at a competitive low rate. Japan is to-day meeting the English merchant in his own home market. Lieutenant Colonel V. I. Robins, Secretary of the National Union of Manufacturers, England, says thus of this competition. "Four-penny fountain pens, six penny cycle tyres and shilling cameras are among the Japanese goods offered for sale in Great Britain. These low rates prevail despite the high advalorem duty of 20 per cent in case of pens and 33 1/3 per cent. in case of cycle tyres levied at the port of entry. It is impossible for British manufacturers to meet this sort of competition." Shall we not take a lesson from Japan and try to direct the energies of the vast army of youngmen now knocking at the doors of Government for petty jobs and persuade them to turn their attention to an industrial career and thereby save themselves and their country? It is the duty as well as the privilege of co-operation to so organise the credit facilities that no young man who wants to start on an industrial career would find it impossible to realise his ambition for want of capital. If you study the history of a country like Scotland which organised a system of cash credit for the amelioration of its agricultural population, we will get the required inspiration and guide to successfully organise and establish in our country the necessary credit facilities needed by our toiling millions. What is required at the present moment are careful planning and courageous working. A complete economic survey carefully and scientifically carried out must put us in possession of the real extent of indebtedness of the city and after ascertaining the exact extent of indebtedness, a bold plan of completely obliterating the entire indebtedness is to be devised and proper measures should be carried out to realise the object within a definite period. It is a matter for regret that while attempts are being made in several Indian States, in this direction no large scheme by any provincial or central Government of British India has yet been brought into effect. The splendid work achieved by the State of Bhavanagar during the last 4 years ought to be an eye opener to every Government. With a determination and desire to solve the problem ways and means should be found for the purpose. It was only in the year 1930 that after a preliminary intensive economic survey the State of Bhavanagar passed the necessary legislation to completely wipe out the agricultural indebtedness of its population. Introducing legislation at first in one Division the State soon found that it was possible to extend the operation of the Act throughout the State and by the beginning of this year, we have the most encouraging fact that the total agricultural indebtedness of this state amounting to about 90 lakhs of rupees has been completely obliterated by a scheme by which the State succeeded in settling the claims of creditors by an immediate payment of about 20 lakhs, which by the way was roughly the amount which the debtors were paying year after year by way of interest. The State devised a scheme by which it has undertaken to collect this sum from the

ryots in easy instalments spread over a term of years. Is it not possible to make a thorough study of the economic condition of at least a limited unit like the city of Madras and thereby pave the way for further action in the matter? I appeal to my brother co-operators to once for all make up their minds to do all that lies in their power and press the Government to move in the matter and also offer their willing and continued co-operation to realise this object of ours, namely, the redemption of our brethren from their extreme indebtedness. The inauguration of the Land Mortgage Bank in our province and the recent legislation to improve its usefulness by guaranteeing both the payment of interest and principal as well as the recognition of its debentures as trust securities are indeed very encouraging steps. But we require a very great development of the Land Mortgage Bank before we can hope to be able to solve the problem of indebtedness in our province amounting to something like 600 crores of rupees. Let me exhort you to keep fresh your enthusiasm for our cause and let us steadily work for the attainment of our object, always remembering, always living up to the co-operator's watchword ' Each for all and All for each.'

OPENING ADDRESS

The Hon'ble Mr. P. T. Rajan, Minister after expressing his thanks, said that in a conference of that sort, it was natural for co-operators to take stock of their situation, see what had been their achievements in the past and what should be their plain for the future.

Continuing, he said, while congratulating those who were at the helm of affairs at the Central Bank and Federation for the way in which they had been working the movement, he said, he must point out to them that overdues had been increasing and that strenuous efforts on the part of the Bank and the Federation should be made. It ought to be the aim of the co-operators to see that the movement really helped the agriculturists and whatever money was given to the ryot was used properly and to the advantage of the ryot himself. Reference had been made to the need for greater co-operation on the part of the Agricultural, Industrial and Co-operative departments. He believed these departments had been helping the ryots as much as they could and he hoped an appeal like the one made by Mr. Sunda would tend to greater co-ordination between those departments and co-operation between the non-officials and departmental officials. It ought to be the aim not only of the departmental officers but the co-operative movement to see that the ryot got the maximum benefit with the minimum labour and minimum cost, and while they helped the ryot to achieve this object by lending money and seeing that that money was spent usefully, the ryot's difficulty, namely lack of facility for marketing his produce, should be tackled. He would suggest to the Central Bank that, from the Common Good Fund, they should be in a position to appoint two or three graduates in the Agricultural College, who, during season, might help the ryots by bringing to him the latest improvements effected in the department and during the off season find a market either within the district, or in the neighbouring districts.

PRESIDENTIAL ADDRESS

By

THE HON'BLE DEWAN BAHADUR

G. NARAYANASWAMY CHETTI GARU, C.I.E.,

Member, Council of State.

BROTHER CO-OPERATORS, LADIES AND GENTLEMEN,

This is the fifth session of the Conference of city Co-operators. These Conferences are I find held at irregular intervals and there seems to be no particular organisation responsible for convening the Conference. It is highly desirable to hold the Conference—preferably once every year or at least at regular intervals and the creation of an organisation which will be charged with this duty is in my opinion a desideratum. I trust that this conference will take the necessary steps for the formation of such a body.

MONTFORD REFORMS AND CO-OPERATION

After the introduction of the Montagu Chelmsford Reforms, Co-operation has become a transferred subject in charge of Ministers responsible to the legislatures. This department has always been regarded as a nation building one and it is a vitalising factor in the economic rehabilitation of this country. It is gratifying to note that the number of Co-operative Societies in the presidency is gradually increasing. The reports for the successive years of the Registrar of Co-operative Societies testify to the increasing turnover of the various societies and the corresponding succour sought for by the members thereof.

PROGRESS OF THE MOVEMENT IN THE CITY

The total number of Co-operative Societies in the city at present is 147. Of these a large percentage happens to be credit societies Among non-credit societies the Triplicane Urban Co-operative Society, Ltd., and the Central Co-operative Printing Works, Ltd., continue to do useful work. Other non-credit societies are not working as satisfactorily as one would wish. Though there are 17 building societies in the city, several of them seem to be in a dormant state. The Madras District Co-operative Central Bank which was organised in 1930 with the avowed object of affording credit facilities to city societies has of late begun to show distinct signs of deterioration and decline. It is regretable that some of the important rules framed by the Government for the proper working of Co-operative Societies are persistently violated by some societies. Whenever there is a deliberate violation of

a rule the Registrar should not hesitate to take strong steps against the offender. One such rule prohibits a person from enlisting himself as a member in more credit societies than one. Another rule disqualifies in terms a defaulting member of a Society from being eligible for a place in its board of management. Further there are a few sound principles of co-operation which should be observed by societies in general in order to ensure a steady and healthy growth of the movement. For example a proper set of working rules ought not and will not permit a paid employee of a society to be a member of its Board of Directors consisting of honorary workers. Again to allow the same individual to simultaneously administer the affairs of a financing bank and an affiliated society seeking financial aid is obviously undesirable. Yet these are some of the glaring defects you notice in the management of some of the city societies at present. Such anomalies ought to be removed and I trust that this conference will pass suitable resolutions to urge the Government to depute an officer to examine the present rules and remedy the existing defects in them.

AUDIT

I now wish to say a few words concerning two very important matters namely (1)audit and (2) arbitration. In the early days of the movement, the department audited the accoudts of all societies free of charge. With a view to encourage the movement, the Government also exempted Co-operative societies from the payment of stamp and registration fees, companies tax and so on. After the initial stage was over, the Government allowed the societies to make their own audit arrangements. This system was not found satisfactory and the department, therefore, has latterly withdrawn the concession and is now not only conducting the audit of societies itself through its officers but also levies a fee for the purpose. There is much dissatisfaction even now regarding this audit. In several cases no attempt whatever is made to rectify the defects detected in the course of audit and is not at all uncommon to throw the audit notes into the scrap heap. Last year in the Local Legislative Council certain serious allegations were made concerning the management of an Urban Bank and those allegations had been based on an audit report of a departmental officer. I am not aware of any action taken by the Registrar with reference to the above report or the allegations made in the Legislative Council. Both in the interests of the movement and in fairness to the management concerned, a through investigation was absolutely imperative. Yet the matter was apparently allowed to be shelved. This indicates the defect of the present machinery for audit and rectification. The Banking Enquiry Committee in Paragraph 173 of the majority report says thus:—" It is of the greatest importance to have an efficient and thorough audit to prevent bad management, embezzlement and to inspire public confidence of the investing public. After a full consideration of all these points and of the efficiency of the audit system in European countries, we recommended that for the discharge of Statutory functions of audit a special district union should be formed to carry out audit, supervision and inspection of the societies. This Union must be registered under the Co-operative Societies Act." The Committee further recommends that the staff employed by the Union shall be recruited from persons certified and licensed by the Registrar and in order that the Union shall be in touch with the local Societies, representation of Local Societies is also sought to be conceded to the Union. Wheather you adopt the recommendation of the Banking Enquiry Committee or not it is absolutely necessary that the present system must be changed and audit of societies entrusted to an authority independent of the Registrar.

Now coming to arbitration the existing system is one under which the Registrar is declared the authority to arbitrate. He performs this function either himself or through his deputies who are mostly his subordinate officers. In a few places he entrusts the power of arbitration to some select individuals. There is a general feeling that a change is necessary in this matter and the creation of an arbitration board manned by qualified and competent persons to be selected by the Government will better satisfy public opinion. I appeal to the Government to take early steps for the establishment of such arbitration boards.

It is too late in the day to dilate on the usefulness of Co-operative Institutions in this country. They have been in existence for three decades and the movement is steadily expanding its scope of usefulness in the matter of the social and economic uplift of the teeming millions. It is not at all an uncommon phenomenon to see the ryots as a class immersed in heavy debts and obliged to pay a very high rate of interest. Especially in these days of economic depression and low price for agricultural produce the ryot is left with hardly any margin after the payment of land revenue and

interest on his debts. He is therefore compelled to lead a life of distress and suffering and is thus led down to a life of pessimism. Chronic poverty, ignorance, want of medical relief and semistarvation have conspired to reduce the peasants to a most pitiable plight. Special measures have to be passed by the Government to afford some timely relief to the suffering ryots and enable them to reduce their indebtedness which hampers rural prosperity as a whole. Unless the Government moves in the matter and moves also without delay, the condition of the rural population may become irredeemable. It is at this juncture that Co-operative organisations and all true Co-operators have to play a difinite part and I trust that the Government will receive the fullest support from the people in carrying out successfully whatever scheme they may finally resolve to introduce, for the economic uplift of the masses.

I am glad to refer in this connection to the establishment by the Government in this province of a Co-operative Central Land Mortgage Bank as well as a number of Primary Land Mortgage Banks. It is a matter for sincere congratulation that the Madras Co-operative Central Land Mortgage Bank Limited, has amply fulfilled the object which the bank was designed to meet. These Land Mortgage Banks play a every useful part in that they provide for the much needed long term credit. The recent legislation of the Government authorising the debentures of the Central Land Mortgage Bank to be included in the list of trust securities is fraught with great importance for the future of the bank. I am sure this will help the bank in extending its activities more and more and to help the agriculturists with loans on long term credit and thereby eventually bring about a real rural reconstruction. It is satisfactory to note that up to 30th June 1934 debentures to the extent of Rs. 46,38,800 were issued by the bank and I hope there will be further issues of debentures with a view to a gradual annihilation of rural indebtedness.

LEGISLATION FOR DEBT CONCILIATION

Before concluding I wish to refer to the question of debt conciliation which will sooner or later engage the attention of the local legislature. I trust that it will not be out of place if I urge the Government to undertake legislation at an early date on the subject of debt conciliation on the lines adopted already by the Government of the Central Provinces. Passing of such a legislation and the consequent constitution of debt conciliation boards of rural areas will in time deal to amicable sepplements in respect of several outstanding loans and provided the act is worked with sympathy as well as sagacity the ultimate result cannot but be good for the country as a whole. I thank you once again for allowing me this opportunity of presiding over the deliberations of this important Conference and I wish this Conference every success.

District News.

PERUNDURAI—COIMBATORE DISTRICT.

Dated 20th November, 1934.

Messrs. M. L. Darling, C.I.E., I.C.S. of the Government of India Finance Department and F. B. Wace, I.C.S., Registrar of Co-operative Societies, Punjab who have been touring in South India in connection with the opening of an Agricultural Credit Branch in the Reserve Bank of India visited the Local Land Mortgage Bank on the afternoon of the 19th instant. They were accompanied by Mr. G. C. Spitheler, Deputy Registrar of Co-operative Societies, Coimbatore and were received at the premises of the Bank by the President, the Vice-President, The Treasurer and other directors of the Bank. The Deputy Registrar for Land Mortgage Banks, Southern Circle, Madras; Mr. M. G. Padmanabha Mudaliyar, M.A., and the Sub-Deputy Registrar for Land Mortgage Banks, Perundurai, Mr. S. A. Subramania Iyer, besides some other leading co-operators of the locality were also present.

The distinguished visitors after acquainting themselves with the working of the Bank were pleased to record in the Visitor's Book their note of appreciation as follows :—

"I have been most interested to see the working of this Bank, and would have been glad to have had longer to look into its affairs. I congratulate the Directors and Members on its working up to date."

19-11-34. (Sd.) F. B. WACE, I.C.S.,
Registrar of Co-operative Societies, Punjab.

(Sd.) M. L. DARLING, I.C.S.,
On Special Duty,
Finance Department, Govt. of India.

(True Extract)

They then left by car for Tirupur enroute to Coimbatore.

W. S. FRAYES,
President.

EXTRACT FROM THE VISITORS BOOK OF THE KULITALAI CO-OPERATIVE LAND MORTGAGE BANK, LTD., KULITALAI.

Mr. Darling of the Rural Credit Branch of the Reserve Bank and myself have spent some time in looking into the affairs of this Bank, and we are both extremely greateful for the information given us by the President, Secretary and Directors. The Directors are plainly alive to their responsibilities and the Bank has been doing its best to help its clients to shake off the burden of their debts.

Kulitalai, Nov. 15th 1934. (Sd.) F. B. WACE,
Registrar of Co-operative Societies, Punjab.

THE MADRAS P. C. U. FREE READING ROOM.

The Reading Room of the Madras Provincial Co-operative Union, Royapettah, Madras, is kept open to public from 8 to 10.30 A.M., and from 5 to 7-30 P.M., on all days of the week except Monday. The Reading Room is becoming more and more popular. The number of readers during the month of November 1934 was 1,295.

THE GOVERNMENT TELEGRAPH EMPLOYEES' CO-OPERATIVE SOCIETY, LTD., MADRAS

Free Public Library.

The number of readers and the number of books issued during the month of November 1934, were 1004 and 617 respectively the corresponding figures for the previous month being 1095 and 655.

The Library is kept open on all working days of the Society from 10 A.M. to 5 P.M.

GOVERNMENT OF MADRAS.

DEVELOPMENT DEPARTMENT.

G. O. No. Ms. 1564, Dated 15th November 1934.

ABSTRACT.

Co-operative Societies—Central Land Mortgage Bank—certain debentures issued before the commencement of the Land Mortgage Banks Act—1934—principal and interest—guaranteed.

Read the following :—

G. O. No. 509, Development, Dated 1st April 1931.

ORDER:

In notification No. 372 published at page 1842 of Part I of the Fort St. George Gazette, dated 9th December 1930 the Government notified that they had undertaken to guarantee interest not exceeding 6 per cent per annum on debentures issued by the Madras Co-operative Central Land Mortgage Bank to an extent of Rs. 50 lakhs during the first five years of its existence until they are paid off or redeemed by the bank. Subsequently in their notification No. 116 dated 1st April 1931 published at pages 499-500 of Part I of the Fort St. George Gazette, dated 7th April 1931, the Government undertook to guarantee a maximum interest of 6½ per cent on debentures issued by the bank up to an extent of Rs. 30 lakhs out of the total of Rs. 50 lakhs covered by the previous notification, issued during a period of three years from 1st April 1931 to 31st March 1934. On 31st July 1934 the Madras Co-operative Land Mortgage Banks Act, 1934 came into force. Under section 7 of the Act, the Local Government may gurantee the principal of and the interest on any debentures issued before commencement of the Act subject to such conditions as they may think fit to impose. Under this section the Government are now pleased to give full and unconditional gurantee of both the principal of, and the interest on, the three series of debentures mentioned in the schedule below which have been issued by the Board of Directors of the Central Land Mortgage Bank prior to 31st July 1934.

Series.	Year of issue.	Rates at which issued.	Period for which issued.	Value of debentures in circulation.
VI.	1933 & 1934	5 per cent	20 years	7,65,200
VII.	1934	5 per cent	20 years	7,50,200
VIII.	1934	4 per cent	20 years	8,93,500
				24,08,900

(By order of the Government, Ministry of Public Works.)

C. A. HENDERSON,
Secretary to Government.

(By order)
A. VENUGOPAL RAO,
Manager.

Registrar's Circulars.

No. R. Dis. B. 6746-34.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES,
Madras, Dated 29th November 1934.

T. AUSTIN ESQUIRE, I. C. S.,
Registrar of Co-operative Societies.

CIRCULAR.

Sub :—Collections—Primary societies—Review by Central Banks or Federations—Review—once in two months instead of monthly.

Ref :—Registrar's circular R. Dis. 4575-34 25-11-33.

In the Registrar's circular quoted, the importance of local co-operative supervising unions obtaining statements of D. C. B. from affiliated societies and in their turn forwarding similar statements to the Central Banks or Federations as the case may be, was once again emphasised and Central Banks and Federations were requested to carry out faithfully the instructions on the subject. It is represented that most of the societies could not of themselves send the statements, that the supervisor in charge of societies takes two or three days for each society to visit and to forward these statements, and that this arrangement results in dislocation of work requiring immediate action. It is suggested that Central Banks and Federations might issue reviews once in two months instead of monthly as the supervisors are expected to visit each society once at least in two months when they can send the D. C. B. statement to the Unions.

(By Order.)
A. VENUGOPAL RAO,
Manager.

R. Dis. E. 4298/34

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES.
Madras, 7th December 1934.

T. AUSTIN ESQUIRE, I.C.S.,
Registrar.

CIRCULAR.

Sub :—Records of Local Co-operative Supervising Unions—maintenance and destruction.

All the registers prescribed for maintenance in Local Co-operative Supervising Unions, except the minutes books may be destroyed after a period of five years.

2. The first minute book of the union which contains the certificate of registration of the union, etc., may be retained permanently and all subsequent minute books may be destroyed after a period of 10 (Ten) years.

3. No supervising Union can undertake the work of remittance of moneys—of affiliated societies. The following registers may therefore be discontinued :—

(1) Remittance register.
(2) Expenditure register for remittances.
(3) Account of remittances.

(By Order)
A. VENUGOPAL RAO,
Manager.

PRESIDENTIAL ADDRESS *

By

M. R. Ry. RAO BAHADUR T. A. RAMALINGAM CHETTIAR AVL.,

B. A., B. L., M. L. C., Coimbatore.

Brother Co-operators,

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

I should have come here long ago but for the pressure of my engagements elsewhere; and it shows the great kindness you have for me that you were prepared from time to time to postpone the Conference, to suit my conveniences. As President of the Tamil Nadu Federation it was my duty to have visited all the Tamil Districts and informed myself about the condition of the Co-operative Movement in Southern India and its needs. I have only to plead my physical inability and my engagements elsewhere as excuses for the dereliction of duty. I crave your forgiveness and that of the other parts of the Tamil Nadu.

The Economic Depression.

The unprecedented depression of the last 5 years has affected our Country along with others. The economic position of our ryots being comparatively very poor the effects of that depression on our country population have been very severe. We are not yet recovered from the depression even though the prices within the last few months show an upward tendency, though they are still low. Further, this upward tendency was visible only after the ryot has sold his produce. So, the benefit of the movement in prices has been reaped if

* At the Eighth Madura-Ramnad Co-operative Conference held at Madura on the 24th & 25th November 1934.

at all by others. It is not yet certain that the present level which has been reached after a sudden rise and fall is a permanent one and whether it will continue at the harvest season. The monsoon conditions were not favourable to the ryots this year as the rains came late, and the out-turn of crops will naturally suffer. So with these two uncertain factors looming in the horizon, the position of the agriculturist cannot be said to have improved. We cannot say we are completely out of the influence of the depression yet; at the same time the signs are hopeful that the depression will soon pass away.

But it cannot be said that the effects of the depression and the marks left by it can be easily erased or forgotten. The debts of the agricultural population have appreciated in value and where they have not been able to pay interest have mounted up to huge figures. The prices of land have irretrievably gone down and it cannot be expected that there can be a substantial improvement in the prices in the near future. The result is that most agricultural families are unable to pay their debts even if they will sell all their lands. The number of court sales have increased and the prices fetched at these sales are naturally low both on account of the low prices ruling in the market and the want of persons capable of taking the properties in court auction with ready cash in their hands. The work in the insolvency courts has increased enormously and in each district large areas of lands are being administered by the Official Receivers and sold by them. The natural result of these will be the displacement of the old proprietors and the accumulation of lands in the hands of money-lenders, who have no real interest in the cultivation of land or in the villages in which they have purchased lands. The Government does not seem to realise the seriousness of the situation and has not moved its little finger to help the ryots in this time of crisis. It is

strange that while Governments in other countries are applying drastic remedies to save the situation and help their people, our Government alone is keeping idle and is merely looking on.

Debt Conciliation.

So far as I can see even a considerable portion of the ryots cannot be saved unless the debts due by them are moderated and arrangements are made for payment of the moderated amount in lump sum through some agency or by instalments. Various proposals have been made for this purpose. In Bhavanagar a system of state help by way of the Government undertaking to pay the moderated amount by issue of a loan is being tried. In Cochin it is proposed that the Government may issue debentures and pay the moderated amount in instalments and collect the same from the ryots. Elsewhere it is proposed that the Land Mortgage Banks, where possible, may undertake the financing of the ryot whose debt is moderated. But for any relief to be effective, a moderation of the debt is the first necessity. The Central Provinces Government has passed a debt conciliation Act for the constitution of Boards to bring about a moderation of the debts by voluntary negotiation between the parties. The working of this Act in the areas where Boards have been constituted is reported to be satisfactory. But suggestions are made to make the conciliation compulsory and to stiffen the Act in other directions. I have introduced a Bill in the Local Council on the same lines. But the Government has not shown the least inclination to give facilities for its consideration in the Council; and if the proceedings of the informal conference called by the Law Member have to be taken as an index of the views of the Government they may even oppose the measure in the Council. The arguments I have so far heard about this Bill is to the effect that it errs on the side of being too cautious. It is now 18 months since I applied for sanction to introduce the Bill, and it has not been possible for me to have it referred to a Select Committee until now, in spite of the Bill being an emergency measure. I requested for another non-official day at the last sitting of the Council and it was not granted, and as there was only one day given for non-official business my Bill could not be reached. It depends on the Party in power whether they would support an ameliorative measure like this and allow it to pass in spite of the opposition of the bureaucratic half of the Government. I see that in almost every place where Ministers were given addresses, by members of their own party they have asked the Ministers to support the Bill. I only hope that the Ministers and their party will firmly stand by the Bill now in Council and allow it to be passed as early as possible.

The Position of the Co-operative Movement.

The Co-operative Movement in our Country has only reflected the trend of all economic organisations in the world during the depression. But it is a matter of great gratification to the Co-operators of this Province that it has so far weathered the storm without any serious break-down. Even though the overdues were high and are high in several districts at the present moment, there was not a single case of a Central Bank being unable to meet its dues. The confidence of the outside public in the Provincial Banks and the Central Banks never wavered and has increased as time went on. The Provincial Bank and the Central Banks have had to stop taking deposits and they are being flooded everyday by applications to take deposits. They are all in sound condition and there is no fear felt any-where about their solvency even including the Srivilliputtur and the Hospet banks with reference to which some action was

necessary. So far as the primary banks are concerned, the extremely low prices were the main cause of the increase of overdues, with the return to the normal conditions the movement is bound to be much stronger than before. There may be loss in a few areas and in some areas collections can be made only by instalments extended over longer periods than usual. But there is no doubt that most of these overdues will be collected and the financing banks are in a sufficiently strong position to bear the loss where they may occur.

Due to the discerning good sense of the department and the sturdy optimism and close watch and careful working of the persons in the movement in the Province, while caution and careful management is insisted upon everywhere no unnecessary panic was created anywhere. In many districts we have turned the corner and in others it is only a matter of time when the Societies and Banks will be able to work on normal lines. There is no dearth of finance in the Movement.

The experience of the last 2 years has shown the defects in the Movement and we ought to take steps speedily and firmly that these defects are rectified. The most important point the Movement should insist upon is, that members should depend for their help wholly on Co-operative Institutions and they should not borrow outside. There was some justification for the members going out for financial help when long term loans were not available in the Movement itself. Now that Land Mortgage Banks have been started in almost all the districts and funds are pouring in by way of debentures into the Central Land Mortgage Bank there will be no difficulty, provided the requisite human material is available in the starting of banks all over the country. There is no reason why all the middle class people whose debts do not exceed the amount that can be given by the

Co-operative Societies should not be asked to confine their borrowings to the Co-operative institutions themselves. This will help both the members and the institutions and will also make the ryot thrifty and punctual in his dealings.

Co-operative Marketing.

If arrangements can be made for the marketing of the produce, the ryot will be materially benefitted by the elimination of the middleman and by the security given in the use of proper weights and measures. This will also help indirectly in the giving of advances to cultivators for their agricultural operations on the understanding that the produce may be handed over to the marketing society. The ryot can have money without having recourse to selling in a very low market for the payment of kist and other charges. He may hold over the produce and sell at the time they can command the best price. So a combination of these three, the primary society, the land mortgage bank and the marketing society with a financing Central Bank, ready and willing to help wherever it can, will go a long way to help all the needs of the ryot. In this connection, I ought to say that I am not satisfied with the way in which the several institutions work independently of each other. Unless all these work together in a spirit of mutual help I do not think we can get all the benefits we can. We have to think and devise means for these institutions working in such a way that they supplement each other and work together. I would strongly plead for a Co-ordination of the different agencies.

Two Acts of Great Importance.

Two Acts of great importance to Co-operation in this province have been passed recently in the Local Legislative Council. One, the Co-operative Societies Act

of 1932 has codified the general Law applying to all Co-operative Societies. New provisions have been introduced providing stricter financial control and supervision and providing remedies by way of supercession in case of mismanagement. There was a difference of opinion with reference to the last provision in the beginning, but ample justification has been found for it in our experience and other provinces are copying our enactment. Provision is also made for execution of awards and decrees by the Officers of the Co-operative Department itself. It is hoped that the Government and the Registrar will provide necessary agency to avoid delay and loss. The other Act provides certain facilities for the Central Land Mortgage Bank and the Primary Land Mortgage Banks both in getting them the finance necessary and also in the collection of their dues. It has come into force recently. The Government has guaranteed the principal and interest on the debentures issued by the Central Land Mortgage Bank. As these debentures have been made Trustee Securities by an Act of the Imperial Legislature recently passed there will be no difficulty in getting all the money we need for the financing of Land Mortgage Banks. With increase in the number of Land Mortgage Banks the need for increasing the number of Sub-Deputy Registrars sanctioned for the working of these banks requires strengthening. As the Land Mortgage Banks will play a large part in the future in helping and saving the royts from their accumulated indebtedness, we are justified in asking the Government to give help. The speech of the Finance Member at the Primary Land Mortgage Banks' conference held last month shows that the Government may look upon our request with favour. It is up to the department and the Development Minister to press our needs and get sufficient help from the finances of the province.

The Question of Supervision.

The last few years have also shown the urgent necessity for providing proper supervision of societies. The agency for supervision has been changing. When the number of societies were small the department itself was performing this function. When the number of societies increased supervising Unions were brought into existence for mutual supervision. Later, necessity was found for some control over the work of these unions, and Federations of Unions were formed for districts. In some districts, Federations were working satisfactorily. But possibilities of friction between the Bank and Federation were found. So, the tendency of late has been for the abolition of the Federations and vesting supervision in the District Banks. There was another movement within the district banks which also contributed to this result. The district banks which were originally managed by individual members were gradually changing their constitution and now the constituent societies have the predominant voice in the district banks in the province. Naturally this change in the constitution of the District Banks made it unnecessary for the unions which formed the predominant part of the constitution in the central banks to form themselves into another agency for the supervision. In some banks even the possibility of interference by individuals in the supervision of unions has been taken away by the constitution of a separate Committee of Supervision in which all the members, except the President of the Bank, are necessarily representatives of Unions. So it is for you to consider what arrangements will be best for securing proper supervision. It should be borne in mind that supervision is more than ever necessary for the proper working of the societies in our province. Complaints are being heard constantly that the supervising unions have failed to serve the purpose for which they

were brought into existence. Mending or ending supervising Unions is one of the problems that is raised for consideration. Mr. Ramadas Pantulu, the President of the Provincial Co-operative Union, and several others have no faith in the Unions and they are proposing that the District Banks should themselves directly employ Inspectors for the supervision of societies. There are others who propose the unions may be retained where they are working and the District Banks may undertake supervision directly where the supervising unions are not functioning properly. In this sense a resoltution has been passed in the Provincial Co-operative Union. But there are others who think it will not be possible or desirable for the District Banks to undertake supervision directly and that it is necessary to have the supervising unions. If in any place the Union is not functioning properly it is a case for looking into and mending the union either by a redistribution of the areas of the several unions or by bringing in men, even outsiders if necessary, for the proper working of the unions. Seeing the present condition of the societies it is very necessary that this question of supervision should be tackled and some satisfactory arrangement made in each District. I am not one who believes in any one panacea being universal. Problems as well as their remedies differ from place to place. What is good for one place or one set of institutions may not be good for others. So, I would request each district to consider this question urgently and come to its own conclusion. But I would ask them not to waste time in mere theoretical discussions or mutual bickerings, but to face the problem in a spirit of compromise and in the light of their experience come to some definite conclusions and give effect to them without delay. I am absolutely certain that the progress of our movement depends very much on bringing into existence suitable agencies for proper supervision. I think it should be the duty of the supervising agencies to organise new societies, to closely watch and help societies and also help in the development of the working of the societies and their undertaking new activities. For this a live body with enthusiasm and initiative is necessary. It should be our idea to create such agencies when we consider this question.

So far as the District of Coimbatore is concerned, we have placed Supervision in the hands of unions which are functioning, with one or two exceptions, very satisfactorily. We thought it more advantageous to bring supervision under a separate committee of the Central Bank in which, except the President, all the other members are elected from among the union representatives. So far, the system has worked without any hitch. There is an Executive Officer who looks after the Supervising work and helps the Unions.

Propaganda and Education.

There has been a difference of opinion as regards the share the Government department should take in the working of the Movement. Fortunately, the difference is not acute in this Province as in some others. When we were in Amroati for the Indian Institutes' Conference the matter was brought prominently to the consideration of the Conference by the Minister in charge of Co-operation in Central Provinces and Berar. So far as this Province is concerned the actual working of the Co-operative Institutions is in the hands of non-officials and the department has not shown any great tendency to interfere in their working. In matters of propaganda and education we have been free to make our own arrangements, and the Provincial Co-operative Union has been allowed to have its own way and also direct the training of candidates for service both in the department and in the non-official institutions. The latest move on the part of

the Government to run directly an Institute for the training solely of those to be recruited as Inspectors goes against the previous arrangement. I am one of those who want to have established in Madras a first rate Institution which will be developed into a College under the University, for training boys in economics and co-operation; and as the first step towards it the establishment of an Institution in Madras. I should have liked the Institute in Madras was placed under popular management. Having started it as they have done, the least the Government can do now is to have a Committee of prominent Co-operators appointed to look after the Government Institute. With reference to the request of the Provincial Co-operative Union to allow the peripatetic institutions under the management of the Provincial Co-operative Union, which the Government was prepared to finance, to be modelled on that of the Central Institute at Madras, the attitude of Government is far from satisfactory. I only hope the Government will consider the reasons advanced by the Provincial Co-operative Union for the changes proposed once again before long, and accept the proposals which I am sure will help to bring into existence a set of well qualified young men for service both in the Government and in the mofussil institutions.

Audit.

I am confirmed more than ever in my view that audit should be under the control of an independent agency; and in the conditions of our country, the Government is the best agency that we can find for the purpose. The large number of misappropriations, defalcations and mistakes brought to light recently, stress the need for a very careful and systematic audit of all the institutions. Audit Union or Provincial Union may be thought of as an alternative only if the Government agency is not possible to have. I consider that the first essential duty of the Government in the field of Co-operation is the undertaking of this audit. The Government Audit will also give confidence to the public, and to a large extent, avoid slackness. Most of the societies cannot also afford to pay for audit. The Government has done well in accepting the demand that the rural agricultural societies should not be charged for audit. I would ask the Government to go further and accept, as their duty, the free audit of all Co-operative Institutions. If they do it there will be no further agitation on the part of any institution to allow it to have its own auditor. I would also ask the Government to recruit wherever possible a better class of auditors, men of high qualifications and some training, especially as many of them have to deal with large societies and have to deal with complicated matters.

The Government has not been helping the Movement very much for non-credit work. In a country like India where the people are poor and initiative and experience are lacking, it devolves on the Government to employ a staff of enthusiastic young organisers who will study and bring into existence activities in the field of co-operation which can succeed. Whenever we want men for responsible duties we are always faced with the reply of want of suitable men.

Co-ordination of various Departments.

The lot of the agriculturist can only be improved by improving the methods of agriculture so as to get better yield, enabling him to get better prices and helping him in the marketing or by finding suitable subsidiary occupations for his spare time. For all these purposes the co-operation of other departments of Government is

absolutely necessary. Seeing the backwardness of the rural parts and the large amount of illiteracy prevalent, unless there is proper planning or carrying out of schemes by sustained co-ordinated effort there is no chance of improvement. I have been crying myself hoarse in Council and outside that at present the several departments of Government do not show much co-operation and that unless some agency is brought into existence to bring about that co-operation nothing can be attained. The Government has not moved in the matter with the result that the individual efforts here and there have borne practically no fruit. When you are hearing so much about planned economy everywhere in the world, it is sad to think that even officers of the deparments working under the Government should not be brought together to consult and work out co-ordinated schemes of improvement.

Non-credit Co-operation.

The progress in co-operation in India has been confined to supply of rural agricultural credit. Societies formed for production like weavers societies and agricultural societies for joint purchase of manure etc., and consumers societies have not succeeded so far in India. In the case of producers societies the main difficulty has been to find a ready market for the things produced. So far as consumers societies are concerned, it is conjectured that the difference between wholesale and retail prices in India is not so large as to give a margin of profit by elimination of the middleman to meet the cost of management etc. As these work on the cash basis, probably many of those who may resort to them otherwise refrain from doing so. In Northern India some societies for social improvement have been started as Better Living Societies. We have not yet tried them in this Province. It is a question to be considered how far such societies will succeed in this Province where we have got village Panchayats constituted with compulsory powers for the same purpose. The Co-operative Insurance Society which was started recently is doing very well. This shows that where men are available to work institutions they can be worked with success.

Local Board Politics.

One great danger which is becoming more and more evident is the introduction of the Municipal and District Board politics in the Co-operative Movement. There have been cases where large sums of money have been lent for election purposes. In several of the District Banks parties have been formed on the same lines as in the Local Bodies. The Co-operative Movement is a matter of business and the introduction of party considerations is likely to do immense harm and lead to failure. So the Co-operators ought to be careful that extraneous considerations are not brought into play in the management of Co-operative institutions, and these are worked solely with a view to success and to help the greatest possible number of people. In some places there is a fight for places. This leads again to the formation and perpetuation of parties in the movement. The movement should, if it is to achieve the best results, be worked in a spirit of co-operation and compromise. It is unfortunate that sometimes people enter the movement without any previous experience with the sole object of gaining power and influence. Co-operators ought to be careful about this. There have been complaints that influence has been brought to bear in some matters from persons highly placed to the detriment of the movement. It is necessary that people who are in high positions should not give room for even a suspicion of this kind.

The Tamil Nadu Co-operative Federation.

The Tamil Nadu Federation, which at the time it was started was considered as necessary for various purposes, has been doing only one of the purposes chalked out for its activities viz., the running of the Tamil Journal. Very little interest is shown by the constituent societies in its working. Several attempts were made to hold a conference. But for some reason or other they ended fruitlessly. I appeal to you to take some interest in the working of that institution and make it more useful to its constituent members and to the movement generally. I will also request you to consider how best you can evoke the enthusiasm of Co-operators in its working.

Problems of Urban Banks.

There are two matters about which there is some strong feeling in the Urban Banks. They have been asking to be allowed to lend money on the pledge of jewels and agricultural produce. The rules framed about these matters are said to be difficult to satisfy. It is a matter for consideration as to what arrangements ought to be made to satisfactorily conduct these transactions.

I thank you once again for the kindness with which you have invited me to preside over this Conference.

TO LET.

Edited by Prof. S. K. Yegnanarayana Iyer, M.A..