The Madras Journal of Co-operation

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C

Market News.

[The following statement was supplied to us for publication by the Madras Provincial Co-operative Marketing Society, Ltd.]

Madras Market price as on 11-11-37.

			Rs.	A.		Rs.	A.	P.
1	Chillies (Pettail) per candy of 500 lbs.		115	8	to	117	4	0
	,, (Pari) ,,					101	8	0
2	Garlic (Tiruppur-Calcutta) ,,					56	0	0
3	Onions (Bellary) ,,					15	0	0
4	Potatoes (Ooty) ,,	Kitney-big round				28	0	0
	,, ,,	Round rasi				25	0	0
	,, ,,	Podi				22	0	0
5	Jaggery (Ambur and Vellore) 'A' 500 lbs.		17	8	to	22	12	0
	,, ,, ,, 'B' ,,		14	0	to	17	8	0
6	Sathugudi (Kodur) per 105 fruits	Big	4	0	to	5	0	0
	,, ,, ,,	Medium	3	0	to	4	0	0
7	Plantains (Bangala) per 6 bunches	Big			...	6	8	0
	,, ,, ,,	Medium			...	5	4	0
	,, ,, ,,	Small			...	4	0	0
	,, ,, per 1000 fruits				...	6	0	0
8	Ghee per tin of 12 visses—Rasipuram				...	23	12	0
9	Butter-Tenali special per tin of 12 visses				...	17	8	0
	,, -Gudivada special ,,				...	16	12	0
10	Lime fruits per 1050	Big	5	0	to	6	0	0
	,, ,,	Small	3	0	to	4	8	0
11	Soapnuts per candy of 500 lbs.				...	42	0	0
12	Pepper (Office 1 maund of 25 lbs.)				...	4	6	0
13	Yam (1 maund of 25 lbs.)				...	0	14	0
14	Tamarind (Chittoor, Punganoor and Palamaner per candy of 500 lbs.)		22	12	to	24	8	0
15	Brown sugar (per candy of 500 lbs.)		18	0	to	23	0	0
16	Sapotas per 105 fruits	Big			...	1	8	0
	,, ,,	Medium			...	1	0	0
	,, ,,	Small			...	0	12	0
17	Coriander seeds (Rajahmundry) per candy of 500 lbs.					38	8	0
	,, (Guntur) ,,					35	0	0
	,, (Cuddapah) ,,					45	8	0
18	Green Chillies per maund of 25 lbs.	Big			...	0	8	0
	,, ,,	Small			...	0	10	0
19	Tomatoes (Vaniambadi) per maund of 25 lbs.	Big				0	12	0
	,, ,,	Medium				0	8	0
	,, ,,	Small				0	6	0
20	Hand pound raw rice (Molakulukulu) per bag of 32 Madras measures				...	6	15	0
21	Milled raw rice (Molakulukulu) per bag of 32 Madras measures				...	6	7	6
22	Honey from Kalyandrug Co-operative Loan and Sale Society per lb.				...	0	9	0
23	Hair oil manufactured by the Viziavada Kalavantula Co-operative Better-living Society, Ltd. Bezwada per bottle				...	0	9	0

Government Order.

GOVERNMENT OF MADRAS.

ABSTRACT.

Co-operative Societies Act—1932—Section 51 (1) (c)—Amendment—Registrar to decide disputes and period of limitation—Orders passed—Draft amendment to rules—Published.

DEVELOPMENT DEPARTMENT.

G. O. No. Press 2407. *Dated 27th October 37.*

The amendment to clause (c) of Sub-section (1) of Section 51 of the Madras Co-operative Societies Act, 1932, inserted by Madras Act V of 1937, has come in for a certain amount of criticism as being much too wide and liable to lead to abuse. The Government have carefully considered the objections raised and now direct that the Registrar of Co-operative Societies shall himself for a period of two years decide all disputes between a registered society or its committee and any past committee, any past officer, past agent, or past servant or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased servant of the society. The Registrar of Co-operative Societies is directed to allow legal practitioners to appear to represent parties in such cases. The Government also consider that notwithstanding the provisions of the Indian Limitation Act, 1908, a time limit of two years should be fixed in respect of the above references.

2. The following notification will be published in the Fort St. George Gazette.

Notification.

The following draft of certain amendments to the rules made under the Madras Co-operative Societies Act, 1932 (Madras Act IV of 1932), published with Development Department Notification No. 264, dated the 1st August 1933, at pages 1178 to 1185 of Part I of the Fort St. George, Gazette, dated the 1st August 1933, as subsequently amended which the Provincial Government propose to make exercise of the powers conferred by sub-sections (1) and (2) of Section 65 of the said Act is hereby published as required by sub-section (3) of the said section, for the information of all persons likely to be affected thereby.

Notice is hereby given that the draft will be taken into consideration on or after the 4th December '37 and that any objection or suggestion which may be received with respect thereto from any person before the date aforesaid will be considered by the Provincial Government.

Draft Amendment.

In rule XV of the said rules—

(i) after sub-rule (1), the following sub-rule shall be inserted, namely:

"(i-A) The period of limitation for referring a dispute touching the business of a registered society to the Registrar under sub-section (1)

of section 51 of the Act shall be regulated by the provisions of the Indian Limitation Act, 1908 (IX of 1908) as if the dispute were a suit and the Registrar a Civil Court.

Provided that a dispute between (i) the society or its committee, and (ii) any past committee, any past officer, past agent or past servant, or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased servant, of the society, shall be referred to the Registrar within two years from the date on which the act or omission with reference to which the dispute arose, took place;" and

(ii) in sub-rule (2), for the words "such a reference" the words, figure and brackets "a reference under sub-rule (i)" shall be substituted.

(By Order of His Excellency the Governor.)

Copy of G. O. No. Ms. 2428, Development, dated the 1st November '37.

Sub:—Co-operative Societies—Act—Rules—Rule XXVII (1) (*d*) and 2 (*d*)—Revised draft amendments—Published.

ORDER.

The Government accept the proposal of the Registrar of Co-operative Societies that clause (*d*) of sub-rules (1) and (2) of rule XXVII of the rules issued under the Madras Co-operative Societies Act, 1932, should be at least so amended as to prevent paid employees from holding office in the Committee of societies in which they are employed. The following notification will be published in the Fort St. George Gazette:—

NOTIFICATION.

The following draft of an amendment to the rules made under the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), published with Development Department Notification No. 264, dated the 1st August 1933, at pages 1178 to 1185 of Part I of the Fort St. George Gazette dated the 1st August 1933 as subsequently amended, which the Provincial Government propose to make in exercise of the powers conferred by sub-sections (1) and (2) of section 65 of the said Act is hereby published, as required by sub-section (3) of the said section, for the information of all persons likely to be affected thereby.

Notice is hereby given that the draft will be taken into consideration on or after the 9th December 1937 and that any objection or suggestion which may be received with respect thereto from any persons before the date aforesaid will be considered by the Provincial Government.

DRAFT AMENDMENT.

In clause (*d*) of sub-rules (1) and (2) of rule XXVII of the said rules, the words "or of any other Society not being a society composed exclusively of employees" shall be omitted.

(By order of His Excellency the Governor).

C. J. PAUL,
Secretary to Government.

These rates should also be made applicable to all outstanding loans (decreed or not decreed) as well, in respect of payments to be made hereafter. Penal interest should be abolished altogether, wherever this has not been done already.

4. In the case of loans referred for arbitration, the arbitrators should be asked to allow interest only at 6¼ per cent per annum on the decretal amount.

5. The Registrar considers that the measures of relief suggested above will be adopted by all societies expeditiously, so that their benefits may reach the borrowers within the current co-operative year. All Deputy Registrars and Sub Deputy Registrars in independent charge and all Central Banks are requested to advise the societies to adopt them with the least possible delay. As the measures to be adopted in each society will vary with reference to its peculiar circumstances, it is not possible to lay down a uniform by-law for adoption by all societies. Deputy Registrars, may, therefore register suitable amendments to by-laws wherever, necessary, consistent with the foregoing instructions.

R. Dis. No. B. 2240/37. *Madras, Dated the 29th November, 1937.*

Sub: By-laws—Managers appointed under by-law 62—powers of —revision.

Ref:* Joint Registrar's circular No. R.Dis. 6486/36 dated 18-11-1936.

In the circular quoted, by-law 62 (2) was revised, allowing the managers appointed under it to borrow money and lend money with the previous approval of the financing Bank. Some central banks have objected to it. All the Central Banks were therefore consulted in the matter. Most of the Central Banks have objected to the introduction of the revised by-law. They suggest that the manager may be allowed to borrow and lend money only with the previous approval of the general body.

2. Managers are generally strangers to the locality and they may not be able to assess the repaying capacity or the credit-worthiness of the members. It is not desirable to make the members of unlimited liability societies responsible for the financial commitments of the manager, neither can the Central Bank take direct responsibility for the loans by considering the applications of the individual members on the recommendation of the manager. The responsibility for the repayment of loans to the financing Bank vests in the general body and it is the general body that has appointed the manager. His powers should therefore be subject to their approval, on all material questions.

3. In these circumstances, it is necessary to restrict the powers of the manager as much as possible. The manager should have only the power to collect loans, file arbitration references, file decrees for execution, while the power (1) to lend money (2) to borrow money (3) to admit members and (4) to refund share capital should be exercised by him with the previous approval of the general body. He could purchase lands or sell lands only with the previous approval of the Central Bank. The by-law suggested in the circular quoted, has been suitably amended on the above lines. A copy of the revised by-law is enclosed. All the District Officers are requested to see that societies in their districts adopt the revised by-law with the least possible delay.

COPY OF MODEL BY-LAW 62.

62 (*a*). It shall be open to the general body to place the management of the society in the hands of a single person who may be either a member or non-member. The appointment shall, however, be subject to the approval of the Central Bank in case the society is indebted to it and of the Registrar in case it is not indebted to the Central Bank. The person so appointed shall have all the powers of the Panchayat under the by-laws. In the matter of collecting loans, filing of arbitration references and applications for execution of awards, he shall act on his own responsibility in accordance with the by-laws. But he shall purchase lands or sell lands only with the previous approval of the Central Bank. He shall, however, obtain the previous approval of the general body in the following matters :—

1. Admission of members.
2. Allotment of shares to members.
3. Refund of share capital to members either by adjustment or in cash.
4. Borrowing money.
5. Grant of loans to members.

(*b*) The general body may, subject to the approval of the Central Bank or Registrar as the case may be, pay to the manager such remuneration as it seems fit for his services. The manager shall convene a meeting of the general body before the expiry of the period for which he is appointed and get a panchayat elected in accordance with the by-laws. If for any reason a panchayat cannot be elected before the expiry of the period of his appointment, he shall continue to be in charge of the management of the society till a panchayat is elected under the by-laws.

One of the reasons in favour of calculating Supervision Fund on interest actually realised is that supervisors will be compelled to collect more interest. Though collection work might improve to a certain extent, the improvement may not be sufficient to maintain the Bank's staff. Banks will therefore be compelled either to effect unnecessary retrenchment in their staff or to advance amounts from their general funds for supervision. Both these courses are inadvisable. The result will be poor supervision and a considerable drop in profits that will reach on the reputation of the Banks. It is best therefore to proceed slowly. As a first step, the Registrar directs that supervision fund need not be calculated on amounts that are specifically classified under Bad Debts in the Balance Sheet.

II

No. B. 5785-37. *Madras, dated 28th October, 1937.*

Sub:—Relief to borrowers—Concessions to be extended in 1936-37—Instructions issued.

Ref:—Registrar's Circular B. 5066/36 dated 6-10-36.

The several concessions in the matter of penal interest and reduced rates of interest suggested for adoption by societies were extended to the year 1936-37 also, in the Registrar's circular quoted above. As a result of it, there is no penal interest at present either in the Central Banks or in the primary societies and interest is calculated at reduced rates, from the date of last payment to the end of the Co-operative year. Though the concessions have been in force for some years, they have not afforded substantial relief to the borrowers and the overdues in societies have not been reduced appreciably. The reason for this state of affairs is that on account of the continued economic depression the position of the ryot is so bad that he is unable to repay his loans, in spite of his willingness to do so. Moreover, the accumulated load of debt—particularly interest—is so great that what little he is able to pay only goes towards interest and the prospect of his clearing the principal in full appears remote. The Registrar considers, therefore, that some remedy more tangible than that adopted hitherto has to be tried, taking up the worst societies in each district, in the first instance.

2. The collection of statistics regarding the classification of loans in societies has been completed now in most of the districts as a result of the rectification scheme undertaken by the Central Banks. This may now be carried to a further stage and special measures of relief afforded in all societies that have been classified under 'D' class in audit. The

Committee that is now controlling the rectification work and the special staff employed for rectification should attend to this work. The measures of relief to be extended and the manner in which they are to be put into operation are indicated below :—

Every loan in the 'D' class societies should be examined and an accurate estimate of the assets and liabilities arrived at. This will form the basis for determining the exact extent of relief to be given. The guiding principles for arriving at this may be any one of the following:—

(i) that no member shall be asked to pay in all more than double the principal originally borrowed by him;

(ii) that no member shall be asked to pay more than the principal plus interest calculated at 6¼ per cent from the date of disbursement ot the loan;

(iii) 25 per cent of the amount outstanding now may be remitted.

It will be impossible to apply the same standard to all the societies and so one or more of the above measures may be adopted to suit the circumstances of each case.

To induce members to clear up their loans in this manner, it is necessary that some further concessions are shown. Consequently, a further remission of principal at a fixed percentage of the loan may be offered to those who pay their loans either immediately or within 3 months. To those who cannot pay in this manner, time may be given for one year to avail themselves of the concessions. Once time is so allowed to a member, no coercive action should be taken against him during the year, either by way of arbitration or execution except to save limitation.

After the exact measures of relief to be given in each society are decided upon as shown above, a general meeting of the society should be convened and the measures contemplated in the scheme announced publicly and the advantages explained to the members.

3. In respect of societies other than those taken up under the scheme described in the foregoing paragraph, the following measures may be adopted.

Every Central bank may reduce its lending rate by 1/2 per cent, the lending rate not to exceed 5 per cent. All primary societies should reduce their lending rates at least 7½ per cent. At any rate, the societies do not require a margin of 1½ per cent or two per cent over their borrowing rate from the Central Banks.

Registrar's Circulars.

No. 560/37

OFFICE OF THE DEPUTY REGISTRAR OF
LAND MORTGAGE BANKS, NORTHERN CIRCLE,
Madras dated 24th Aug 37.

M.R.RY., S. RAMA RAO NAIDU GARU,
Deputy Registrar.

Sub: Deputy Registrar—Land Mortgage Banks—Northern circle—Madras—Headquarters—Shifting to Rajahmundry.

In G. O. No. Mis. 1238 dated 3-6-37 and No. Mis. 1649. Development dated 22-7-37, the Government have been pleased to sanction the appointment of an additional Deputy Registrar of Land Mortgage Banks and the formation of 3 circles with Headquarters at Coimbatore, for the Southern circle, Madras for the Central Circle, and Rajahmundry for the Northern Circle. The Central Circle will be newly formed on 4-9-37. The office of the Deputy Registrar, Land Mortgage Banks, North will therefore be shifted to Rajahmundry on 5-9-37. The jurisdiction of the Deputy Registrar, Land Mortgage Banks, Northern circle, (Rajahmundry from 5-9-37) extends over the following districts: Vizagapatam, East Godavary, West Godavary, Kistna, Guntur, and Nellore. All the correspondence relating to the Land Mortgage Banks working in these districts will have to be addressed from 5-9-37 to the Deputy Registrar, Land Mortgage Banks, Northern Circle *Rajahmundry*. The new office will be opened at Rajahmundry on 7-9-37.

2. The jurisdiction of the Deputy Registrar, Land Mortgage Banks, Central Circle, Madras extends over the districts of Cuddapah, Kurnool, Bellary, Anantapur, and Chittoor of the Telugu districts. Correspondence relating to the Land Mortgage Banks working in the above districts will have to be addressed to the Deputy Registrar, Land Mortgage Banks, Central Circle, Madras from 5-9-37.

II

No. 181/37.

OFFICE OF THE DEPUTY REGISTRAR OF
LAND MORTGAGE BANKS, SOUTHERN CIRCLE,
Madras, dated 2nd Sept. 1937.

Sub: Deputy Registrars for Land Mortgage Banks, Southern Circle —Madras—Headquarters—Shifting from Madras to Coimbatore.

Ref: G. O. No. Mis. 1238, dated 3-6-37 and No. 1649, Development dated 22-7-1937.

Consequent on the appointment of the third Deputy Registrar for Land Mortgage Banks, the jurisdiction of the Deputy Registrar for Land

Mortgage Banks, Southern Circle will extend over the following districts only *viz*., Tanjore, Trichinopoly, Coimbatore, Nilgiris, Madura, Ramnad, Tinnevelly, Malabar and South Kanara, and the headquarters of the Deputy Registrar for Land Mortgage Banks, Southern Circle will be shifted from Madras to Coimbatore. The office of the Deputy Registrar for Land Mortgage Banks, Southern Circle will therefore close at Madras on 4-9-1937 and open at Coimbatore on 7-9-1937. It will be located in the building in which the office of the Deputy Registrar of Co-operative Societies, Coimbatore, is located. All communications to the Deputy Registrar for Land Mortgage Banks, Southern Circle will have to be addressed to Coimbatore in future.

The remaining districts *viz*., Madras, Chingleput, South Arcot, North Arcot and Salem which were formerly in the Southern Circle are now included in the newly formed Central Land Mortgage Bank Deputy Registrar's Circle with headquarters at Madras, correspondence from or relating to the Land Mortgage Banks in these five districts should in future be addressed to the Deputy Registrar for Land Mortgage Banks, Central Circle, Chepauk, Triplicane, Madras. The office of the Deputy Registrar for Land Mortgage Banks, Central Circle will be located in the building in which were located the offices of the Deputy Registrars for Land Mortgage Banks, North and South Circle.

No. D. DIS. B. 2932/37.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES,
Madras, dated 28th Sept., 37.

M. R. Ry. RAO BAHADUR M. GIRIAPPA AVL., B.A.
Joint Registrar of Co-operative Societies.

Sub :—Supervision Fund—Primary Credit Societies—Calculation—Alteration.

Ref :—Joint Registrar's Memo No. B. 2932/37 dated 18-5-37.

CIRCULAR.

In the Memo. quoted, Deputy Registrars were requested to report whether the present method of calculating supervision fund may be altered without much detriment to supervision. From the reports received from Deputy Registrars it is seen that some favour the proposal of calculating the supervision fund on the interest actually realised as in Central Banks, while others are for continuation of the existing method. Most of the Deputy Registrars, however, are agreed that the interest accrued on Bad and Doubtful loans should be excluded for purposes of calculating supervision fund.

Serial No.	Name of the Society.	District.
9	Bogolu Co-operative Societiy ...	W. Godavary.
10	Polal ,, ,, ...	Chingleput.
11	Saragur ,, ,, ...	Coimbatore.
12	Elulur ,, ,, ...	Tanjore.
13	Arkonam Polur Co-operative Society ...	North Arcot.

List of Societies Liquidated in September.

1	Mylarampalli Co-operative Society ...	North Arcot.
2	Cuddapah Local Fund Servants' Co-operative Society ...	Cuddapah.
3	Haripuram Co-operative Society ...	W. Godavari.
4	Pulamanthole ,, ,, ...	Malabar.
5	Zamin Thathanur Keelaveli Panchama Co-operative Society ...	Trichinopoly.
6	Emmad Co-operative Society ...	Malabar.
7	Madras No. II Survey Party (Detachment) Co-operative Society ...	Tanjore.
8	Ayyampudur Arundatiyar Co-operative Society ...	Coimbatore.
9	Polpulli Co-operative Society ...	Malabar.
10	Peralam Valluvar Co-operative Society ...	Tanjore.
11	Pallam Co-operative Society ...	E. Godavary.
12	Kundazhiyur Arayajana Society ...	Malabar.
13	Marudam Arayajana Society ...	Chingleput.
14	Pulavikarai Kalathur Society ...	Ramnad.

List of Societies Registered in October 1937.

Serial No.	Names of the Societies.	District.
1	The Dowleswaram Public Works Department Employees' Co-operative Society Ltd. ...	E. Godavary.
2	The Chandrala Sree Tundeswaraswami Co-operative Society ...	Kistna.
3	The Poddaturpet Kumaresa Handloom Weavers' Co-operative Purchase and Sale Society Ltd. ...	Chittoor.
4	The Chittoor Co-operative Building Society Ltd.	,,
5	The Hospet Oddars Co-operative Labour Society Ltd. ...	Bellary.
6	The Hospet Valmiki Co-operative Better Living Society Ltd. ...	,,
7	The Hadagali Revensiddeswara Better Living Society ...	,,
8	The Chinnasalem Women Spinners' Co-operative purchase and Sale Society Ltd. ...	South Arcot.
9	The Sholaganur Co-operative Society ...	,,
10	The Vannanjur Women Spinners Co-operative Purchase and Sale Society ...	,,
11	The Ravathur Co-operative Better Living Society Ltd. ...	Coimbatore.
12	The Karur Viswa-Brahmana Co-operative Better Living Society Ltd. ...	Trichinopoly.
13	The Ayodyapatnam Nadar Co-operative Society.	Salem.
14	The Karuppur Panaiyeri Moopan Co-operative Society ...	,,
15	The Panamarathupatti Nadar Co-operative Society.	,,

List of Societies Liquidated in August 1937.

1	Bairnatham Co-operative Society ...	Salem.
2	Padala ,, ,, ...	W. Godavary.
3	Bobbarlanka F. L. ,, ...	E. Godavary.
4	Perumanallur Co-operative Seed Society ...	Coimbatore.
5	Trichinopoly Co-operative Government Servants' Co-operative Building society ...	Trichinopoly.
6	Cherimundam Co-operative Society ...	Malabar.
7	Kattanandal ,, ,, ...	South Arcot.
8	Kadavanad ,, ,, ...	Malabar.

List of Societies Registered in August 1937.

Serial No.	Names of the Societies.	District.
1	Jhadankoli Co-operative Credit Society ...	Ganjam.
2	Bgatajynarada Co-operative Credit Society ...	"
3	Allabada Co-operative Society ...	"
4	Eturu Field Labourers Co-operative Society ...	Kistna.
5	The Tirupathi Ladies Welfare Co-operative Society ...	Chittoor.
6	Kallahalli Co-operative Credit Society ...	Bellary.
7	Sivanandapuram Co-operative Stores Ltd. ...	S. Arcot.
8	The Chettithangal Co-operative Society ...	"
9	The Edayanpalacheri Mat Weavers' Co-operative Society Ltd. ...	"
10	The Pettai Co-operative Credit Society ...	"
11	The Kurinjipadicheri Co-operative Society ...	"
12	The Villupuram Government Training School Students' Stores Ltd. ...	"
13	The Cuddalore Municipal Menial Employees' Co-operative Society ...	"
14	The Thirupparkadal Saivites Co-operative Better Living Society ...	N. Arcot.
15	The Vadakkur Co-operative Credit Society ...	Tanjore Dt.
16	The Sennavur Co-operative Society ...	Trichinopoly.
17	The E. R. High School Employees' Co-operative Society Ltd. ...	"
18	The Vyrichettipalayam Co-operative Better Living Society Ltd. ...	"
19	The Manamedu Handloom Weavers Co-operative Purchase and Sale Society Ltd. ...	"
20	The Masinayakampatti Co-operative Credit Society ...	Salem.
21	The Bhavani Tiruppur Co-operative Society ...	Coimbatore.
22	The Government Quinine Factory and Cincona Plantation Employees Co-operative Stores Ltd.	Nilgiris.
23	The Government Quinine Factory and Cincona Plantation Employees Co-operative Thrift and Loan Society Ltd. ...	"
24	The Basuvapatti Co-operative Society ...	Coimbatore.
25	The Coimbatore Town Co-operative Milk Supply Society Ltd. ...	"
26	The Tiruppur Ladies' Co-operative Thrift and Loan Society Ltd. ...	"

Serial No.	Names of the Societies.	District.
27	The Chitahvalasa Jute Mills Co-operative Credit Society Ltd. ...	Vizagapatam.
28	The Maipad Fishermen Better Living Co-operative Society ...	Nellore.
29	The Kota Loan and Sale Co-operative Society ...	"
30	The Mambalam Co-operators' Club Ltd. ...	Madras.
31	The Serakuppam Co-operative Credit Society ...	S. Arcot.

List of Societies Registered in September 1937.

Serial No.	Names of the Societies.	District.
1	The Patrapuram Co-operative Credit Society ...	Ganjam.
2	The Mustabad Tyagaraja Co-operative Society ...	Kistna.
3	The Eddulaballapuram Co-operative Credit Society ...	Anantapur.
4	The Bellary Ladies Co-operative Thrift and Loan Society ...	Bellary.
5	The Mudenur Co-operative Credit Society ...	"
6	The Taduku Fruit Growers Co-operative Society Ltd. ...	Chittoor.
7	The Tirumalai Tirupathi Devasthanam Co-operative Stores Ltd. ...	"
8	The Gangadhara Nellore Co-operative Society ...	"
9	The Pullampet Padmasali Weavers' Co-operative Purchase and Sale Society Ltd. ...	Cuddapah.
10	The Alagasenai Co-operative Credit Society ...	N. Arcot.
11	The Vellakuttai Womens' Co-operative Thrift and Loan Society ...	"
12	The Merkanam Salt Licensees' Co-operative Society Ltd. ...	S. Arcot.
13	The South Arcot Co-operative Central Bank Staff Co-operative Society Ltd. ...	"
14	The Nuttappur Co-operative Society ...	Trichinopoly.
15	The Turaiyur Co-operative Building Society ...	"
16	The Rangasamudram Co-operative Society ...	Coimbatore.
17	The Odayakkavundampalayam Catholic Co-operative Society ...	"
18	The Dharapuram Municipal Menial Employees Co-operative Society ...	"
19	The Morur Depressed Class Co-operative Society.	Salem.

convincing figures to show that the public, the Government and the producers had very much benefited by the Union.

* * *

A complaint made by Mr. Mudaliar needs to be looked into by the concerned authorities. It seems recently prosecutions have been launched against the Union by the Corporation officials for adulteration, and much time and energy of the staff is spent in attending courts. It is strange that the Corporation has not realised that the Union is as much interested as itself in supplying pure milk to the city and that it is managed by very responsible persons. Says Mr. Mudaliar:" It is an irony of things that while those who deliberately adulterate milk are allowed to go scot free, the Union which takes all possible precautions to prevent adulteration receives a great deal of attention of the officials of the Corporation. "

* * *

Mr. Giri complimented Mr. Mudaliar on not seeking rest in retirement but devoting himself to the Union and observed that the milkmen of the city and the surrounding villages owed him a debt of gratitude. He assured him that his scheme for providing grazing facilities for dry cattle would receive the best consideration of Government, Referring to the manufacture of powdered milk mentioned by Mr. Mudaliar, the Minister said that if only managers of schools followed the advice of the Nutrition Research Institute, and arranged for the supply of skimmed milk to school children, there would be no problem of surplus milk for the Union. We hope this suggestion will commend itself at least to some managers of schools in the city.

* * *

Sir M. Ismail, Dewan of Mysore, in his recent address to the Representative Assembly, stated, regarding the working of co-operative societies in the State, that during last year they had showed better recoveries of dues, a larger turnover and an improvement in net profits. He also said that the three major hospitals at Bangalore were now getting their milk supply from a co-operative organisation and that the arrangement was working satisfactorily.

* * *

A conference attended by some four thousand Kurubars, the shepherd community of Karnataka, took place at Ranebennur in Dharwar District of Bombay Presidency on the 17th of October. Dr. R. Naganna Gowd of Hospet presided over the conference. In the course of his presidential address he said that mill-made woollen blankets had not been able to compete successfully with hand-spun hand-woven *kumblis* made in Karnataka in respect of price, durability or warmth-giving quality, and that the *Kumbli* industry deserved all the encouragement which the Khaddar industry was receiving at the hands of the Congress Governments in the various provinces. He urged the establishment of a

research laboratory for the improvement of the implements used in the industry and the organisation of co-operative societies for the marketing of *kumblis*. In the Bellary district of this province there are some societies for the encouragement of the *kumbli* industry but we agree that more needs to be done in that direction.

* * *

The Nagpur Co-operative Society, which is the co-operative store society started some six years ago by the South Indian residents of Nagpur, had another successful year in 1936-37. During the year its membership rose from 225 to 238, its sales from Rs. 24,234 to Rs. 26,580 and the gross profit from Rs. 2,666 to Rs. 3,022. We heartily congratulate the society on being able to pay to its members a rebate of 5 pies in the rupee on their purchases, which is better than what most successful store societies in our country have been able to achieve.

* * *

Some time ago His Excellency Sir Harry and Lady Haig visited the village of Bahargoan in Lucknow district, where a better living society has been at work for the last few years. His Excellency was delighted to know that all the families in the village had joined the better living society, that nearly the whole of the adult population had become literate, that disputes were settled by panchayatdars and few taken to courts during recent years, that a women's society had been started which was giving training in basket-making etc., that most of the cultivators had made manure pits and soakage pits in their houses and that there was a dispensary in the village. His Excellency made a donation of Rs. 100 for building a community hall, while Lady Haig donated Rs. 50 to be used for women and children.

* * *

At the end of 1936 the number of retail distributive societies in Great Britain and Ireland was 1,107 which is 11 less than in the previous year. But there was a considerable increase in membership, turnover and share capital. The average membership of a society was over 7,000, the total membership exceeding 7,800,000. There were six societies with more than 100,000 members each, led by the London Society with 631,464, followed by the Royal Arsenal, also a London society, with 361,614. Another London society, the South Suburban, had 163,442 members. Thus in London alone there were more than 1,150,000 co-operators. The total turnover of the societies amounted to nearly £234,000,000, while their share capital exceeded £142,000,000, giving an average of over £18 per member.

* * *

At the end of 1936 Russia is reported to have possessed, in its consumers' co-operative system, 53 national and regional co-operative unions, 2,405 district unions, 350 district co-operative societies, 310 town co-operative societies and 23,246 rural co-operative societies, with a membership of 39,200,000.

News and Notes.

Mr. N. Pattabhirama Rao, a former Dewan of Cochin, who passed away at Madanapalli on the 15th October at the age of 75, was a prominent co-operator in the earlier years of the co-operative movement in this province. He was a friend and associate of the late Dewan Bahadurs M. Adinarayana Aiya and L. D. Swamikannu Pillai, and shared in their efforts for organising district agricultural associations and co-operative societies. He used to take a leading part in the provincial and other co-operative conferences in those years. Later he confined his activities to Chittoor district and particularly to Madanapalli town where he had settled down.

* * *

The Cultural Association of the Central Co-operative Institute, Madras, where the officials of the Co-operative Department and of some non-official organisations are given training in co-operation, should be congratulated on the zeal and energy of its secretary, Mr. V. Krishna Mohan, who has recently joined the Provincial Co-operative Bank as its Assistant Secretary. During the last three months the Association has arranged quite a number of meetings, for some time at the Institute and later at the premises of the Provincial Co-operative Union, at which well-known co-operators from the city and the mofussil have addressed the members of the Association as well as the general public on many important subjects relating to Co-operation. We hope the Association will be a permanent feature of the Institute and have a long and vigorous existence.

* * *

The second and last meeting of the Provincial Economic Council took place on the 13th October at the Secretariat with the Prime Minister in the chair. After discussing various items on the agenda, the Council recommended to Government the abolition of the District Economic Councils, as they had no statutory basis and often came into conflict with the District Boards, and suggested instead periodical conferences of Collectors with the gazetted officers, presidents of District Boards and elected M.L.Cs., and M.L.As., of their respective districts. The Council also resolved to abolish itself.

* * *

While the membership and establishment charges of the Madras Co-operation Officials' Co-operative Bank have remained stationary during the last five years, the number and amount of loans issued have risen by 50 and 100 per cent respectively. The loans issued during 1936-37 amounted to Rs. 5 lakhs nearly. During the year there was a large increase in members' deposits and a corresponding decrease in

non-members' deposits. The former was chiefly in the form of provident fund deposits on which compound interest at 6¼ per cent is payable, which at the rate now prevailing in the co-operative money market, is found very disadvantageous to the society. Its chief problem therefore, now is how to find profitable employment for this costly money. It is considering schemes for converting the provident fund deposit into insurance premia and for using the surplus money for starting stores etc. As a non-credit activity the society purchased considerable quantities of goods from the Handloom Weavers' Co-operative Society. The report shows that it is a very well conducted society.

* * *

A feature of special interest in the report of the Madras Civil Accounts Office Staff Co-operative Bank for 1936-37 is its experiment in joint purchase of some articles for its members. In November last year, crackers worth Rs. 633-6-0 were purchased in bulk on members' indents and sold at a small margin to cover incidental expenses. From June last seasonal fruits are being sold, the average monthly sales being worth about Rs. 500. These are sold on cash basis, each day's purchases are generally sold out the same day and the profit or loss from this transaction is not merged in the Bank's business but is kept quite distinct. The net profit earned during the four months, June to the end of September last, was Rs. 32 odd only. The margin between the purchase price and the sale price is less than one anna in the rupee, so that the members are able to get the fruits appreciably cheaper than in the market. The Deputy Registrar has complimented the Bank on the care with which this experiment has been conducted. We hope its example will be followed by other employees' societies in thus cautiously developing non-credit activities.

* * *

On the 22nd October the Hon. V. V. Giri performed the pleasant function of laying the foundation stone of the buildings of the Madras Milk Supply Union at Iyanavaram, just outside the Municipal limits of the city. The buildings are intended for its office as well as its pasteurisation plant, which has been ordered and is expected to arrive shortly. Dewan Bahadur K. Deivasikhamani Mudaliar, who on retiring as Joint Registrar of Co-operative Societies in Madras, has been devoting all his time and energy for the work of this Union, which was indeed organised and promoted by him while he was in service, made a statement giving the history of the Union and its hopes and difficulties. While it certainly benefits the consumer in the city by supplying him with pure and clean milk, its object however is to help the milkmen of the city and more particularly of the villages round about Madras, 'who were in the hands of impecunious middlemen who often did not pay the villagers and sometimes absconded with the money'. Mr. Mudaliar gave very

Mr. M. S. Sabhesan stressed the importance of publicity in the field of co-operation. The Provincial Co-operative Union should issue attractive leaflets. The masses should be taught the principles, and the advantages of co-operation.

Mr. Rajagopalachariar pleaded for the starting of producers societies.

Mr. Raghavendra Rao wanted that agriculture should be organised on a co-operative basis.

Rao Bahadur Rajabadar Mudaliar dealing with the working of the co-operative movement in the province, said that education of the right kind had not yet been attempted. Their attempt to rehabilitate the movement should include the enforcement of the obligatory bye-laws. An effective system of, supervision was vitally needed.

The Chairman then read out the following resolution :—

"On the fifteenth Anniversary of international co-operative day the vast army of co-operators comprised in the co-operative movements of the world—

Deeply deplores the continued manifestations of the spirit of war in the general re-armament of nations, and expresses horror at the armed conflict which, for the past year, has wantonly destroyed thousands of human innocent lives and laid waste the achievement of centuries of culture and civilisation :

Proclaims the urgent necessity for an active campaign in the pursuit of peace, the preservation of democracy and the constant exercise of liberty in the endeavour to attain these ideals of co-operation which are capable of arresting the processes of destruction now at work in the world, and of providing permanent conditions of economic prosperity and world peace :

Renews its declaration of fidelity to the foundation principles of co-operation as expressed in the system of the Rochdale poineers principles which embody a superior plan of economic life to that which has prevailed for nearly a century; set up a noble standard of human life and action, and call for the recognition of the links which bind the races of the Universe in one great family.

Pledges itself to use every means in its power to demand and support a policy which will give effective support to all national efforts having for their object collective security and world peace.

Relies upon co-operators and co-operative institutions to reinforce these demands by clear declarations of policy and the adoption of a programme of action calculated to bring to bear upon the councils of the nations the full force of the influence of the world co-operative movement"

The resolutions were put the house and carried unanimously.

In bringing the proceedings to a close, the Chairman said that they had so far tried co-operation as a sort of palliative. The movement admitted of no compromise with the capitalistic or individualistic system. At present, that great magic personality, Mahatma Gandhi, was devoting his special attention to economic revival. The speaker hoped that he would turn his attention to co-operation as a method of economic revival. They were told that education and democracy, were necessary for the success of co-operation. The problem of education was being tackled by Gandhiji. Through the great organisation of the Congress, he was trying to develop the true spirit of democracy, and they hoped that under the inspiring guidance of Mahatmaji, the fundamental characteristics which alone would ensure success in co-operation, would thrive.

With a vote of thanks proposed by Mr. V. Venkatasubbaiya to the Chairman and the speakers, the meeting terminated.

International Co-operators' Day

Under the auspices of the Madras Provincial Co-operative Union the Fifteenth International Co-operators' Day was celebrated on Saturday the 6th November 1937 at the premises of the Union. The meeting was presided over by Prof. S. K. Yegnanarayana Iyer.

Mr. K. Bhashyam, who spoke first, said that it was only through co-operation that there could be world peace. The spread of the ideal of co-operation in this country would remove the conflict between the various communities. In this Presidency, co-operative societies were in a very unsatisfactory state. Veteran co-operators should see whether the movement could not be reorganised on new lines, so that the poor and the distressed might be relieved and the idea of thrift spread in the country.

Proceeding, Mr. Bhashyam said that it was tragic to notice that while the Provincial Bank was able to get money at 3 per cent, the ryot was forced to borrow at 7½ per cent. He suggested that the central banks should be made branches of the Provincial Bank, or the number of central banks considerably reduced. Further, instead of having numerous primary societies it would be better to have one society for each firca or a number of villages grouped together. They should have a trained staff to carry the message of co-operation to the villages. In this respect, they could ask the national Government to see that co-operative propaganda was done through Congress workers.

Rev. K. Heiburg said that the co-operative movement must begin from below, from the masses. If the movement had always to rely upon Government support and supervision, it would experience difficulties at every step. In this country there were a large number of mushroom societies which had no producing capacity. Such societies should be abolished.

Rao Bahadur P. N. Marthandam Pillai wanted that the villages must first be organised. Co-operation must begin with the producer. He wished that the Congress would tag on co-operation to its village organisation work.

Mr. N. Subramaniam said that if the co-operative movement was to be effective, the agriculturist should have a surplus economy. They should have a national scheme of social insurance.

Name of Institutions.	Purpose	Amount Rs.
1 Tamil Nadu Co-operative Federation.	Publication of the Journal " Kootturavu"	500
2. The Nellore District Co-operative Banking Union, Ltd., Nellore.	Publication of the Journal "Andhra Sahakara Patrika"	350
3 Andhra Sahakara Sammelanam.	Do.	150
4 South Kanara Co-operative Central Bank.	Publication of the Journal " Kannadasahakari".	250
5 Andhra Sahakara Sammelanam.	For meeting the deficit incurred by the Sammelanam in past years.	500
6 Madras District Labour Society.	By way of encouragement of its activities.	100
		1,850

Rural Reconstruction Centres : The Union continued to maintain the accounts of the rural reconstruction centres independently of the Union Accounts. A contribution of Rs. 120 was received therefor.

(Sd.) T. R. RANGANATHAN,

16-10-37. *Deputy Registrar.*

Madras Journal of Co-operation and (c) Subsidies. The D. C. B. Statements for (a) and (b) are given below:—

	DEMAND.		COLLECTION.		BALANCE.	
	Arrears.	Current.	Arrears.	Current.	Arrears.	Current.
	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs.
(a) Contributions	1,374 0	2,924 0	354 0	2,490 0	1,020 0	434
(b) Subscriptions	6 12	2,751 9	6 12	2,745 9	...	6

A sum of Rs. 40 was written off under contributions and the overdues amounted to Rs. 1,454 under contributions and Rs. 6 under subscriptions.

(c) **Subsidies**:—No voluntary contributions were received during the year, but the receipts under subsidies amounted to Rs. 22,232 as detailed below:

	Purpose.	From whom received.	Amount. Rs.
1.	Panchayatdars' Training Classes ...	Government ...	13,000
	Do. ...	M. P. C. B. ...	4,000
2.	Library and Reading Room ...	Government ...	112
3.	Maintenance of the accounts of the Rural Reconstruction Centres ...	Rural Reconstruction Account.	120
4.	General Propaganda etc. ...	M. P. C. B. ...	5,000
			22,232

1. **Panchayatdars' Training Classes**: Out of the sum of Rs. 17,000 the Union spent Rs. 2,462-2-6 towards preliminaries, printing, stationery, translation, etc., and advanced Rs. 11,500 to the District Centres, leaving an unspent balance of Rs. 3,037-13-6.

2. **Library and Reading Room**: With the Government grant of Rs. 112 and the general funds of the Union, new books worth Rs. 437-11-0 were added to the Library. The up-keep expenses of the reading room amounted to Rs. 135-12-9.

IV. **Activities of the Union**: The Union continued to publish the Madras Journal of Co-operation in English and carry on the manufacture and sale of magic lanterns.

(a) **The Madras Journal of Co-operation**: The cost of publishing the Journal during the year amounted Rs. 3,078-7-0, against which subscription, sales and appropriation from the membership contributions amounting to Rs. 4,550-15-7 were realised, resulting in a gross income of Rs. 1,472-8-7.

(b) **Magic Lanterns and Slides**: The Union had stock worth Rs. 341-5-0 at the beginning of the year. During the year, lanterns and slides were manufactured at a cost of Rs. 2,963-4-9. Against these, sales were effected to the extent of Rs. 3,248-10-0, leaving Rs. 891-6-0 worth of stock at the end of the year. The transactions resulted in a gross income of Rs. 835-6-3.

(c) **Publications**: Except the publication of the Madras Co-operation Societies Act and Rules in a book form for sale, no other publications were undertaken during the year. The sales during the year were confined to these only. There were no transactions in the previous publications. The stock value of "Economic Depression in Rural Kistna" had fallen to Rs. 70-11-6 from Rs. 126-6-0. The Union earned a gross income of Rs. 56-4-2 in these transactions.

V. **Miscellaneous Activities**: (a) Co-operative Education:—The Training Institute at Rajahmundry was continued to be run for a period of 9 months during the year under review. A sum of Rs. 157 was realised as examination fees, while the cost of the examination conducted by the Union amounted to Rs. 200-10-0.

(b) *Propaganda*:—The members of the Board continued to do propaganda both in the mofussil and in the city. For propaganda in the city the Union contributed Rs. 225 to the Madras District Central Bank.

VI. **Meetings**: A General Body Meeting was held on 31-10-36 to consider the adoption of the Annual Report and the audit review for the year 1935-36. The Board of Management met once and the Executive Committee four times in the year.

VII. **Grants and Subsidies by the Union**: A sum of Rs. 1,850 was distributed as indicated below:

(*c*) Mr. S. Ramakrishna Iyengar of Erode moved the resolution that stood in his name regarding the repeal of Rule XXV. After some discussion the following resolution was adopted.

"Resolved that a recommendation be made to Government that Rule XXV may be so amended that the Registrar may permit any society other than those now mentioned in that Rule to hold conferences and that societies be allowed to make contributions to such conferences."

(*d*) Mr. Ramakrishna Iyengar next moved the following resolutions :—

"This Assembly is further of opinion that rule XV (*a*) of the rules made by the Local Government under the Madras Act VI of 1932 and the circular of the Registrar thereon prescribing for levy of fees on references made to him is in violation of the spirit and intentions of S. 51 of the Act and as such beyond the scope and authority of the rule making powers of the Government besides being opposed to the best interests of the movement and likely to lead to the growth of fraud, despotism and self-aggrandisement in the movement by stifling ventilation of real grievances and honest disputes."

The General Body after considering it had resolved that the Executive Committee be requested to take necessary action in the matter.

3. Question of Audit and Audit Fees.

" Resolved that the matter be referred to the Subjects Committee of the Conference."

4. Amendments to the Madras Co-operative Societies Act.

"Resolved that the matter be referred to the Executive Committee for necessary action."

V. RAMADAS PANTULU,
President.

AUDIT REVIEW

BY

M.R.Ry. T. R. Ranganatha Ayyangar Avl,

Deputy Registrar of Co-operative Societies, Madras.

ON THE ACCOUNTS OF THE

Madras Provincial Co-operative Union, No. 1130

For the year ending 30th June 1937.

The Accounts of the Madras Provincial Co-operative Union for the year 1936–37 as audited by M. R. Ry. A. P. Balasubramaniam, Inspector of Co-operative Societies, Madras, are passed. The following statements as furnished by the Auditor are appended :

1. Receipts and Charges.
2. Funds available and obligations to be fulfilled.
3. Income and Expenditure.

II. **Membership** :—The number of members on the rolls rose from 416 at the beginning of the year to 425 at the end of the year. The classification of members is as shown below.

	Name of Institution.		As on 30—6—36.	As on 30—6—37.
1.	Provincial Institutions	...	4	4
2.	Central Banks	...	31	32
3.	Language Federations	...	1	2
4.	District Federations	...	1	1
5.	Audit Unions	...	3	3
6.	Urban Banks	...	84	86
7.	Land Mortgage Banks	...	18	18
8.	Non-credit Societies	...	30	32
9.	Local Supervising Unions	...	219	222
10.	Training Institutes	...	5	5
11.	Honorary Members	...	20	20
			416	425

III. **Funds** :—The funds of the Union are composed mainly of (*a*) Contributions from member-societies (*b*) Subscriptions for the

Meeting.

BOARD OF MANAGEMENT OF THE P. C. U.

Proceedings of the meeting of the Board of Management held on Saturday the 23rd October 1937 in the premises of Padma Vilas, Mylapore, at 9-30 A.M.

Present:—1. The Hon'ble Mr. V. Ramadas Pantulu, President and Chairman of the Meeting.

2. Mr. S. Narasimhulu Pantulu
3. „ B. V. Rama Murthi Pantulu.
4. „ S. Nagaswami Iyer.
5. „ S. Thangaswamy Thalaiver.
6. „ K. Belli Gowder.
7. „ M. N. Chinnaswami Reddiar.
8. „ S. D. Thirupathi Naidu.
9. Rao Bahadur C. Sambasiva Chettiar.
10. Mr. D. Mahalingam Pillai.
11. Rao Bahadur A. Rajabadar Mudaliar.
12. Mr. K. Sundararami Reddy.
13. „ K. Rama Rao.
14. „ A. Narayana Bhatt.
15. „ K. Lakshmana Rao.
16. Mr. Peddala Venkatasubbaiya
17. „ K. L. Narasimha Rao.
18. „ G. Sriram Babu Naidu.
19. „ V. Brahmayya Sastri.
20. Dr. P. Gurumurthi.
21. Mr. N. K. Palani Gounder.
22. „ P. Sriramulu Naidu.
23. „ K. Ramanatha Iyer.
24. „ G. Alagirisami Naidu.
25. „ K. G. Sivaswamy
26. Rao Saheb K. N. Singaravelu Mudaliar.
27. Rao Bahadur V. Murugesa Mudaliar.
28. Mr. V. Ramamurthi.
29. „ N. Papaiah.
30. „ G. Satyanarayana.

1. Consideration of the Budget for the year 1937-38.

" Resolved that the Budget for the year be passed ".

2. Consideration of the Administration Report and Audit Review.

"After some discussion it was resolved that the report be passed and the same be presented to the General Body for adoption."

V. Ramadas Pantulu,
President.

———

General Body of the P. C. U.

A meeting of the General Body of the Madras Provincial Co-operative Union was held in the premises of the Padma Vilas on Saturday the 23rd October 1937 at 12 noon. About 122 delegates attended the meeting. The Hon'ble Mr. V. Ramadas Pantulu, President of the Union occupied the chair.

1. Consideration of the Administration Report of the Union.

Since the report was sent to all the members in advance, it was taken as read. Mr. C. A. Narayanaswami Iyer of Tanjore moved that the report be adopted. It was duly seconded.

The report was discussed at some length several members taking part in the discussion. Mr. S. S. Sankara Mudaliar of Madras desired that Training Classes for Panchayatdars should be conducted in Madras as in moffussil. The suggestion was noted.

Mr. Nagaswami Iyer of Sivaganga raised a discussion on the policy of the Union regarding grants given to rural reconstruction centres.

The President replied to the points raised in the discussion and said that the Union followed a consistent policy with regard to the financing of the Rural Reconstruction Centres, which for reasons given in the report had been closed from the beginning of the current co-operative year.

The report was then adopted without any changes.

2. Resolutions and motions, of which notice has been given.

Mr. S. Narasimhulu Pantulu of Kurnool who had given notice of amendments to the By-laws of the Union was called upon to move his amendments. Mr. Narasimhulu Pantulu moved his amendments and they were seconded by Mr. Ramanathan of Kurnool. The President welcomed the suggestion that the representation of Urban Banks on the Board of Management might be raised from three to five but was of opinion that the other amendments, given notice by Mr. Narasimhulu Pantulu, were not necessary.

Mr. Narasimhulu Pantulu accepted the President's suggestions and withdrew the other amendments. The General Body unanimously agreed to raise the representation of Urban Banks on the Board of Management from three to five.

(*b*) Mr. Satyanarayana Sarma of Bhimavaram who had given notice of amendments to the By-laws of this Union did not move the amendments.

Donation List.

S. No.	Names of Donors.	Amount. Rs.	A.	P.
1	Periyakulam Co-operative Urban Bank	5	0	0
2	Salem District Urban Bank	15	0	0
3	Co-operative Central Bank, Tanjore	5	0	0
4	Melur Co-operative Urban Bank	5	0	0
5	Razole Co-operative Land Mortgage Bank	10	0	0
6	Triplicane Urban Co-operative Society	15	0	0
7	Sreekoonaseema Co-operative Central Bank, Amalapuram.	25	0	0
8	Kovur Local Co-operative Union, Nellore Dt.	5	0	0
9	Vellore Co-operative Central Bank	10	0	0
10	Paramakudi Co-operative Society	5	0	0
11	Madura Ramnad District Co-operative Central Bank ...	15	0	0
12	Little Conjeeveram Co-operative Urban Bank	5	0	0
13	Nicholson Co-operative Town Bank, Tanjore	5	0	0
14	Pattukottai Co-operative Urban Bank	5	0	0
15	Srivaikuntam Co-operative Bank	5	0	0
16	Erode Co-operative Urban Bank	10	8	0
17	Kandapillaichavadi Co-operative Building Society ...	5	0	0
18	Co-operative Credit Society, Kovvur (W. Godavari Dt.) ...	5	0	0
19	Co-operative Supervising Union, Tanjore	2	0	0
20	Dindigul Co-operative Building Society	5	0	0
21	Ramachandrapuram Co-operative Central Bank ...	5	0	0
22	Kumbakonam College Students Co-operative Stores ...	5	0	0
23	Amalapuram Co-operative Land Mortgage Bank ...	5	0	0
24	Co-operative Bank, Vizianagaram	10	0	0
25	Cocanada Co-operative Central Bank	10	0	0
26	Central Co-operative Land Mortgage Bank	10	0	0
27	Vizianagaram Co-operative Central Bank	20	0	0
28	Madras Civil Accounts Staff Co-operative Bank ...	3	0	0
29	Nellore District Registration Government Servants' Co-operative Society	2	0	0
30	Co-operative Town Bank, Dharmapuri...	5	0	0
31	Rameswaram Co-operative Stores	1	0	0
32	Pithapuram Co-operative Urban Bank...	5	0	0
33	Cuddapah District Co-operative Central Bank	10	0	0
34	Muthukur Co-operative Union	8	0	0
	Total ...	261	8	0

XXII Madras Provincial Co-operative Conference.

Statement of Income and Expenditure.

Income.

		Rs.	A.	P.
1	Delegation fee	496	0	0
2	Boarding and Lodging	173	6	0
3	Donations	261	8	0
	Total ...	930	14	0

Expenditure.

		Rs.	A.	P.
1	Delegation fee (refund)	2	0	0
2	Boarding and Lodging	374	5	9
3	Stationary	37	0	0
4	Contingencies	64	1	0
5	Establishment	10	0	0
6	Printing charges	82	12	0
7	Postage	79	0	3
8	Telegrams	3	4	0
9	Furniture hire and Pandal	130	6	8
10	Lighting charges	37	0	0
11	Rent for premises	40	0	0
	Total ...	859	13	8

Names of the Institution.	Names of the Delegates.
30 Muthukur Local Co-op. Union	232 N. Sundararami Reddi.
31 Kovur Local Co- op. Union ...	233 P. Adinarayana Reddi.

Nilgiris District.

32 Kotagiri Co-op. Union ...	234 Mr. K. Belli Gowder.

Ramnad District.

33 Tirupattur Local Co-op. Urban	235 S. Krishnaswami Iyer.
34 Vachakarapatty Co-op. Union	236 Mr. S. Venkatachala Mudaliar.
35 Sundarapandiam Co-op. Union	237 Mr. S. Ganapathi Iyer.

Salem District.

36 Rasipuram Co-op. Union ...	238 S. S. Krishna Chettiar.
37 Attur Co-op. Union ...	239 S. Ramaswami Naicker.
38 Salem Co-op. Union ...	240 Mr. N. V. Krishniah Chettiar.

Tanjore District.

39 Tiruvarur Co-op. Supervising Union.	241 Mr. R. Appakutty Pillai.
40 Co-op. Supervising Union Tanjore.	242 „ S. Packirisami Pillai.
41 Mayavaram Co-op. Supervising Union.	243 „ M. Krishnamurthy Iyer.
42 Tirutturaipundi Co-op. Union	244 „ R. Samiappa Mudaliar.
43 Arantangi Co-op. Union ...	245

Tinnevelly District.

44 Srivaikuntam Tiruchendur Co-op. Audit Union, Prakasapuram.	246 Mr. T. V. Samuel.

Trichinopoly District.

45 Lalgudi Co-op. Union ...	247 Mr. T. K. Thevaraya Pillai.
46 Jayakondam Co-op. Union ...	248
47 Karur Co-op. Union ...	249

Vizagapatam District.

48 Salur Co-op. Union ...	250 Mr. S Suryanarayana Deo.
49 Anakapally Co-op. Union ...	251 „ P. Sreeramulu.
50 Sringavarapukota Co-op. Union.	252 „ P. Applaswami Naidu.

7. Land Mortgage Banks.

Names of the Institutions.	Names of Delegates.
1 Razole Co-op. Land Mortgage Bank (E. Godavari Dt.)	253 Mr. K. Satyanarayana Murthy.
2 Alamuru Co-op. Land Mortgage Bank.	254 „ K. Butchayya.
3 Amalapuram Co-op. Land Mortgage Bank.	255 „ K. Venkataratnam.
4 Ramachandrapuram Co-op. Land Mortgage Bank.	256 „ N. Pattabhiramayya.
5 Narasapur Co-op. Land Mortgage Bank (W. Godavari).	257 „ V. Brahmayya Sastry, B.A.
6 Repalli Co-op. Land Mortgage Bank (Guntur Dt.)	258 „ G. Vijayaramaiah.
7 Nellore Land Mortgage Bank.	259 „ Janaba Md. Rahemath Saheb Bahadur.
8	

8. Fraternal Delegates who attended the Conference.

1 Coorg Co-op. Central Bank ...	260 Mr. B. A. Belliappa.
	261 „ K. C. Karumbayya.
2 Pudukottai Co-op. Town Bank	262 „ G. S. Sundaresa Iyer.
	263 „ T. R. Gopala Iyer.

Ex-officio Delegates.

245 The Hon'ble Mr. V. Ramadas Pantulu, B.A., B.L., President, P. C. U.

246 Mr. T. A. Ramalingam Chettiar, B.A., B.L., M.L.C., Vice President, P. C. U.

247 „ V. Ramamurthi Pantulu, Vice President, P. C. U.

248 Rao Bahadur A. Rajabadar Mudaliar Avl., B.A., Hon Joint Secretary, P. C. U.

249 Mr. V. Venkatasubbaiya, B.A., Hon. Joint Secretary, P. C. U.

250 „ N. Satyanarayana, Hon. Joint Secretary, P. C U.

251 „ K. Bhashyam Iyengar, B.A., B.L., M.L.A.

252 Dr. P. Gurumurthi.

253 Mr. K. L. Narasimha Rao, B.A., B.L.

	Names of the Institution.		Names of the Delegates.
11	Madras City Co-op. Building Society.	179	Mr. G. Sri Rambabu Naidu.
12	The Kandapiliaichavady Co-op. Building Society, Nungambakam.	180	„ N. Viswanadha Iyer.
13	The Madras Co-op. Milk Supply Union.	181	„ C. Arulappa Naidu.
14	Kavali School Students Co-op. Stores.	182	„ K. V. Subramanyam, M.A. L.T.
15	Rameswaram Co-op. Stores ...	183	„ R. N. Doraiswamy Pillai.
16	Salem Co-op. Building Society	184	„ P. S. Ranganatha Iyer.
17	Krishnagiri Board High School Students Stores.	185	
18	Kumbakonam College Students Co-op. Stores.	186	
19	Tanjore Loan and Sale Society	187	
20	Lalgudi Sivananam Co-op. Agricultural Society.	188	„ R. P. Ratnasarmah.
21	Karur Co-op. Stores ...	189	„ P. Ranganatha Rao.
22	The Municipal High School Students Co-op. Stores, Anakapalli.	190	„ A. Narayanamurthy, M.A. L.T.
23	Anakapalli Co-op. Loan and Sale Society.	191	„ B. Achanna Naidu.
24	Anakapalli Building Co-op. Society.	192	„ V. Sreeramulu.

6. Unions.

Anantapur District.

1	Kadiri Local Co-op. Union ...	193	Mr. K. Jamal Khan.
2	Hindupur Local Co-op. Union	194	„ K. Krishna Rao Esq.,

North Arcot District.

3	Timiri Co-op. Union ...	195	Mr. K. S. Rajagopala Mudaliar.

South Arcot District.

4	Vridhachalam Co-op. Union ...	196	Mr. M. G. Parthasarthi Mudaliar.
5	Villipuram Co-op. Union ...	197	

Chingleput District.

6	Tinnanur Co-op. Union ...	198	Mr. R. Govindaswami Naidu.
7	Ponneri Co-op. Union ...	199	„ S. Ramachandra Rao.
8	Arkonam Co-op. Union ...	200	„ A. R. Munuswamy Reddiar.

Coimbatore District.

	Names of the Institution.		Names of the Delegates.
9	Satyamangalam Co-op. Union	201	Mr. S. A. Narayana Sastriar. B.A.
10	Gopichettipalayam Local Co-op. Union.	202	„ K. K. Subbanna Gounder.
11	Sulur Co-op. Union ...	203	„ R. N. Appaji Gounder.

E. Godavari District.

12	Ramachandrapuram Local Co-op. Union.	204	Mr. N. Pattabhiramayya.
13	Tapeswaram Local Co-op. Union.	205	„ Ch. Veereswara Rao.
14	Bhimavaram Co-op. Union ...	206	„ Dr. P. S. N. Sarma.

W. Godavari District.

15	Tadepalligudem Local Co-op. Union.	207	Mr. K. Narayya Naidu.

Krishna District.

16	Nuzvid Local Co-op. Union ...	208	Dr. P. Ramachandra Rao.
17	Gudivada Co-op. Union ...	209	Mr. G. V. Apparao Pantulu.
18	East Bezwada Local Co-op. Union.	210	„ G. Ramachandriah.
19	Undi Co-op. Union ...	211	„ M. L. Narasimharaju.
20	Addur Local Co-op. Union ...	212	„ U. S. Ramachandran.
21	Gannavaram Co-op. Union ...	213	„ V. Ramamurthi.

Kurnool District.

22	Koilkuntla Local Co-op. Union.	214	Mr. Gopireddi Nagi Reddi.
23	Kurnool Local Co-op. Union...	215	Mr. B. Narayanamurthy, B.A., B.L.

Madura District.

24	Othakadai Co-op. Union ...	216	Mr. R. Veluswami Pillai.
25	Madura Dt. Co-op. Audi Union.	217	Mr. V. Chinnakrishna Naidu.
26	Uthamapalayam Co-op. Union	218	Mr. K. S. Suryavelu Thevar.
27	Tiruppurankundram Co-op. Union.	219	D. Stephen Esq.
28	Uttaramenur Co-op. Union ...	230	Mr. O. M. Venkatanatha Ayyangar.

Nellore District.

29	Co-op. Supervising Union, Kavali.	231	Dr. K. Subbaramaiah.

Nellore District.

	Names of the Institution.		Names of the Delegates
42	Nellore District Registration Department Government Servants Co-op. Society.	134	Mr. E. Audiseshaiar.
43	Krishnapatnam Salt Public Servants Co-op. Society Ltd., Muthukur.	135	„ R. Kutumbarayalu.
44	M. S. M. Ry. Employees Govt. Credit Society, Bitragunta.	136	„ P. Venkatarama Iyer.
45	Nellore Town Local Board Employees Co-op. Society.	137	„ L. Adinarayaniah.
46	Nellore Co-op. Credit Society.	138	„ M. S. Narasimha Rao.

Ramnad District.

47	Karaikudi Co-op. Urban Bank.	139	Mr. N S. Venkatarama Iyer.
48	Bhupathi Raja Co-op. Credit Bank.	140	„ P. S. Subbaraya
49	Paramakudi Co-op. Society.	141	„ G. Sundarama Ayyengar.
50	Manamadurai Co-op. Urban Bank.	142	„ S. V. Ramaswami Iyer.
51	Rameswaram Co-op. Credit Society.	143	„ S. V. Ramanathan.
52	Sivaganga Co-op. Urban Bank.	144	„ S. Nagaswamy Iyer.

Salem District.

53	Rasipuram Town Co-op. Society.	145	Mr. R. V. Krishnamurthi Iyer.
54	Kaveripatnam Co-op. Town Bank.	146	„ P. N. Kuppuswami Naidu.
55	Namakal Co-op. Urban Bank.	147	„ S. Muthuswami Asariar.
56	Krishnagiri Urban Co-op. Society.	148	„ C. Paravasudeva Iyer.
57	Shevapet Urban Co-op. Bank.	149	„ S. C. Venkatappachettiar.

Tanjore District.

58	Tirukattupalli Co-op. Credit Society.	150	Mr. N. Kalyana Rama Iyer.
59	Shiyali Co-op. Urban Bank.	151	„ N. Ratnasabhapathi Pillai.
60	Panchanadeswara Co-op. Credit Society.	152	„ V. S. T. Sambandam Pillai.
61	Pattukottai Co-op. Urban Bank.	153	„ T. N. Somanatharao, B.A. B.L.
62	Co-operative Urban Bank, Mayavaram.	154	„ S. Somakandam Pillai, B.A., B.L.

	Names of the Institution.		Names of the Delegates.
63	Public Servants Co-op. Society, Tanjore.	155	Mr. D. Padmanabha Pillai.
64	Kandanpalayam Co-op. Society.	156	„
65	Kailasanathan Co-op. Society.	157	„ G. Tyagaraya Pillai.

Tinnevelly District.

66	Nazereth Co-op. Bank.	158	Mr. P. G. Arthur.
67	Koilpatti Co-op. Bank.	159	„ N. S. Guruswamy Iyer.

Trichinopoly District.

68	Karur Town Co-op. Bank.	160	Mr. B. K. Vembu Iyer Esqr., B.A.
69	Lalgudi Co-op. Urban Bank.	161	„ T. S. Raju Iyer.
70	Rural Bank, Lalgudi.	162	„ L. D. Ramachandra Iyer.
71	Co-op. Credit Society, Musiri.	163	„ N. Pethu Pillai.

Vizagapatam District.

72	Vizianagaram Co-op. Bank.	164	Mr. N. Varaha Narasimham.
73	Vizianagaram Co-op. Society.	165	„ K. Paparao.
74	Salur Co-op. Credit Society.	166	„ C. H. Gopala Rao.
75	Anakapalli Co-op. Urban Bank.	167	„ C. V. Narasimhamurthy.
76	Vizagapatam Co-op. Bank.	168	Dr. T. Madhava Rao.

5. Non-Credit Societies.

1	Kadiri Co-op. Loan and Sale Society.	169	Mr. M. Narayana Reddi.
2	Pudupalayam Co-op. Stores ...	170	„
3	Bellary Co-op. Loan and Sale Society.	171	„ K. Rama Rao.
4	Tirupati East Co-op. Building Society.	172	„ P. K. Vijayaraghavachariar, B.A.
5	West Coimbatore Co-op. Building Society.	173	„ N. V. Minakshi Sundara Mudaliar.
6	Cuddappah Loan and Sale Society.	174	„ R. Venkataramanaiah.
7	Tapeswaram Co-op. Loan and Sale Society.	175	„ P. Papiah.
8	Paddapalli Co-op. Stores.	176	„ N. Sundararama Sastri.
9	Madura City Co-op. Stores ...	177	„ A. Krishan Iyer.
10	The Dindigul Co-op. Building Society.	178	„ G. Srinivasa Iyer.

Cuddappah District.

Names of the Institution.	Names of the Delegates.
23 Cuddappah Co-op. Town Bank	115 Mr. Syed Abdur Rahiman.
24 Rajampet Co-op. Town Bank	116 „ V. R. Satyanarayana.

East Godavari District.

25 Pithapuram Co-op. Urban Bank.	117

West Godavari District.

26 Kovvur Co-op. Urban Bank...	118 Mr. B. Lakhshmi narayana Narasimham.

Guntur District.

27 Repalli Co-op. Urban Bank ...	119 Mr. N. Venkataramana, B.A., B.L.

Krishna District.

28 Gandhi Co-op. Urban Bank ...	120 Mr. G. Seetharama Sarma.

Kurnool District.

29 Kurnool Co-op. Urban Bank...	121 Mr. S. Narasimhaulu Pantulu, B.A., B.L.

Madura District.

30 Madura Urban Co-op. Bank...	122 Dr. E. S. Ramasubbu.
31 Palani Co-op. Urban Bank ...	123 Mr. A. Subramania Thevar.
32 Periakulam Co-op. Urban Bank.	124
33 Kalayambuthur Agra h a r a m Co-op. Society.	125 Mr. K. S. Sundaraswamy Iyer.
34 Manamadura Co-op. Urban Bank.	126 „ S. V. Ramaswamy Iyer.
35 Bodinaikanur Co-op. Urban Bank.	127 „ S. Kamaraja Pandia Naicker, B.A.

Madras.

36 Madras Teacher's GuildCo-op. Society.	128 Mr. V. Rangaswami Ayyangar, B.A., L.T.
37 The Government Telegraph Employees Co-op. Society.	129 „ V. Manikka Mudaliar.
38 Vellala Co-op. Bank.	130 „ C. Govindaraja Mudaliar.
39 Madras City Co-op. Bank.	131 „ S. S. Sankara Mudaliar, B.A., B.L.
40 Meenakshiammanpet Co-op. Society.	132 „ M. K. Arumugam.
41 Madras Civil Accounts Office Staff Co-op. Bank.	133 „ K. K. Subramania Iyer.

Names of the Institution.	Names of Delegates.
3 Tirupattur Co-op. Urban Bank	95 Mr. G. Swami Naidu, B.A., B.L.
4 Tottapalayam Co-op. Urban Bank.	96 Mr. T. P. Govindaraja Mudaliar.
5 Sholingar Co-op. Urban Bank	97 Mr. P. Srinivasa Mudaliar.

South Arcot District.

6 Chithambaram Co-op. Urban Bank.	98 Mr. C. Tirunavakkarasu Pillai.
7 Villipuram Co-op. Urban Bank	99 P. S. Venkatesa Iyer Esq.

Bellary District.

8 Harpanahalli Co-op. Credit Society.	100 Mr. A. Narayana Bhatt.
9 Municipal Supervisors' Employees Co-op. Credit Society, Adoni.	101 Mr. Mir Koramat Ali.

Chingleput District.

10 Little Conjeeveram Co-op. Urban Bank.	102 M. Ponnuswami Mudaliar.

Chittoor District.

11 The Tirupati Town Co-op. Bank.	103 Mr. P. Radhapathi, B.A.
12 Madanapalli Co-op. Town Bank.	104 Mr. G. P. Reddy.
13 Chittoor Co-op. Town Bank ...	105 Mr. Singarachariar.
14 Punganur Co-op. Town Bank.	106 Mr. R. Lakshmana Sarma.

Coimbatore District.

15 Coimbatore Town Co-op. Bank.	107 Rao Saheb K. Raghavendra Roa, B.A., B.L.
16 Erode Urban Bank ...	108 Mr. E. Y. Umainavaskan Saheb.
17 Gopichettipa l a y a m C o-o p. Urban Bank.	109 „ P. S. Muthuvelappa Gounder.
18 The Dharapuram Co-op. Urban Bank.	110 „ S. D. Tirupathy Naidu.
19 Perundurai Co-op. Society ...	111 „ P. G. Sivasubramania Iyer.
20 The Erode Co-op. House Mortgage Bank.	112 „ S. Ramakrishna Iyer.
21 Perundaliyur Mettupalayam Co-op. Audit Society.	113 „ N. Palaniswami Gounder.
22 Sulur Co-op. Credit Society ...	114 „ S. L. Venkatachala Thevar.

Names of the Institutions.	Names of Delegates.
2 The Co-op. Central Bank, Vellore.	31 Rao Bahadur V. A. Arunachala Mudaliar. 32 Rai Bahadur V. Murugesa Mudaliar. 33 Rao Saheb K. M. Singaravelu Mudaliar.
3 The Co-op. Central Bank, Conjeeveram.	34 Rao Bahadur C. Sambasiva Chettiar. 35 Mr. K. R. Viswanatha Iyer, B.A. 36 „ P. Rayappa Naidu.
4 The Chittoor District Co-op. Central Bank, Chittoor.	37 „ S. P. Sarathy Mudaliar. 38 „ N. Narayana Reddi. 39 „ G. Peddappa Reddi.
5 The Coimbatore District Urban Bank, Coimbatore.	40 „ S. Thirunavukkarasu Mudaliar. 41 „ R. Rama Krishna Naidu. 42 „ Janab D. K. Yusuf Mohideen Ansari Sahib Bahadur.
6 The Cuddapah District Co-op. Central Bank, Cuddapah.	43 „ K. Lakshmana Rao, B.A., B.L. 44 „ M. Satyanarayana.
7 Rajahmundry Co-op. Central Bank, Rajahmundry.	45 „ P. Suryaprakasa Rao, B.A.,
8 Ramachandrapuram Co-op. Central Bank, Ramachandrapuram.	46 „ B. Venkataratnam Chowdry. 47 „ M. Buchi Venkata Rao. 48 „ M. Veeranna.
9 Cocanada Co-op. Central Bank, Cocanada.	49 „ N. V. Yogananda Rao, B.A., B.L. 50 „ N. Chalapathi Rao.
10 Amalapuram Co-op. Central Bank, Amalapuram.	51 „ K. Venkata Rao, M.L.A. 52 „ W. A. Ramachandramurthy. 53 „ B. N. Sastry.
11 West Godavari District Co-op. Central Bank, Ellore.	54 „ S. V. Seshagiri Rao Pantulu. 55 „ N. Veeraiah Chowdry.
12 South Kanara District Co-op. Central Bank, Mangalore.	56 „ M. Siva Rao, B.A. 57 „ A. M. Monteiro.
13 Viziawada Co-op. Bank, Bezwada.	58 „ N. Papaiah. 59 „ P. V. Krishna Sastry. 60 „ P. Kesava Rao.
14 Krishna Co-op. Bank, Ltd., Masulipatam.	61 „ M. Satyanarayanamurthy. 62 „ G. Ramaiah Naidu, B.A., B.L.
15 Kurnool District Co-op. Central Bank, Kurnool.	63 „ L. Hanumantha Reddi. 64 „ K. Ramanatha Iyer, B.A. 65 „ J. Ramaiah Chetty.
16 Madura Ramnad District Co-op. Central Bank, Madura.	66 „ A. Ramachandra Pillai. 67 „ T. Narayana Pillai. 68 „ R. Sivasankaran Pillai.

Names of the Institutions.	Names of Delegates.
17 Madras District Co-op. Central Bank, Madras.	69 Mr. S. S. Sankara Mudaliar, B.A., B.L. 70 „ M. S. Sabesha Iyer, M.A., L.T. 71 „ C. Thyagaraja Mudaliyar.
18 Malabar District Co-op. Central Bank, Chalapuram.	72 „ M. M. Kunhirama Menon, B.A., B.L.
19 Nellore District Co-op. Banking Union, Nellore.	73 „ R. Dasaraharami Reddi, B.A. (Hons.) LL.B. 74 Rao Saheb O. Viswanatha Rao, B.A., B.L. 75 Mr. R. Sreehari Rao.
20 Srivilliputhur Co-op. Banking Union, Srivilliputhur.	76 Rao Bahadur R. V. Ramasundaram Pillai. 77 Mr. P. S. Kumarasami Raja. 78 „ G. Alagirisamy Naidu.
21 Salem District Urban Bank ...	79 „ S. C. Venkatappa Chettiar, B.A., B.L., M.L.A. 80 „ K. Narasimha Ayyengar.
22 Tanjore Co-op. Central Bank, Tanjore.	81 „ G. Ramachandra Iyer. 82 „ V. M. Govinda Pillai. 83 „ T. R. Srinivasa Iyer.
23 Kumbakonam Co-op. Central Bank.	84 „ K. Narasimha Ayyengar, B.A., B.L. 85 „ M. Muthuswami Mudaliar.
24 Tinnevelly District Co-op. Central Bank, Tinnevelly.	86 „ G. M. G. Sundarappa Naidu.
25 Trichinopoly District Co-op. Central Bank, Trichinopoly.	87 „ E. V. Gopalaswami Ayyengar. 88 Rao Saheb L. N. Paramasivan Pillai. 89 Mr. A. Ramaswami Iyer, B.A., B.L.
26 Chicacole Co-op. Central Bank, Chicacole.	90 „ P. Syamasundara Rao Pantulu. 91 „ C. Venkatara Naidu. 92 „ B. V. Ramaiah Chetty.

4. Urban Banks.

Anantapur District.

1 Kadiri Co-op. Town Bank ...	93 Mr. M. Peer Sahib.

North Arcot District.

2 Tirurvettipuram Public Servants Co-op. Society.	94 Mr. N. Ramanathan.

when co-operation was considered mere cheap money lending is fast receding and it is now increasingly recognised on all sides that it is the only panacea for the economic regeneration of the Indian masses. It is in the fitness of things that you have got Dr. P. J. Thomas, Professor of Economics to preside over the conferenee. I have every hope that under his able presidency the conference will be a success."

Registrar of Co-operative Societies, Bombay Presidency, Poona.

The Co-operators in Madras Presidency are going to assemble in a Conference at Madras on the 23rd and 24th instant under the presidency of Dr. P. J. Thomas, Professor of Indian Economics University of Madras. The Co-operative Movement in all provinces of India is faced with the problems of rebuilding and rehabilitation of agricultural credit societies which have suffered most from the effects of economic slump and of infusing fresh life and vigour into them with a view to make them effective agents not only in financing agricultural industry but also in the furtherance of the larger programme of rural reconstruction. I hope the conference will make useful and substantial contribution to the solution of these problems.

I wish the conference every Successes.

Registrar of Co-operative Societies, Central Provinces and Berar.

Much as I would like to attend the Conference I regret to say that I am unable to do so for want of time. The Madras Provincial Bank is, by virtue of its exceptional financial position and stability a tower of strength not only to the movement in the Madras Presidency, but I feel to the whole co-operative movement in India. The country has entered upon a new phase of administration which is full of possibilities for the development of all nation-building activities and which places rural reconstruction in the forefront of its programme. Fortunately this period also coincides with signs of trade recovery. This is therefore the most appropriate time, or the pyschological moment, for taking stock of the situation and for devising ways and means for the revival of the movement which despite of its failures and vicissitudes, is still the only hope of the agriculturists in the country. This province will watch with interest the deliberations of your conference and will expect a lead in consonance with the best traditions of the movement in the Presidency.

APPENDIX B.

LIST OF DELEGATES TO THE CONFERENCE.

1. Provincial Societies.

Names of the Institutions.	Names of Delegates.
1 The Madras Provincial Co-op. Bank, Ltd., Madras.	1 Mr. K. Lakshmana Rao.
	2 „ C. Venkata Rao.
	3 „ K. Rangaswami Ayyengar.
	4 „ T. R. Venkatarama Sastriar, C.I.E.
	5 „ T. Audinarayana Chettiar, Bar-at-Law.
2 The Madras Co-op. Central Land Mortgage Bank, Ltd., Madras.	6 Dewan Bahadur T. Raghaviah, C.S.I.
	7 Rao Bahadur C. Gopala Menon.
	8 Mr. A. V. Ratnavelu Pillai.
	9 „ A. Ramachandra Reddiar.
3 The South India Co-op. Insurance Society, Ltd., Madras.	10 Prof. S. K. Yegnanarayana Iyer, M.A.
	11 R. B. Shah Esq.
	12 Mr. V. Viyanna, B.A., B.L.
	13 Dr. M. Krishnamurthy, M.B.B.S.
4 The Triplicane Urban Co-op. Society, Ltd., Madras.	14 Rao Bahadur P. N. Martandam Pillai.
	15 Mr. A. Narayanaswamy Iyer.
	16 T. G. Ramaswamy Iyer Esq.
	17 Mr. S. Desikachariar.
	18 „ V. Srinivasa Rao.

2. Language Federation

1 The Tamil Nadu Co-op. Federation, Coimbatore.	19 Mr. K. G. Sivaswamy.
	20 „ K. S. Rangayya Gounder.
	21 „ Muthuvaratha Pillai.
	22 „ Marthanda Chettiar.
	23 „ Krishnaswami Sarma.
	24 „ Narasimhachariar.
	25 „ S. Singaravelu Mudaliar.
	26 „ Narayanaswami Mudaliar.
	27 „ A. V. Krishnamurthi.
	28 „ Janab All Pichair.

3. Central Banks.

1 Anantapur District Co-op. Central Bank.	29 Mr. K. S. Raghavacharlu, B.A., B.L.
	30 „ P. Ramacharlu.

Whilst we regret being unable to send a delegate, we neverthe-less appreciate the opportunity of sending a message, which we hope it will be possible to read at your meeting.

The Co-operative Union of Great Britain, representing seven million members, extends cordial greetings to your 22nd Conference, in the hope that your deliberations will be fruitful and that the association of delegates will renew their faith in co-operative purpose and stimulate them to further service in the cause of co-operative development.

The British Co-operative Movement continues to develop in membership, trade and co-operative consciousness and, through the influence of improving economic conditions, the Movement is reaching new records of achievement. There are now 7,650,000 members in our societies, the total sales of which for 1936 were £ 228,453,000. Share capital now stands at £ 141,000,000. These figures are impressive but in addition, mention must be made of the Ten Year Plan and the new spirit of achievement which is gradually permeating our Movement. We hope that Co-operatives throughout the world will continue their endeavours with us to build up the co-operative Movement to such a strength that it will be a worthy memorial to the poineers of Rochdale when their centenary is celebrated in 1944."

International Co-operative Landbouwaankoopvereeniging G. A. Rotterdam.

"We thank you for your convocation of 29th September last to the XXII Madras Provincial Co-operative Conference, which will be held on the 23rd and 24th October next.

We take it that although your letter was addressed to the International Agricultural Co-operative Wholesale Society it was apparently meant for us. i.e. "INTERCOOP," Haringvliet 100, Rotterdam.—

Much to our Regret we have to advise, however, that we are not in a position to attend your conference. If it would have been possible for us we would have gladly availed ourselves of your invitation, but we regret that circumstances and time prevent us from this.

Meanwhile we are, Dear Sirs, with our very best wishes for your conference."

International Co-operative Women's Guild, London.

"Thank you very much for your invitation of September 29th to send delegates to the XXII Madras Provincial Co-operative Conference on October 23rd and 24th 1937.

Unfortunately it is quite impossible for us to be represented, much as we should welcome the opportunity for direct contact with our fellow-co-operators in India, and as your letter only arrived to-day we are afraid this message may not reach you in time to be read at the Conference. We send you our warmest good wishes for most successful meetings and great progress during the next 12 months, both as regards membership and the influence of the Co-operative Movement in your Province. We realise that there are great opportunities in India for Co-operation to improve the general standard of living and educate the workers to understand that great advantages of mutual association as producers and consumers, and hope that the more democratic constitution may enable the Movement to make rapid strides.

As the experience of many countries has proved that the interest and enthusiasm of the ordinary housewives is one of the essentials for a firmly rooted Movement we hope very much that the efforts being made in India to make Co-operation understood by the masses of women wil lead to the development of a strong women's movement.

If possible we should much appreciate a report of the Conference.

With renewed good wishes on behalf of the many millions of co-operative women united in the International Co-operative Women's Guild."

Consultatine Chamber of co-operative Societies of Production, France.

"I am in receipt of your letter informing me that the Twenty Second Co-operative Conference, Madras, will be held on the 23rd and 24th October, 1937 at Madras under the presidency of Dr. P. J. Thomas.

I regret to inform you that it will not be possible for us to participate in the Conference. We send you our most sincere wishes for the success of the Conference and wish that it achieves the purpose desired by us.

Kindly convey to the assembly the cordial respects of our Confederation."

The Registrar of Co-operative Societies, Pudukottai State.

"I thank you for your kind invitation to attend the 22nd Madras Provincial Co-operative Conference, that is to meet under the Presidency of Dr. P. J. Thomas, on 23rd and 24th October. I would consider it a privilege and pleasure to attend the Conference and watch the deliberations but my work here stands in my way. I am therefore asking my Deputy Registrar to attend the Conference. I shall watch with interest the Proceedings of the Conference. I need hardly add that such periodical conferences serve a very real useful purpose especially now when serious problems confront co-operators throughout India. The time

APPENDIX A.

GREETINGS.

1. The Central Provinces and Berar Provincial Co-operative Bank Ltd., Nagpur City.
2. Bihar and Orissa Provincial Co-operative Bank, Bankipore' Patna.
3. Bombay Provincial Co-operative Bank, Bombay.
4. Bengal Provincial Co-operative Bank Limited, Calcutta.
5. The Ajmer Central Co-operative Bank Ltd., Ajmer.
6. The Cochin Central Co-operative Bank Ltd., Trichur.
7. The Trivandrum Co-operative Central Bank Ltd., Trivandrum.
8. The Hyderabad Co-operative Dominion Bank Ltd., Hyderabad.
9. South Canara District Co-operative Central Bank Ltd., Kodailbail, Mangalore.
10. The District Co-operative Bank Ltd., Cocanada.
11. The Berar Co-operative Institute Ltd., Amraoti.
12. The Travancore Co-operative Institute Ltd., Trivandrum.
13. Shri Sayaji Sahakar Sevak Sangh (Baroda State Co-operative Institute) Baroda.
14. The Mysore Co-operative Institute, Bangalore City.
15. The Bombay Co-operative Insurance Society Ltd., Bombay.
16. The All India Co-operative Institutes' Association, Lahore.
17. Office of the United Provinces Co-operative Union, Ltd., Lucknow.
18. The Ootacamund Public Servants Co-operative Stores, Ltd., Ootacamund.

19.	Divisional Co-operative Federation Board,		... Bhagalpur.
20.	The Registrar of	Co-operative Societies,	... Travancore.
21.	,,	,,	... Ceylon.
22.	,,	,,	... U.P. Lucknow.
23.	,,	,,	... Lahore.
24.	,,	,,	... Ajmer-Merwara.
25.	,,	,,	... Assam.
26.	,,	,,	... Mysore.

Messages.

Co-operative Wholesale Society, Limited, Manchester.

"My Directors are indebted to you for your kind invitation to them to send representatives to your annual Conference at Madras on the 23rd and 24th October, 1937, and express their regret at their inability to be represented. Will you please convey to the delegates assembled, fraternal greetings from the English Co-operative Wholesale Society, and their sincere good wishes for a pleasant and successful gathering.

We have watched with great interest the development of the Co-operative Movement in India, and particularly in the province of Madras. The services which the Co-operative Movement can render to all peoples are indeed inestimable, and we look forward to great developments all over the world.

The English Co-operative Wholesale Society is now the willing servant of 7 million people in England and Wales. We hear from time to time of new and successful ventures in India, and in this news the province of Madras figures largely. We hope, in the near future, to see all over India a movement even more successful and more powerful than your own, and we anticipate with pleasure the time when the bonds between the English and India Co-operative Movements will be greatly strengthened and when all the peoples of the world will be linked together in a spirit of mutual co-operation and goodwill. Co-operation is the one force which can ensure for all the world a state of peace and prosperity."

Scottish Co-operative Wholesale Society, Glasgow.

"On behalf of the Board of Directors of the Scottish Co-operative Wholesale Society, Limited, I have to thank you for your letter of 29th September, inviting the Society to be represented at the XXII session of the Madras Provincial Co-operative Conference to be held on 23rd and 24th October, 1937. We regret, however, it is not possible to accept your kind invitation, but I am asked to convey to you the fraternal greetings of my Board as representing the Co-operators of Scotland to express the hope that the Conference will be a satisfactory and successful one, and to extend their best wishes for the future results of the efforts of the Madras Provincial Co-operative Union in the great cause of Co-operation."

Co-operative Union Ltd., Manchester.

"We thank you for your letter of the 29th September, inviting the Co-operative Union to be represented at your forthcoming Conference,

Indian Delegates' at the International Co-operative Congress.

The correspondent of the Hindu writes from London.

At the International Co-operative Congress in Paris held last month India was represented by Mr. K. C. Ramakrishnan of the Madras University, and Mr. A. G. Sherlekar, Secretary of the Premier Co-operative Bank of Indore.

This was the fifteenth conference of its kind, and the impression of the Indian delegates is that it was largely dominated by the British movement which is about the oldest and most solidly developed in the world.

" Furthermore," said Professor Ramakrishnan when I asked him to tell me something about the gathering, " the British domination of view point at the conference was almost entirely that of the consumer co-operator. This is not altogether surprising seeing that co-operation in Britain embraces millions of people who think as consumers and not, as co-operators in India, Holland, Denmark and other countries do, as producers. It was noticeable that few delegates from these producers, or peasant countries, spoke at all, and many seemed to feel that the conference was not touching their problems which are allied to such matters as credit, marketing, and so on. I thought the agricultural societies had no hearing at all, and only at the end of the conference was anything said about the problems which particularly concern India."

Co-operation and Protection.

Mr. Ramakrishnan addressed the congress when the report of the central committee of the International Co-operative Alliance on inter-trade relations was under discussion. This report urged that an end should be put to all restrictions on international trade, and was against Protection in any form.

" The Indian delegates felt they could not agree with this," Mr. Ramakrishnan said. " The report was all right from the consumer's point of view. He wants free marketing. It appeared to be the ideology of the central committee that each country should specialise in its production according to climate, racial qualities and so forth, leaving the older manufacturing lands free to pour out their goods in return for natural products. This, of course, means the old Free Trade, but that has definitely gone." He put forth briefly the case for protection of the young industries of India which all Indians were anxious to build up, and made it plain that they were not in favour of indiscriminate protection, but maintained that all-round opposition to marketing schemes.

State support of essential rural industries, and other methods of helping producers in agricultural countries, would not suit India. Mr. Sherlekar supported his co-delegate, but the conference would not have this and voted almost solidly in favour of the report.

Need for Agricultural Section.

" On a second part of the resolution covering the report, we were able to agree," said Mr. Ramakrishnan. " This urged that there must be some link between the consumer societies and the agricultural producers. There has just been organised an international wholesale society, and the resolution we endorsed proposes that this organisation shall bring in the agricultural co-operatives. Whether India will be able to play much part in this is doubtful. The congress was nevertheless of great interest, but the feeling some of us had is that there will have to be an agricultural section in future at which we can devote more time to the problems of the producer co-operator, or a separate international conference to deal with problems of agricultural co-operation will have to be held."

Delegates' Plans.

The two Indian delegates made a study of consumer and agricultural co-operatives in northern France, and here in England they have been pursuing their enquiries. In this way they have had the utmost goodwill from the British societies, and from the Ministry of Agriculture which has enabled them to examine the operations of the Milk Marketing Board and other movements for aiding the producer. Mr. Ramakrishnan and Mr. Sherlekar are going to Manchester and Glasgow to see the work of the Co-operative Wholesale Society, and then to Ireland where they will see a good deal of the agricultural co-operatives. In Denmark and Holland they will see co-operation as applied to producer interests in its most advanced development. Later they will visit Czechoslovakia and Jugo-Slavia. Mr. Ramakrirhnan will be back in Madras about the end of December.

17. "This Conference recommends that some village societies be worked as Multiple Purposes Societies.

18. "This Conference is of opinion that section 3(*a*) of the Insurance Bill as passed by the Indian Legislative Assembly should not be made applicable to Co-operative Insurance Societies and Mutual Companies."

19. "This Conference requests the Government to exempt Co-operative Banks from payment of income tax on interest earned on Government secruties."

The above resolutions were passed without much discussion.

Mr. V. Ramamurthi Pantulu of Razole moved the following resolution :—

20. "This Conference is emphatically of opinion that the present Moratorium Bill rightly excludes co-operative societies from its scope and trusts that any future Bill will also exclude these societies from its scope."

Mr. Ramamurthi Pantulu said that the published criticisms of the Bill contained a suggestion that Co-operative Societies should be brought under its operations. Co-operative Societies stood on a different footing from other creditors. The rate of interest was low, every facility was given for repayment, extensions of time were readily granted and dealings with the members were very fair. Mr. V. Venkatasubbaiya seconded the resolution. Mr. T. A. Ramalingam Cdettiar observed that while he was not opposed to the resolution, he thought it better that a comprehensive resolution was passed, since the Hon'ble Mr. V. V. Giri in opening the Conference had asked them to express their considered opinion on the Bill. Moratorium could only be an auxilary measure. What was really wanted was an Act giving substantial relief in the matter of rural indebtedness. Before a moratorium is declared they must have a programme for giving permanent relief. Mr. K. Bhashyam Aiyangar said that since the Moratorium Bill was published some Co-operative Societies were showing extra activity in the matter of collection of debts. He would appeal to them not to execute the decrees or sell properties of members with undue severity. Mr. Nagaswamy Iyer of Sivaganga was of opinion that societies should not sell the immovable properties of the members during the period of the moratorium. Diwan Bahadur K. Deivasikamani Mudaliar feared that if Mr. Nagaswamy Iyer's suggestion was accepted, deposits in Central Banks might not be renewed. The following resolution was then substituted for the original resolution :—

> "This Conference is of opinion that any Moratorium Bill that may by introduced in the Legislature should be either ancillary to or should be immediately followed by an Agriculturists' Relief Bill and in the latter case the interval should not be more than three months. In the meantime this Conference is of opinion that the Co-operative Societies should be included in the Moratorium Bill in so far as the execution of sales of immovable properties are concerned.

The resolution was unanimously passed.

President's Concluding Remarks.

Dr. P. J. Thomas, in bringing the proceedings to a close, said that the chief questions that now called for a solution were the scope of the co-operative primary societies, the position of the central bank, the conversion of the debentures redemption fund of the land mortgage banks into a reserve fund, and perhaps more important than these, the need for controlled credit. The Deputy Governor of the Reserve Bank had spoken in favour of the primary society meeting not only the credit needs of the ryot, but also his needs in regard to sale, purchase, etc. So long as short-term credit alone was sufficient, there was every justification for combining many purposes, but if loans for longer terms should be sought, it might become difficult to meet such needs through the ordinary primary society. No doubt, it was best to reduce the number of institutions with which the ryot had to deal, but this could not be done at the expense of efficiency. However, there was a case for starting general purpose societies in as many places as possible.

As for the position of co-operative central banks, he said that on the question whether there should be branches of the Provincial Co-operative Banks or separate institutions, there was room for difference of opinion. In the realm of commercial banking, it had been found that the best interests would be served by the existence of a few big banks with branches spread over the country. This need not be true of co-operative banking, in which considerations other than commercial gain ought to predominate.

The question that ought to interest co-operators most to-day was controlled credit. Without linking co-operative credit with marketing, without the adoption of a system of cash credits, carefully regulated with a view to provide for the productive needs of the ryots, it would be extremely difficult to make co-operation a real help to the agriculturists. These methods, already tried in Cuddalore and Salem, must now be adopted all over the Presidency. He also pointed out that every effort must be made to cure the many evils which to-day stood in the way of success in the co-operative movement. Cases of dishonesty were not infrequent, and factions were rife in many co-operative societies. Such questions must also be discussed at these conferences. He also stated that it was not fair to give such a large place in the conference agenda to mere matters of detail, and to too many requests for small concessions from Government. The co-operative movement had been in existence in the country for thirty years, and it must now be in a position to stand on its own legs.

Concluding, Dr. Thomas said that the Presidency was about to launch on far-reaching schemes of rural improvement. The fight against drink had begun, and debt would be taken up next. The aim was to cure the central evil of poverty and unemployment. In this great work the co-operative movement must take the lead, and for being able to do so, it must straighten up things and thoroughly overhaul its machinery and methods.

With a vote of thanks proposed by Mr. T. A. Ramalingam Chettiar, the Conference ended.

redemption proposed by the Bank to ensure repayment of debentures on maturity may be accepted."

Mr. T. A. Ramalingam Chettiar referred to the discussion that had taken place the previous day between the representatives of the Reserve Bank, the Finance Secretary to the Government of Madras and the representatives of the Central Land Mortgage Bank and said that he had expressed the view that there was no necessity for the creation of a sinking fund; but that if they were obliged to create one, they could do so even with the present resources of the Central Land Mortgage Bank. The resolution was then adopted.

Land Mortgage Banks.

6. "This Conference is of opinion that where the primary land mortgage banks require, the period of repayment may be extended up to 30 years."

7. "This Conference is of opinion that the rate of interest charged to the ultimate borrowers in land mortgage banks should not be raised above five per cent."

8. "This Conference is of opinion that whenever the Civil, Criminal or Revenue Courts order, accept or cancel a charge, lien, attachment or sale on immovable property, intimation thereof should be given to the primary land mortgage bank within whose jurisdiction the property is situated, by serving copies of the order and schedule directly on the bank."

Audit Fees.

9. (a) "While this Conference recognises that the time taken for audit is a better test than others for the fixing of fees, the charge proposed, viz., Rs. 6 per day is too high. The Conference considers the maximum fee fixed should not exceed Rs. 3 per day of five hours."

(b) "If this proposal is not accepted by Government, Government may publish a panel from registered accountants and auditors, and institutions may be permitted to employ one from the panel and settle fees with him."

(c) "The auditors of central banks, urban banks and special types of societies should be better equipped men, specially recruited, and this audit staff should be directly under the Registrar."

(d) "This Conference is of opinion that all societies working at a loss in any year should be exempted from the payment of audit fees for that year."

Special Conference.

10. Resolved that the following resolution (with a memorandum) be circulated among the concerned institutions for the

expression of their opinions; and that this Conference do authorise the Executive Committee of the Provincial Co-operative Union to call a Conference as soon as possible for the consideration of the subject :—

(a) "Provision of a trained whole time agency for village Co-operative Societies.

(b) Good Co-operative Societies in villages to be put on a limited basis with a larger jurisdiction and to function as multiple purposes societies.

(c) Amalgamation of all district banks with the Provincial Co-operative Bank.

(d) Formation of an efficient Co-operative Service for all financing banks.

(e) Provision of branches either to act as agencies of villagers' societies or to individually lend to agriculturists.

(f) Discretion to financing Banks to utilise the services of Supervising Unions or open branches as the case may be.

(g) Provision of credit, facilities for production, supply and marketing, and promotion of cottage industries by branches.

(h) Recognition of urban banks to lend in a larger jurisdiction (instead of branches) with same functions as mentioned in (g) where small village societies cannot be amalgamated as mentioned in (b)."

11. "Urban Banks, big rural societies and Central Banks should be permitted by the Registrar to issue loans on pledge of jewels under proper safeguards to be provided by special by-laws."

12. "This Conference is of opinion that the Execution charges levied by the Co-operative Department are excessive and should be reduced considerably; and that execution work should be expedited."

13. "This Conference recommends that the rate of interest charged by central banks should not exceed 5 per cent and that primary societies should not have a margin of more than 2 per cent."

14. "This Conference requests the Government to consolidate all loans outstanding from building societies and to reduce the rate of interest on them to 4 per cent and to reduce the default rate of interest from 12½ per cent to 1½ per cent more than the rate of original loan."

15. "This Conference recommends that lessons on Co operation be included in the syllabuses of Training and Elementary Schools."

16. "This Confeaence is of opinton that Marketing Societies should be helped with liberal subsidies from Government for meeting establishment charges, rent etc. in the first few years."

The resolutions were put before the Conference by the President with the explanation that he was doing so only formally on behalf of the subjects' committee and that his doing so need not stand in the way of the resolutions being fully discussed and every shade of opinion being expressed thereon.

The earlier resolutions related to the land mortgage banks. The first resolution taken up was :—

Land Mortgage Banks.

1. "This Conference is of opinion that the power of nominating directors to the primary land mortgage banks, one by the Registrar and one by Central Land Mortgage Bank, should be abolished."

Mr. T. A. Ramalingam Chettiar said that he had no objection to the resolution. He, as the President of the Central Land Mortgage Bank, was not eager to have the power of nomination in his hand, and he was told that the Registrar also was not eager to have it. But the Government insisted on giving that power to him and to the Registrar.

Rao Bahadur M. Giriappa, Joint Registrar of Co-operative Societies, said that nominations were considered necessary on account of communal and other factions, claims and jealousies. Mr. Ramadas Pantulu in supporting the resolution admitted that there might be some ground for the Government nominating a director to the Central Land Mortgage Bank because it had given guarantee, but no ground existed for nomination to the primary land mortgage banks. The Joint Registrar had told them that nomination was intended to mitigate the results of party feelings in the land mortgage banks; but as a matter of fact it had fostered party spirit. The Government was giving up nomination even in local boards and was substituting it with co-option. That may be adopted by the land mortgage banks also.

Several others took part in the discussion and finally the resolution was passed by a large majority.

2. (a) "This Conference requests the Government that the recent G. O. levying half registration fees and half encumbrance certificate fees on land mortgage banks may be cancelled."

Mr. K. G. Sivaswamy Iyer proposed an amendment that the following words be added at the end.

"In the case of loans not exceeding Rs. 2,000 and of borrowers who pay less than Rs. 100 as land revenue."

He said that his object in proposing the amendment was to see that the State did not loose its revenue unnecessarily on account of the borrowings of the well to-do classes. The Government had taken up many items of good work and it was their duty, as responsible citizens, to see that its resources were not unnecessarily crippled The amendment was opposed by Messrs. N. Satyanarayana and Ramadas Pantulu who pointed out that the work of the land mortgage banks was recently very much hampered on account of the levy of encumbrance fees. Messrs. Ramakrishna Aiyangar of Erode and A.R.V Achar of Madras supported the amendment. After some others had spoken on the amendment it was put to vote and declared lost, and the original resolution was passed.

2. (b) "The Government be requested to extend the same concession to other co-operative societies."

Mr. S. Venkatappa Chettiar of Salem and Mr. K. Bhashyam Ayyengar opposed the proposition. The latter said that the concession would add to the profits of the Central and Urban banks. Dewan Bahadur K. Deivasikhamani Mudaliar also opposed the proposition and said that the fees were levied because the Registration Department was working at a loss of Rs. 3 Lakhs per year. Messrs. Montiro of Mangalore and N. Satyanarayana of Alamuru supported the proposition. Mr. Giriappa who opposed it pointed out that if the Government was asked to sacrifice this revenue many schemes of develepment would have to be held up. Mr. K. G. Sivaswamy Iyer proposed an amendment to the effect that the concessions should be limited to short term loans of Rs. 250 and intermediate term loans of Rs. 500 and to persons of limited means. The amendment was lost and the original proposition was passed.

3. "This Conference requests the Central Land Mortgage Bank to address the Government to withdraw the Official Secretary of the Bank."

4. (a) "This Conference requests the Government to give the services of Deputy Registrars for land mortgage banks free of charge."

4. (b) "This Conference requests the Government to give the services of Sub-Deputy Registrars to primary land mortgage banks free of charge for a further period of five years."

The above resolutions were passed without much discussion.

Sinking Fund—Land Mortgage Banks.

5. "This Conference is of opinion that the creation of a sinking fund on the lines suggested by the Reserve Bank should not be insisted upon. The scheme of debenture

encourage cottage industries in all villages and, wherever special facilities obtain, medium-sized industries must also be started, so that agricultural labourers may find work in slack times. The supply of cheap electricity from Mettur and Pykara will be of great help in the efficient working of such industries. A plan for developing small industries in this Presidency is to-day urgently needed, and it is hoped that such a plan would be immediately drawn up and worked. The point to be emphasised here is that in the case of all industries subsidiary to agriculture, co-operation, both in credit and marketing is the most suitable agency and perhaps the only means of success. Special societies will have to be started for these purpose, but it is not proposed to do deal with this aspect here.

In order to enable the co-operative movement to carry out such a comprehensive programme, a thorough overhauling of the machinery will be needed. Local factions must be put down and fraud must be prevented. All this cannot be done efficiently by honorary workers alone. We need a trained full-time hand, one in a group of villages, for guiding the many-sided activities connected with rural uplift. There is a growing opinion that a paid rural guide is needed for this purpose. Such a guide can be the secretary of the co-operative society and may also perhaps help in the work of special societies, In order to train such guides and to impart co-operative education to other workers, we need several co-operative institutes in the Presidency, and preferably such institutes must be located in the close vicinity of experimental farms or rural reconstruction centres. As the coping stone of the co-operative educational edifice, a central co-operative college at Madras affiliated to the University may also be useful.

I may here venture to body forth what I consider to be the right rural organisation for the future. For attaining the central object of rural uplift, two powerful organisations, one political and the other economic, will function in every village or group of villages. The reconstituted Panchayat will keep peace and try nearly all the cases arising in the village and thus cure the litigious habit of the people, which to-day is a potent cause of debt. It may also set proper standards of expenditure at marriages and other feasts, and thus control extravagant habits. The collection of revenue also may be effectively done under the eyes of the Panchayat. On the economic side, the co-operative credit society will function as the direct agency for rural uplift, with societies for special purposes working side by side. Next above them will be the sale society and the land mortgage bank, both operating over a much wider area than they. The secretary of the co-operative credit

society will be the economic guide of the village or group of villages. At the head of the district will be the District Officer, whose principal duty will be the economic improvement of the people. He will be relieved of his extraneous duties by the village panchayat and will have ample time for this work. While all the technical advice for economic uplift will come from the expert heads of the Agricultural, Industries and Co-operative Departments, the District Officer and his assistants will be in charge of the many-sided economic activities going on in the District. Of course, they will be trained for this work. All this means a transformation of the existing administrative machinery, but a Government strongly backed by the people will not find it difficult to carry this out.

7. Conclusion.

I have placed before you schemes for relieving rural debt and for preventing future indebtedness. Debt cannot be prevented—not even remedied—by the most drastic relief measures. The debtor must be educated and disciplined in the use of credit, and this can only be done by a proper reorganisation of rural credit. But if rural credit is to be effectively reformed, the whole of our rural life must be reconditioned. Ten years ago, the suggestions I have made for reconditioning rural life might have been considered collectivist, but to day they may not, they should not be. India is abounding in poverty, due largely to debt, drink, disease and other rampant ills. To stamp not these persistent ills, powerful methods must be employed. The principal duty of stamping out these ills and ameliorating rural conditions now devolves on the co-operators of this country. The co-operative movement is the one ray of hope for the miserable millions of this land. But it must be conducted properly if it is to succeed. Therefore we co-operators must take upon overselves this burdensome task. Let us do it manfully. Success will surely be ours.

The opening session then came to a close.

Proceedings.

After the presidential address was delivered, the Conference adjourned to meet the next day at 8-30 A.M. The delegates then formed themselves into a Subjects' Committee and considered the draft resolutions that had been submitted to the Conference by the delegates.

On the 24th morning the Conference met at 80.30 A.M. and proceeded with the resolutions that had been admitted by the Subjects' Committee the previous evening.

not to find more money—our Provincial Co-operative Bank has so much of funds to spare that it invests a large part of its deposits in Government securities. Therefore rural credit, at any rate in this Presidency, does not stand in need of much external aid. By granting ampler supplies of funds and by lowering the interest rates the ryot cannot be helped; facile credit in the hands of the average ryot would only mean greater debt and eventual ruin. The central problem of rural credit in India, therefore, is to make the ryot a better borrower and a more punctual repayer. He must be taught to use credit economically and productively. Preaching about this for long has had little effect; we must go further and devise a system which would compel the agriculturist to raise loans chiefly for productive purposes and in such a manner as to enable him to repay them punctually. Whether the source of credit be the co operative society or the private lender, the credit must in future be controlled and strictly rationed. This seems to be the only way to make the ryot safe for credit and credit safe for the ryot. If the co-operative credit societies are not working as well as they might, it is largely because such a control has not been exerted so far.

6. *Reorganization of Co-operative Credit.*

We are for the present concerned chiefly with the reconstruction of the co-operative movement and even this can only be dealt with in a general way here. It is well to recognize that there are three classes of credit which the ryot needs—productive credit, marketing credit, and long-term credit. To meet these three separate needs, three distinctive co-operative institutions are needed—the credit society, the sale society and the land mortgage bank. The mortgage bank will redeem old debt and give long-term loans; the sale society will lend on the security of harvested produce; and the credit society will finance cultivation operations. Some time ago the credit society did in some areas all the three jobs and this has caused much trouble. Henceforward, the credit society must restrict itself to giving loans almost entirely for productive purposes (I say 'almost', because it would be unwise not to provide for certain non-productive needs also). Where the villages are small, it should preferably function over a group of villages and must be managed by a trained hand. It should sanction to each member seasonal cash credits, on which he may draw when required. An admirable scheme for the operation of cash credits was placed by Mr. Austin, Registrar of Co-operative Societies, before the Registrars' Conference last December, and it deserves the close study of all co-operators. For the orderly marketing of produce and for the punctual repayment of loans, credit must be linked up with marketing.

The harvested produce must be handled by the sale society and from the proceeds will be paid the loans advanced by the credit society as also other co-operative dues—perhaps even Government's revenue. The balance will be handed over to the ryot. A proper system of controlled credit can only be operated by the co-ordinated working of the three institutions mentioned above. The system has been partly tried in Cuddalore and Salem, and the results attained are said to be satisfactory.

The improved system of rural credit sketched above will not by itself ensure the agriculturist against debt. Along with it must proceed activities for increasing thrift and stamping out extravagance. It is a pity that in India, only a small portion of the funds handled by the co-operative societies comes from their members. This is an undesirable state of things. Every effort must be made to encourage habits of thrift. In the Punjab, in order to emphasise the need for thrift, some of the co-operative credit societies are now called "Thrift and Credit Societies" and are really such. In this Province of agriculturist moneylenders, it would be good every way if more of their savings would flow into the co-operative movement. Under a reformed system of co operative credit, such a change may perhaps be easier to bring about.

A properly organised co-operative movement is an invaluable ally of rural uplift. Rural uplift means a great many things. First and foremost, it means an increase in the income of agriculturists; it also means raising their standard of living, which is now too low. Cleaner houses and bodies, a fuller and more varied diet, a better use of leisure—all these are needed if the standard of living is to become tolerably good. The prime essential is, of course, a larger income. Most crops do not leave much to the ryot except in periods of rising prices. In order to increase agricultural incomes better crop-planning and more economical ways of crop production and marketing will be needed and the activities of the Agricultural Department must become much more comprehensive. In the opinion of Mr. Darling, consolidation of holdings will add to the ryot's income anything between 10 and 25 per cent. This must be true, particularly of crops which require irrigation. In the Punjab Co-operation has devoted considerable attention to the subject, and 700,000 acres have already been consolidated. However efficient cultivation may become, the income from agriculture alone cannot be ample in the case of the smaller holdings. Therefore subsidiary occupations must be found everywhere to supplement the earnings from agriculture. The rearing of cattle, poultry and bee-keeping—these are some of the suitable handmaids to agriculture. We must position to-day, and can be made to shoulder such burdens if actively supported by the state.

A Moratorium ?

Such relief measures and even more drastic ones can be put into operation without the disturbing and benumbing effects of a moratorium. What is sought is to see that property does not change hands and that the debtor is not harrassed while we are putting through the relief measures. This can be done by less drastic methods. A moratorium, unless it be of a very short duration, will make it difficult for agriculturists to obtain their seasonal credit, at least in some areas. Thus the very classes whom we want to help may be hit. The revenues of Government may also be effected, especially under stamps and registration. Even the collection of land revenue may become more difficult. If a Government feel that a moratorium is needed, it must be declared abruptly, even by executive order. Otherwise, injurious consequences may result especially to judgment debtors. A moratorium is a breathing space, but the longest breathing space will not suffice if the rural debt of this Presidency is to be liquidated. At any rate, the relief measures must be in readiness before the moratorium is declared. To stop the whole course of rural credit without taking such precautions would be unwise, to say the least. Some injury has already been done by the talk of a moratorium, and much more may be in store if proper precaution is not taken. Credit is a delicate instrument and must be carefully handled. The exclusion of co-operative societies is a wise step; to bring co-operative institutions under a moratorium would be fatal. However, even in the case of co-operative societies' debtors, it may be just to stay the sale of debtors' land and a similar action may be recommended in the case of agriculturists who have borrowed from other financial agencies also, especially from Nidhis.

5. Preventive Measures.

Whatever action we may take for wiping out the existing debt, however complete the clearance may be, it will be of no practical use if measures are not taken to keep future debt under control. An examination of the debt phenomena in the past would convince one that in this country the course of debt is bound up with the movement of the trade cycle. When prices rise, a spirit of optimism prevails, and the agriculturist, expecting that the prosperity will go on and on, will freely raise loans for buying land, building houses, paying bloated dowries and celebrating marriages extravagantly. When the slump comes, he will find himself burdened with debt. The bania, however, may not press for money, not even for interest; he

will declare a virtual moratorium, as he knows that it is to his ultimate interest. When prices rise again, he will make his exactions. In India, only the bania (not even Government) knows the delicate art of adjusting operations to the trend of the trade cycle.

Economists all over the world are to-day giving concentrated attention to the control and prevention of the trade cycle. So long as the present economic order continues, the trade cycle is bound to remain. Periods of rising prices will be followed by periods of falling prices. All we can do is to adjust transactions in such a way as to cause the least disturbance. The increase of borrowing in periods of rising prices is due to the improvident habits of agriculturists and the readiness of lenders to advance loans without taking into account the repaying capacity of the borrower. Improvident borrowing and speculative lending are the bane of Indian rural life. The American farmer raises loans almost entirely for productive purposes; the Indian ryot borrows largely for unproductive, or doubtfully productive, purposes. This peculiar weakness must be rectified if the Indian agriculturist is to be helped. Similarly, there is a large class of lenders in India who lend readily, hoping for speculative gains, or out of lust for the neighbour's land. Such lending must be discouraged by all possible methods. While in some ways the agriculturist money-lender may be more reasonable than the bania, his land-hunger makes him greedy and callous. The frugal agriculturist must be made to put his savings in co-operative banks and not in speculative lending transactions. From this point of view, suitable steps for discouraging money-lending transactions by agriculturist usurers are to be welcomed.

No doubt, the high interest rates charged on loans are a potent cause of debt. In days gone by, this was prevented by the salutary Indian custom of *damdupat*. A noble Maharani of Travancore went a step further a hundred years ago, and ordained that in her State interest was not to exceed half the principal. Legislation has lately been carried out in many Provinces to prescribe statutory rates of interest and to curb the high-handed dealings of moneylenders. Such legislation can be easily circumvented and cannot be an effective means of controlling debt, unless accompanied by measures for changing the habits of the borrowing classes and increasing their incomes. Agricultural rates of interest are high in India, not because there is a dearth of capital but because the average agriculturist is far from creditworthy. Even if the bank-rate is as low as 2 per cent, many agriculturists cannot get loans at anything less than 12 per cent. This is because they are bad borrowers and very unpunctual repayers. The problem of co-operative credit to-day is

Sales.

Year.	Above Rs. 100.		Below Rs. 100.	
	Number.	Aggregate value.	Number	Aggregate value.
		Rs.		Rs.
1932 ...	4,49.283	27,23,87,990	1,73,797	80,12,374
1933 ...	4,20,139	24,81.11,250	1,75,522	79,95,696
1934 ...	4,35,221	23,76,14,430	1,91,712	86,71,114
1935 ...	4,27,440	23,40,74,779	2,04,520	92,09,869
1936 (both above & below Rs. 100).	Number. 6,30,974		Aggregate value Rs. 23,44,27,835	

Any safe conclusion cannot be drawn without some local enquiries. It is perhaps clear that many of the older mortgages have been terminated by the sale of land by the debtor, and the sale value of land already mortgaged will naturally be put low. In other cases transactions must have been renewed by the registration of fresh mortgages. There must also be a large number of decrees on mortgages awaiting sale. Judging from various indications, it is clear that a large proportion of the cases pending before the courts are money cases.

In these circumstances, there is every justification for granting fuller and more summary relief to debtors who are now-oppressed by the burden of debt or of law and it would be but just to make substantial reductions in total claims. But if any such step is to be taken, we have also to consider along with it measures for increasing the repaying capacity of the agriculturist and for re-organising the whole system of rural credit in the country. Otherwise the effort would be veritably Sisyphian. It is certain that indebtedness cannot be cured by enacting stringent laws.

4. Proposals for Remedial Action.

I would recommend the following remedial measures :—

We must immediately make out a list of all persons who are burdened heavily with debt mostly contracted before 1930. The extent and nature of their debt must also be recorded. A tribunal, armed with full powers, must be set up to deal with the matter. The debtors must be classified according to the nature of the load they are carrying; a clear distinction may be made between (1) those whose liabilities so largely exceed their assets that even after a fair reduction their assets cannot be expected to bear the debt burden, (2) those

whose liabilities can be brought reasonably below their assets so that their debts could be repaid in instalments extending over a period of thirty years and (3) those whose assets far exceed their liabilities.

In the case of the first class of debtors, insolvency is the only practical solution, and this must be facilitated by the enactment of rural insolvency legislation, as recommended by the Royal Commission on Agriculture, the Banking Enquiry Committees and the Civil Justice Committee. Such legislation must be carried out immediately.

In the case of the third class of debtors, all that is needed is to scale down interest and to see that they are dealt with by the land mortgage banks by adding to the resources of those banks.

The second category of debtors is the most difficult to deal with. In the case of such debtors, interest can be drastically scaled down and perhaps even the principal can be touched, provided satisfactory provision can be made for repayment. The simplest method will be for Government to lend under the Agricultural Loans Act. But as the sum needed may be large, Government may not be able to do this unless a large loan is raised, and this may affect public credit. There are three other possible ways of repayment. The first is for the Government to undertake to recover the annual or biennial instalments from the debtor; the second is to repay the debt through the land mortgage bank, Government undertaking to collect instalments; and the third is for Government to issue to the creditor long-dated bonds, undertaking to pay interest annually. All these cases would involve a large responsibility on Government. The burden will be least in the case of No 1, seeing that Government are only an intermediary, and that in the event of default, the debtor's property would be sold. The issuing of bonds directly by Government is the simplest method, but it would be extremely difficult to manage without unduly burdening the tax-payer ultimately. It may not be fair to tax the poor in order to repay the dues of the rich. The land revenue is now regarded as a burden. How then can the ryot be expected to pay the additional sums needed under such schemes? With a stable Government pursuing a long-period policy, it may be possible to carry out even risky transactions, but as things are in India at present, these conditions cannot be expected to emerge in the near future. On the whole it seems best to manage the work of debt redemption through the land mortgage banks and give them all the facilities for undertaking it. In the U. S. A., Government did the work of refinancing through the land banks, although those banks were then in dire financial straits. Our land mortgage banks, on the other hand, occupy a much better credit. Thus India has become a laboratory of intense experimentation in rural debt relief and the results will be watched with interest both here and outside.

3. Measures Taken in Madras.

It is true that in Madras the Government have taken only mild measures. The Debtors' Protection Act, passed 3 years ago, has had no great influence; the Debt Conciliation Act, passed more than a year ago, has so far led to little practical results. But it must be admitted that Government have directly granted loans to agriculturists for debt clearance by amending the Agricultural Loans Act, and this has been done after cutting down debts and at low rates of interest. Further, Madras has developed a sound system of land mortgage banking with 93 primary banks operating in the Presidency and they have already granted more than a crore of rupees for purposes of refinancing long-term debt, at reasonable rates of interest. It is no small credit to our Province that while the rest of India still raises long-term loans at high rates of interest, the Madras Land Mortgage Bank is now able to lend at 5 per cent., a rate which is lower than that charged by similar institutions in many countries in Europe.

It must be admitted, however, that the actual results of these measures have not been very striking. Government and Land Mortgage Banks together have only refinanced debt to the extent of about Rs. 1.20 crores, or about half per cent. of the total estimated debt of the Presidency. But even in the northern Provinces where drastic remedies have found favour, the actual achievement has not been very great. There is one important difference between Madras and the northern Provinces, namely that in this province the principal lenders are agriculturists themselves and not professional moneylenders; nor is there any cleavage here in religion between the debtor and creditor classes. The implications of this must be fully realized. While it may be true that many agriculturists lend with a view to obtaining the lands of their neighbours, it will have to be admitted that the interest rates are generally low where land is the security and the terms more reasonable than where the bania ldsho away in rural finance. In Bhavnagar and in some parts of Northern India, where agricultural loans are mostly advanced by professional moneylenders—generally persons alien to the soil—at 25 per cent. and higher rates of interest, there was perhaps a case for stringent State action, but such conditions cannot be said to exist in the south of India. No doubt the transference of land from cultivating classes

to absentee non-cultivating owners adversely affects the economic welfare of the community at many points, but it may be a gain to national welfare if a slothful, impecunious and improvident landholder is replaced by an industrious and thrifty one.

Even so, there is need for action to expedite the liquidation of debt; measures are certainly needed for quickening the pace. In this connection it is necessary to point out that there is no justification for treating all debt alike. Agriculturists, like other producers, raise loans for seasonal operations, but these cannot be considered indebtedness. Assuming that the total rural debt of the Presidency is Rs. 200 crores, nearly half of it must be such short-term debt and does not call for redemption. Only debt that has become burdensome by long accumulation of interest, especially debt which originated before 1930, whether secured or not, can claim any special treatment. The reason for this, I believe, is clear. If a person repays now a sum of Rs. 1,000 which he borrowed in 1929 (when prices were high), he will be paying in commodities nearly double of what he received in 1929. In interest charges also, a similar increase of *real* burden has taken place. This is the injustice that results from a falling price-level, and Governments have a duty to grant relief to debtors on such occasions. On the other hand, if the amount now repaid was borrowed since 1931 (when prices were already down), no injustice is involved in it. Therefore, if relief is to be granted it must be chiefly in the case of debts that originated before 1930, mostly mortgages. But relief must not be confined to landholders and statutory tenants; others, especially labourers, also stand in need of relief owing to the unjust burdens some of them are carrying, and the unconscionable rates of interest they are paying.

What may be the extent of such debt? There is no doubt that a good part of the mortgage debt existing before 1930 still remains unredeemed. Even pro-note debt, raised before 1930 may be continuing by means of renewals every three years. It is significant to note, from the statistics of the Registration Department, that while mortgages and other loan registrations have diminished since 1929, sales, especially of values below Rs. 100, have increased. In 1929, the total value of mortgages in the Presidency came to nearly Rs 20 crores; but in the last three years, it has fallen below Rs. 15 crores. In 1963, it was only 14 crores. On the other hand, total sales have fallen little, and the number and aggregate value of sales, of values below Rs. 100, have both increased. The following table is significant:—

caused endless embarrassments owing to the rigidity of taxes, rents and other 'fixed' charges. The price of finished goods which the farmers consume did not fall correspondingly and this also aggravated the economic disequilibrium. In most agricultural countries, farmers who had loans to repay were threatened with foreclosures and loss of property. Such farmers were no small proportion in those days, because in the previous years when prices were high and the outlook highly optimistic, they had borrowed heavily. The creditors pressed for payment, but no agencies came forward to refinance debts. Where land banks had been in operation, those institutions had themselves fallen into a precarious financial condition and were unable to refinance agricultural loans. When thus a large class of producers in the land were face to face with bankruptcy, when the usual suppliers of rural credit were hard pressed, heroic remedies were called for and were boldly put into operation in many countries—remedies which in less abnormal times Governments would not have even dreamt of. In a few countries a moratorium was declared, thus giving farmers a breathing space for repaying their loans. Moratorium, as is well known, is a desperate remedy which governments resort to when their banking systems are threatened with crash by a war or other serious calamity. It had never been used before for preventing agricultural bankruptcy, but the gravity of the situation made certain countries in Central and Eastern Europe to resort to it. In some of those countries, compulsory conversion of the farmers' debts was carried out under the aegis of Government, and not only accumulated interest but even the principal was scaled down. These drastic methods created considerable bickerings between the creditor and debtor classes in some of those countries.

The United States followed a wiser course. In 1933, faced with a large increase in foreclosures and defaults, and with a tremendous collapse of land values, President Roosevelt set up the Federal Farm Credit Administration by consolidating the institutions hitherto functioning in rural credit (Federal land banks, *etc.*), passed the Emergency Farm Mortgage Act and thereby carried out, through the medium of the existing institutions, a refinancing of farm loans on an unparallelled scale. Farmers were given loans chiefly for repaying debts; some were helped to regain farms lost by foreclosure. In many cases, claims were cut down and creditors agreed to it, as ready casn was forthcoming. As an emergency measure, interest rates were reduced from 5 to 3½ per cent, the Treasury reimbursing the land banks for the difference between the contract rate and the rate paid by the borrower. In this way were given 800,000 farm mortgage

loans amounting to $ 2,100 millions, and thus 40 per cent of the total mortgage debt is to-day held by the land banks and the Land Bank Commissioner. It was thus possible to make a 70 per cent reduction in the mortgage interest bill which in 1929 came to $ 550 millions; in other words, while the American farmers spent 10 per cent of their income in 1932 on interest payments, to-day they spend only 4½ per cent. Having achieved all this, Government are now engaged in reorganising rural credit in the light of recent experience and are trying to set up a co-operative, self-sustaining credit system—for production, marketing and long-term purposes—on a strictly business basis. It remains to be seen how the farmers would feel when the State subsidy is removed.

In India also, provincial and State Governments—notably the Central Provinces, the United Provinces, the Punjab, Bengal and the States of Bhavnagar and Travancore – have carried out more or less comprehensive legislation. However, except in the State of Bhavngar, debt redemption has not been made on anything like wholesale lines. In that State, with a population of half a million, the total debt which amounted to Rs. 86 lakhs in 1932 has been compounded for Rs. 20½ lakhs, and a complete refinancing has taken place, the Durbar paying off the whole of the debt. In the United Provinces and the Punjab, several agricultural relief measures of a far-reaching character have been placed on the Statute book, and provision exists for drastically cutting down claims, although this does not seem to have been utilized to any dangerous extent. In the Punjab, the lands of a 'statutory' agriculturist cannot be sold in execution of money decrees; the decree-holder can only get temporary possession of it (for a period not exceeding 20 years). In the United Provinces, Government have assumed responsibility under certain conditions for the repayment of land-holders' debts. In most provinces, the Usurious Loans Act has been amended with a view to arming courts with fuller powers for cutting down interest rates, and in some, certain of its provisions have become mandatory. Legislation for controlling moneylenders' transactions have been put through in many provinces. Statutory recognition has now been given to the time-honoured principle of *Damdupat* in four provinces of India. The Central Provinces was the first to set up debt conciliation boards; later Bengal, Madras, the Punjab and certain Indian States have followed in the same path. In all these provinces, concilidate debts have been scaled down by about 40 per cent. In Bengal there is now provision for compulsory conciliation also, under the Bengal Agriculturists' Indebtedness Act. In most provinces, attempts are being made to establish land mortgage banks to assist in long-term the daily growing pressure on land by extensive and intensive programme of industrialisation, will also engage their attention. The reconstitution of the statutory village panchayats, so as to make the village a genuine self-administered unit and the bed-rock of self-government in this land, is a reform of great urgency. The co-operative societies will then be really useful hand maids to those self-governing village administrations and can solve many economic problems which to-day are beyond their competency. To take one instance, schemes for joint cultivation, on a co-operative basis, of small holdings will become more practicable under a system of self-governing village units. In this connection, I desire to state that our thanks are due to our Registrar, Mr. Austin, who has been evincing considerable enthusiasm in the promotion of the idea of consolidation of holdings in this province, so that we may emulate the Punjab co-operator in this sphere. I appeal to co-operators to take an active and genuine interest in schemes for the reconstitution of village panchayats and vesting in the village administration many of the Governmental functions which are now exercised from a distance, through a too centralised system of departmental administration.

Our Colours.

Before I conclude, I desire to express our gratitude to the Hon'ble Mr. V. I. Munuswami Pillai, Minister for Agriculture, for unfurling our colours. The International Co-operative Day, when the Rainbow flag is anually unfurled all over the world, has assumed to-day the same significance to co-operators as the May Day has for the Trade Unions and Labour Organisations. The Flag is a call to co-operators of the world to unite—a world saved for peace by co-operation. To-day in Europe the Rainbow Flag is looked upon as a bright symbol of hope on a horizon clouded with dark threats to International Peace. Our comrades in the West claim that "the economic forces which have motivated wars in the past, are now proved, through the magnificient achievements of the co-operative economic democracy, to be no longer indispensible." Let us, Indian co-operators, increasingly participate in this great world Movement, and make our distinct contribution to it and keep up the glory of the Co-operative Rainbow Flag which is an international emblem of peace and mutual goodwill.

I do not wish to take up any more of your time. I am sure you are longing to hear the Hon'ble Mr. V. V. Giri, Minister for Co-operation, who has kindly consented to open our session to-day and Dr. Thomas, the University Professor of Economics, who has obliged us by agreeing to preside over the Conference. They are both men who can bring to bear in their task sound knowledge and ripe experience acquired in the course of distinguished and selfless services to the cause of our peasants and workers. They are sure to give the Conference a right lead. I have now much pleasure in requesting Dr. Thomas to occupy the Chair and the Hon'ble Mr. Giri to open our proceedings.

PRESIDENTIAL ADDRESS

BY PROFESSOR P. J. THOMAS.

1. Introductory.

I feel highly honoured by your kind invitation to preside over the twenty-second session of the Madras Provincial Co-operative Conference. It was, however, with a great deal of hesitation that I accepted your generous invitation; for, although I have always been an eager student of agricultural co-operation, I have not had the privilege of being in the thick of this great movement. In the midst of this distinguished band of co-operative high-priests and leaders, I am but an *upasaka*, a lay follower. Perhaps it may be of some use occasionally to the inner workers of a movement to have the views of those devotees who worship from a distance. This may perhaps be so, especially in these days when the co-operative movement is under severe trial.

In the co-operative sphere, and in the sphere of rural economics generally, there is today perhaps no problem which presents greater difficulties than rural indebtedness. For a long time in our history, at least since 1860, rural debt has been a thorny problem; after the world economic crisis of 1930, it became alarmingly serious, and although some voluntary liquidation has taken place, the burden of debt is still very heavy in rural areas. The decision of the new Government to tackle the problem was therefore wise, and it is certain that in spite of opposition from some quarters, measures for adequately relieving indebted agriculturists and, I hope also, measures for controlling future debt will be put into operation in the near future. Whatever may be the nature of these measures, Co-operation will have to play an important part in their working and if the measures are carefully devised, they may be the means not only of rehabilitating the co-operative movement but of reorganising the whole scheme of rural credit in this Presidency. It may therefore be opportune to give our best consideration to this question at this juncture, and hence my venturing to deal with this rather difficult subject in my address.

2. Debt Relief after the slump.

The world economic crisis of 1930 created an unprecedented situation, especially in agricultural countries. The prices of primary products slumped nearly one-half in the course of a year and the downward trend of prices continued till 1933 in most countries. This meant a phenomenal reduction of agriculturists' incomes and is concerned, I feel that this position cannot be much improved, do what we may to reform the business methods of co-operative societies. Agriculture is a precarious and unremunerative occupation, specially in the case of holders of small and uneconomic holdings, and a loan advanced for raising a crop cannot always be expected to be repaid punctually or in full. We cannot expect a reasonably quick turnover of business in regard to loans given to members of societies for cultivation expenses. Hence a demand promissory note executed by a member of a society for a loan advanced to him to raise a crop does not possess a commercial vogue. To that extent the primary credit societies, the central banks and the Provincial Bank must be able to attract their own capital to finance their members. This is a problem which is peculiar to co-operative credit and so far as I am able to judge, our agricultural paper in respect of such loans will not obtain any rediscounting facilities from the Reserve Bank or other commercial banks within any measureable distance of time, in spite of our endeavour to stimulate prompt and punctual repayment of seasonal loans. Nevertheless, we are not unmindful of the need to regulate and control our cultivation finance and put it on a sounder basis. In this connection I must say that our thanks are due to our Joint Registrar, Mr. M. Giriappa, for the special interest he is taking in popularising and introducing the scheme of controlled credit.

Marketing Finance.

But there is no reason why the marketing finance of co-operative credit societies and banks should not be placed on a strictly business footing, so as to bring this branch of the co-operative credit system into touch with the ordinary money market. Loans advanced on the security of produce and which can be recovered in full on its sale are self-liquidating loans, and paper held by a village bank or a marketing society relating to such loans ought to be eligible for rediscounting in times of seasonal stringency by a Provincial Co-operative Bank or a commercial bank through a central bank to which the village bank or the marketing society is affiliated. The Reserve Bank point out that if marketing finance is developed on sound business lines, "the dealings of the Provincial Co-operative Banks and the Commercial Banks will be more closely related to the dealings of the village societies with their agriculturist members, and a class of agricultural paper will be created which will enable the Reserve Bank to come into the field if and when necessary." There is enormous

scope for the development of co-operative credit for marketing along these lines. The difficulties in connection with grading and storage of produce are not insurmountable and in some places have been successfully overcome on a small scale. Attempts must be made on a larger and more organised scale. Marketing finance must, however, be made cheaper than it is to-day in the co-operative banks. The commercial banks are offering better terms than we do. We must look into this question carefully. Recently, the Registrar of Madras has addressed the Provincial Bank to ascertain whether it can afford to advance funds to central banks for marketing finance at three per cent. If the central banks and societies develop this side of their finance on sound business lines, if money is made available to the ultimate borrower at rates not exceeding four per cent, and if the Provincial Bank is assured of a fairly good volume of business, I personally feel, without commiting the Bank in any way, that it ought to be possible for the Bank to advance funds at three per cent, to expand co-operative marketing finance. There is a great deal that the Provincial Bank can do to revitalise the primary societies and the central banks, to clear the silt that has accumulated in the credit channels obstructing the flow of finance through them to the agriculturist who is greatly in need of it and also to bring the co-operative banking system, in possible spheres, into closer touch with the organised money market. There are great possibilities from such a drive from the centre of the co-operative credit organisation.

Our Limitations.

I have often pleaded in the past that our rural problems are so vast that no single line of attack can attempt to deal with them effectively and comprehensively. Acute poverty, chronic indebtedness, collosal illiteracy and devastating disunion which characterise our rural life cannot indeed be solved by co-operation alone. The depressing environment which envelops rural existence and the low standard of the cultivators' life are the results of many complicated social, economic and political factors and attempts to tackle them are blocked by many obstacles. There are again limitations brought about by ourselves by absence of co-ordination between the various units of the co-operative organisation itself. For instance, the long term credit agencies and the ordinary credit agencies do not know what each is doing. It is a matter for gratification that schemes for organisation of village life and rural economy on a comprehensive basis and to overcome those obstacles are now engaging the attention of the Congress Ministry. I have no doubt that schemes for relieving

> "This Conference recognises that multiple purpose societies have proved beneficial in certain areas and possess some advantages where they can be successfully set up, and while it is not prepared to recommend them for general adoption, is in favour of such societies being formed wherever conditions permit."

Speaking for myself, I agree with the view expressed in the resolution of the All India Conference. I feel it will be a hazardous experiment to embark on any scheme of wholesale replacement of the present type of credit societies by multiple purpose societies and our large central banks by small banking unions. The type of banking union and village bank recommended in the bulletins issued by the agricultural credit department of the Reserve Bank may be tried, and I hope and trust will be tried, where, after careful investigation it is found that local conditions favour their successful organisation and conduct.

A more congenial reform so far as this province is concerned lies, in my opinion, in exploiting the scope for extending the present restricted activities of the existing credit societies into new and useful spheres closely associated with their normal credit functions, without converting them into multiple purpose societies or attempting to meet all the credit needs of the villagers. On a point which has been the subject of prolonged controversy in this province *viz.*, whether lending money to its members for the discharge of their prior debts is the legitimate function of an ordinary credit society, the bulletins issued by the agricultural credit department of the Reserve Bank have thrown considerable light. It is definitely stated therein that it is undesirable and unwise for a society to set about repaying its members' other creditors and that liquidation of old debts has generally proved to be a bad bargain, leaving the society with frozen credit and often irrecoverable debts. The Madras Provincial Co-operative Bank has for many years been regulating its business on that basis. I hope the co-operators of this province will accept this opinion and endeavour to help the agriculturist to obtain his long term credit for discharge of prior debts from the land mortgage banks. But when the Reserve Bank recommends that co-operative credit societies should strictly confine themselves to supplying the short term seasonal financial needs of their members, they tread on controversial ground. Most co-operators in this province feel that the credit societies should supply not only what is termed short term credit, which is repayable out of the year's harvest, but also intermediate credit which is not so repayable but

can be repaid only in the course of two or three years. On this matter again, I agree with the considered opinion of the Fourth All India Co-operative Conference which is contained in the following resolution :—

> "The Conference, while agreeing with the view that long term finance should be provided only through land morgtage banks, is not in favour of the recommendation that loans from central banks and societies should be strictly confined to cultivation finance only. Other necessary forms of short and intermediate credit required by members should also be found in order to prevent them from resorting to money-lenders ; provided, however, that the deposits and borrowings of the banks should be so regulated as to permit such loans being granted from those sources."

I think this is a right lead to the movement.

Again, there is admittedly need for the credit societies financing their members not merely for the seasonal operations of the agricultural industry but also for the movement to markets and marketing of the produce raised by their members ; and also for processing of crops where it is done in the village. The Reserve Bank's bulletins rightly emphasise the benefits of marketing finance. A credit society may usefully finance its members to prepare hand-pounded rice and meal for the market or for processing of commodities like oil seeds, sugarcane, and cashewnut. In the case of cotton, members can be helped to purchase small hand-gins at least for the purpose of ginning cotton at home, for providing seed for sowing, which is better than mill-ginned seed, and some cotton for hand-spinning at home by the women folk. In the sphere of crop finance and marketing finance, the co-operative credit societies, if reorganised and worked on more efficient lines, can in my opinion, fulfil very important functions in our rural economy and improve the system of organised village credit.

CO-OPERATIVE BANKS AND THE MONEY MARKET.

Cultivation Finance.

The question whether the Reserve Bank on its rural credit side can be of any help to co-operative banks has come up for discussion frequently of late. It is desirable that we should form some clear ideas about it. One of the outstanding features of the present co-operative credit system, in relation to the money market, is the utter reluctance of the commercial banks to deal with co-operative banks or to discount or rediscount their paper. So far as ***cultivation finance*** the debtors during the pendency of the moratorium may also be restrained. I think there is a case for stay of sales by co-operative societies of the immovable properties of debtors. Numerous decrees are now being executed by the co-operative societies by the sale of immovable properties. These properties are in many cases knocked down for very low prices and the societies themselves are often forced to purchase them. At the same time, the societies have always expressed their willingness to part with their properties to the original debtors on payment of the debts due to the society. There is certainly no desire on the part of societies to acquire land or to make profit at the expense of the debtors. Debts due to co-operative societies will, I believe, be included within the scope of the Debt Conciliation Act and they are liable to be scaled down like debts due to ordinary moneylenders. Legislation to limit the amount of interest that may be recovered must also be made applicable to co-operative debts. In view of these possibilities and in view of the fact that the duration of the moratorium, by way of temporary relief, will be very short, there is no reason why co-operative societies should be allowed to sell debtors' properties in the interval. What I have said about co-operative banks applies, in my opinion, to joint stock banks as well.

Reform of the Co-operative Credit System.

The inauguration of the co-operative credit movement in India was motivated by the belief that co-operation would find an effective and lasting solution to the problem of indebtedness. With the growing agitation of the indebted classes and the increasing realisation by the creditors and the Government of the gravity of the situation and the urgency for its solution, the potentialities of co-operative credit are being re-examined somewhat seriously. There has been a general consensus of opinion among co-operators that all is not well with the rural credit movement, that it is far from healthy and that it has failed largely of its purpose to achieve the economic rehabilitation of the agriculturists. Co-operators, official and non-official, have been devoting their time and attention to the reform of the movement, to put new life into societies and to increase the touch of the villagers with the societies. But the public in general, on whose attitude a great deal depends, have not so far evinced any keen interest in the movement or its reform. It is, therefore, a welcome change to find that independent and expert advice is now forthcoming from quarters which ought to command

attention and respect. After publishing its preliminary statutory report under section 55 (1) of the Reserve Bank of India Act, the agricultural credit department of the Reserve Bank of India has brought out two bulletins. The first deals with co-operative banking unions and the second with co-operative village banks. In these two bulletins, very useful suggestions are made for the overhauling and the re-organisation of the co-operative credit societies. Co-operators in this province may not agree with many of the specific recommendations contained in those bulletins; but they are sure to profit by a study of the general lines of improvement indicated therein, with a view to apply them, if possible, to the local conditions. In the place of a single purpose credit society multiple purpose societies are recommended; in other words, "the village bank must not merely be a source of credit but must help in the finance of marketing of crops and purchase of necessities, take an active part in agricultural and industrial development, influence and improve social and religious customs." The banking union of the type recommended in the bulletins is very different from the central banks, with which we are familiar in this province. Multifarious activities are assigned to it, activities which are unusual to find in a financing institution. Those activities cover what we in this province consider to be the functions of at least three different institutions, *viz*, a central bank, a supply and sale society and a supervising union. A press report says that the Revenue Minister of the Government of Madras, speaking a few days ago at Tinnevelly said that "the Provincial Government would do the needful to establish a village credit system to satisfy *all the needs* of the villagers and not like the present co-operative system to satisfy only one need." It is not clear whether he was also thinking of the multiple purpose society, and if not, what new system he is contemplating. We must wait for more definite light being thrown before we comment on it.

The idea of multiple purpose societies and small banking unions composed entirely of the representatives of primary credit societies, with no individual shareholders, is not a new one. It has been tried in many parts of India including this province. It cannot be said that irrespective of local conditions they can always succeed. We actually tried and abandoned them here in favour of the existing system. The question was very fully discussed by the Fourth Session of the All India Co-operative Conference held at Bangalore in July last and the opinion of the co-operators from all parts of India, who assembled there, was recorded in the following resolution :

the entire land mortgage credit organisation and making them State Banks may be examined. The working of the Federal Farm Loan Board of the U.S.A. and other models furnish ample materials for investigation in this field. The Indian Central Banking Enquiry Committee also advocated the scheme of making provincial land mortgage banks State Mortgage Corporations. In any such scheme, only cases of debtors with repaying capacity with reference to the rate of interest charged and the small size of the instalments spread over a number of years will have to be taken up. An altogether different solution should be found for debtors whose liabilities exceed their assets or who under any scheme of amortization cannot be expected to repay their debts. Careful surveys made in select areas particularly in the Tanjore and East Godavari Districts in regard to the debts that can be taken up by the land mortgage banks have disclosed that the percentage of debtors who can be handled in that manner is negligible. Reports of these surveys which are available will furnish much useful information to a student of this problem.

Moratorium.

Pending the formulation and bringing into effect of a comprehensive measure of debt relief, the Government have proclaimed their intention to enact a measure for affording temporary relief to indebted agriculturists in the province. The measure is popularly known as the "Moratorium Bill." I must say that the idea of giving temporary relief by means of a moratorium is in itself sound and the principle of a moratorium, in the circumstance in which our agriculturists find themselves to-day, should be generally accepted. But it is a very different thing to say that the proposed moratorium bill is a well conceived one. I am constrained to say that in regard to the time chosen, the method adopted for proclaiming the moratorium, the selection of the class of debtors to whose debts moratorium is to be applied and the provisions of the bill itself are ill-conceived. In the first place, a moratorium must bear some definite relation to the substantive measures of debt relief which it precedes. If, for instance, the scope of the Moneylenders' Act is to be extended and moneylending is to be subjected to strict regulation and limits are to be imposed upon the rate as well as the total amount of interest recoverable under a loan or the provisions of the Madras Debt Conciliation Act are to be modified, a moratorium to prevent the creditors from defeating the proposed legislation may be proclaimed, say, three months or six months before the Relief Act itself is enacted. Such a

course is perfectly understandable. But to proclaim a moratorium for an year or two pending consideration of the nature, scope and extent of debt relief to be formulated at some indefinite time is fraught with grave dangers. The hasty action of the Government has already affected adversely the credit facilities hitherto available to the agriculturists, far from affording any tangible benefit. The touch and let go treatment accorded to the Moratorium Bill, having unfortunately coincided with the cultivation season, when the agriculturist's capital and credit needs are greatest, had a particularly undesirable effect. It must be remembered that a good proportion of what goes under the name of rural debt represents temporary mobilisation of productive capital which is borrowed and repaid every year. I estimate the volume of such credit in this province at not less than Rs. 50 crores per year. Far from being an economic evil, such credit is both legitimate and beneficial to the agricultural industry. No scheme of debt relief should cut off this source of productive credit to the agriculturist. Again, I find no justification for restricting the scope of the moratorium to persons whose aggregate liabilities under land revenue, rent and local taxes and cesses do not exceed Rs. 400 and not less than three-fourths of whose annual income is derived from agricultural land, in which they have saleable interest. Again, a determination of these pre-requisites to enable the debtor to claim protection under the Act will itself involve a prolonged and costly trial, much more complicated and expensive than a trial of the suit for the recovery of the debt itself. I do not wish to dwell at greater length on the details of this measure; but I hope and trust that the Government will now at least seriously consult public opinion on the measure before coming to final decision and that the Bill will not be rushed through the legislature. I know that a moratoriam, like the taxation proposals in a budget, is not normally discussed with others or disclosed till it is promulgated. But in the events that have happened such consultation will not be out of place.

Some discussion is raised about the justification or otherwise of excluding co-operative banks from the scope of the moratorium bill. As a matter of general principle, I think that the exemption extended to organised credit institutions incorporated under some statute, governing the registration of companies or societies, is justified. It is inadvisable to restrain co-operative banks from recovering their debts generally. Even so, I think at least in some matters, the liberty of the co-operative banks to enforce their remedies against rates charged by even good moneylenders. We have succeeded in this endeavour to an extent for which we may take legitimate credit. The fact that in most provinces, including Madras, co-operative banks are surplusing in spite of the low rates offered on deposits shows that they command the confidence of the investing public in abundance. As for our management being dominated by borrowers, it is a feature of which we are legitimately proud. Where this feature is not now pronounced and where borrowers do not at present have a preponderating voice, it shall be our aim to secure such voice to them. This feature of the constitution of our banks is not the result of error or drift but of conscious translation of the fundamental concepts of co-operation, its principles and methods into practice in the field of banking. Therefore capitalist criticism of co-operation does not naturally carry any conviction to our minds, which are trained in a radically different school of socio-economic philosophy.

The second measure of agricultural relief that is now being pursued is direct lending by Government for relief of indebtedness, under the amended provisions of the Agriculturists' Loans Act of 1884. The amendment was made by Madras Act XVI of 1935. Loans are advanced up to a limit of Rs. 2,000 for 25 years at 5 per cent to enable the borrowers to effect conciliation of their debts with their creditors. The scheme is a modest one intended to help only small debtors, and so far only Rs. 16 or 17 lakhs have been advanced. The progress made so far is thus very little and has hardly made any impression on the situation. Speaking for myself, I do not see any necessity for such a scheme when there is provision for land mortgage banks and statutory debt conciliation boards working side by side.

The third measure of relief attempted is debt conciliation on a voluntary basis through statutory conciliation boards, created under Madras Act XI of 1936. We are told that five or six boards have been set up in select areas, but none of them has yet begun to function.

It is clear that these measures are far from adequate to deal with the problem of indebtedness. All eyes are now turned to the Congress Ministry to tackle this difficult problem with thoroughness and courage. The Ministry has already promised to place on the statute book, in the near future, a comprehensive measure of relief to agriculturists. It is not necessary to anticipate the extent and nature of the relief contemplated. It may fairly be taken for granted that money-lending will be rigorously regulated, that effective restrictions

will be placed upon the amount and rate of interest to be recovered by moneylenders, accumulation of compound interest beyond a sum equal to the principal amount lent will be prohibited, provision for compulsory scaling down of debts will be made and insolvent rural debtors will be enabled to get speedy and inexpensive relief by way of honourable discharge, after ensuring to them the retention of their homestead, and some portion of their holdings for their bare subsistence.

Scheme for the Government Discharging the Debts.

It is said that the Congress Ministry will not be content merely with scaling down debts and enacting necessary measures for relief of indebtedness, indicated above, but will also embark on a scheme for the satisfaction of the claims of the creditors after such claims are determined on the basis of the impending debt relief legislation. No official confirmation is so far forthcoming, except a casual statement made by one of the Ministers in regard to the general intention of the Government in this matter. It is said the mitigated claims of the creditors will be met by the Government by issue of bonds to them bearing interest at 3 or 3½ per cent and that the obligations so incurred to the creditors will be discharged by payments in the course of 30 or 40 years by collection from the debtors by charging interest at least one per cent over that which the bonds to creditors bear. The nature and extent of the debts to be so dealt with is not known; nor can an accurate estimate of the obligation to be incurred by the Government can now be made. Even if only Rs. 50 crores are discharged in this manner by the Government out of the total estimated rural debt of Rs. 200 crores, the Government will have to collect at least an amount which will be nearly Rs. 300 lakhs or one half of the entire land revenue of the province to amortize the debt in 30 years even at 4 per cent. I feel very sceptical about the practicability and success of such a scheme. The aspect of it which concerns the debtors is whether many of them will have the repaying capacity to pay the Government the annual instalments of the debt in addition to the land revenue. Many of them are small holders who plead their inability to pay even the land revenue. When their holdings are subjected to a first charge, in favour of the Government, they will have little credit, to borrow elsewhere even for cultivation finance and other productive purposes. The Government may well explore other alternatives of allaying any discontent among the creditors. The question of Government taking up by now. Our attempts to replace unregulated moneylending, with its ruinous rates of interest and illegal exactions, by organised credit, to save the cultivators, have so far not been a success. The reasons for this failure of the co-operative credit banks to displace the money-lenders are many and complex. I shall refer on this occasion to one of those main causes. It is prior indebtedness. The Reserve Bank rightly points out that the entanglement in other debts makes it difficult for a member to get the full benefit of co-operation. Co-operators, like other rural reformers, are engrossed in the task of finding a way out of the shackles of indebtedness.

At present three concrete measures are being pursued in this Province, besides the grant of loans for land improvement and takkavi loans, under the India Acts XIX of 1883 and XII of 1884. One is a direct attack of the question by enabling agriculturists to discharge their prior debts bearing heavy rates of interest through the agency of land mortgage banks. Considerable advance has been made in this province, and I am proud to say that we have achieved a far greater measure of success than any other province in India. Loans to the extent of about Rs. 125 lakhs have been disbursed; the average size of the loan is round about Rs. 1,900; the repayments are coming in regularly. I wish that our land mortgage banks had kept a record of the concessions, if any, which the members obtained from their creditors who were paid through these banks to enable us to know whether any voluntary conciliation has been effected in consideration of ready cash payment to creditors and, if so, to what extent. The average rate now charged to ultimate borrowers is 5½ per cent, though only 5 per cent is levied on the new loans. It is said that there are proposals before the Government to enhance this rate at least by one per cent, in order to enable the Central Land Mortgage Bank to start a scientific sinking fund instead of working on a system of debenture redemption account, which is said to have some snag in it, and to enable the central and primary banks to meet the cost of the Government staff. Any such change in the arrangements for provision to retire debentures on maturity should, in my opinion, not apply, in any case, to the debentures already floated. It will be imposing a new condition, the financial implication of which will be very onerous to the Central Land Mortgage Bank. The possibilities of a change in regard to the future may however be investigated. But having regard to the fact that on the existing business the Central Land Mortgage Bank

has a gross margin of over Rs. one lakh a year, I feel that even if a diversion to a sinking fund of an equal sum annually, out of the equated payments, is insisted upon, it may perhaps be done without raising the present lending rate to the borrowers. In dealing with this question, the Government and the Reserve Bank must proceed on the assumption that there is reasonable scope for expansion in future of the business of the land mortgage banks and not on assumptions that the business will come to a standstill or fall below the required level in the near future. In such extraordinary contingencies, even a sinking fund will not save us from sinking. Even if the Government takes upon its shoulders the task of discharging prior indebtedness, there will still be the more important and economically more legitimate function of providing long term credit for improvement of land. Indeed, the Reserve Bank in Bulletin No. 2 says it in so many words. It says, "it should be however emphasised that the real object of a land mortgage bank is to lend money to finance improvements and not to liquidate previous debts and that the latter function should only be undertaken when necessary to make possible the former." Therefore the field to be covered by land mortgage banks in future is practically unlimited.

The borrowers cannot economically afford to pay a higher rate. I hope and trust that the Provincial Government will consult accredited co-operative opinion of this province and give due weight to the representations of the Central Land Mortgage Bank before they implicitly accept the advice of the Reserve Bank, in regard to the necessity to raise the lending rate. If the lending rate is raised above the present level, I think the very purpose for which these banks are started will itself be defeated.

In this connection I am constrained to say that the sweeping criticism levelled by the Reserve Bank against co-operative banks that their lending rates are unduly low and that they do not command the confidence of the investing public as they are dominated by the borrowers is, to my mind, neither correct nor justified. The adequacy of the margin on which a co-operative bank works is a matter to be decided by the bank with reference to several factors. The lending rates charged to our members are determined with reference to such factors, consistently with our studied aim to make credit to our members as cheap as possible, of course having due regard to the financial safety of the institution. Our aim has been to bring down the general level of interest by ourselves adopting rates lower than the prevailing and it is for you to say how such inclusion will affect the co-operative movement as well as public interest.

"The Movement Quite Sound".

The depression has brought to light many of the weaknesses of our societies. It has led to a high percentage of overdues from members to societies and from societies to central banks, in almost all provinces. It is quite unnecessary for me to go into causes of this growth of overdues. But, what I wish to say now in this connection is that some people have unjustifiably become altogether pessimistic about the co-operative movement itself on account of the growth of these overdues. It is claimed for co-operation that it capitalises honesty, but these pessimistic gentleman hold that we do not have honestly to be capitalised. I hope there are no such pessimists in this gathering. But such pessimism is absolutely unwarranted. In the report of the Registrar of Co-operative Societies for 1935-36 are given the results of a thorough examination of 6,228 or about 60 per cent of our agricultural credit societies. Out of 268 lakhs involved in loans in them, what may be considered to be bad debts are estimated to be less than 41 lakhs of rupees; that is about 15 per cent; and of these only about 7.5 lakhs would affect the central banks. Against this, however, the central banks have a special bad debts reserve of more than Rs. 17 lakhs, and ordinary reserve fund of more than 31 lakhs. It is, therefore, not surprising that the confidence of the public in co-operative banks should be quite undiminished, and that they have had to refuse deposits, being in possession of surplus funds. Moreover, during the last two years, owing to the improvement in the prices of agricultural produce, there has been a reduction in the percentage of overdues, in respect of both principal and interest, of members to societies and of societies to central banks. All this shows that the movement is quite sound on the whole.

Sale Societies.

The depression has also taught us that it is enough to provide credit to the members of societies, very important as it is, but that the sale of their produce co-operatively should also be organised. Officials and non-officials are, therefore, zealously promoting loan and sale societies in this province. I am glad to know that the co-operative sale of produce has not only been helping the members to realise

better prices, but also to reduce their accumulated overdues to societies. The management of these sale and other non-credit societies calls for more skill and business ability than does the management of credit societies. These are not acquired in a day. Therefore we should learn not to be discouraged by failures, but to benefit by them. you will be justified in expecting a special measure of help from Government in the promotion of these non-credit societies.

I have placed before you a few points for consideration. The President elect is an expert in these matters and he will, I hope, deal with the subject in a more elaborate way. With these few words, I have great pleasure in declaring this conference open.

WELCOME ADDRESS

BY HON'BLE V. RAMADAS PANTULU.

I am commanded to extend to you, on behalf of the Madras Provincial Co-operative Union, a most hearty welcome to the 22nd session of the Madras Provincial Co-operative Conference, and I deem it an honour and privilege to discharge that duty. Many vital problems affecting the Movement in this Province await the serious consideration of the Conference and the future of the Movement will depend largely on our ability to find correct solutions for them. I beg leave to refer to two or three outstanding questions which are at present engaging the attention of the public mind and on which you will be soon deliberating.

Indebtedness and the Congress Government.

The problem of rural indebtedness is an old one, and the solutions for it too are old. Since Sir Frederick Nicholson took stock of the position in South India and formulated his remedies in his monumental report of 1895, nothing new has practically been said on the subject. The investigations made by the Royal Commission on Agriculture and the Indian Central and Provincial Banking Enquiry Committees, substantially confirmed the conclusions of Sir Frederick Nicholson, both in regard to the causes of indebtedness and the methods of dealing with it. The Agricultural Credit Department of the Reserve Bank is the latest authority in the field to deal with the subject of indebtedness. One of the important conclusions of that authority is that a mere change in the machinery of credit cannot by itself effect a radical cure. Co-operators must have realised this truth to the co-operative movement in this Presidency till now. I take it that this honour is conferred on me in the hope that I will justify my position as Minister for co-operation in doing my duty to make the movement a success.

The co-operative movement is a non-official movement and as far as possible, it ought to be self-governing. At the present stage of the movement in our country, some special help from Government is indispensable, as also certain kinds of services and guidance by the co-operative department. But it is the aim and policy of the Government to help the movement to develop on its own lines and to withdraw official control by degrees as soon as possible. I emphasize this point, because, even within the short time in which I have been in office, I have heard complaints from non-officials that the powers of official interference have been increased recently by legislation without due regard for co-operative opinion, that these powers are being increasingly used without any clear necessity and to the detriment of societies, and that the official staff is being forced on the bigger societies. I have not been able to find out for myself whether these complaints are justified; but I may assure you that the Government does not wish the department to interfere with the societies except when absolutely necessary, and that the official staff will be lent to the societies only at their request and for short periods only.

Audit fees.

I may further say that, far from wanting to be autocratic or bureaucratic, the Government earnestly desires to know the non-official point of view on all important matters concerning the co-operative movement and to give due weight to it while taking a decision. With this view, the Government have invited the opinions of concerned societies on the scale of audit fees, the revision of which has been engaging the attention of the Government for some time past. I dare say this conference will deal with that important question; and let me assure you that its opinion will be given every consideration by the Government.

You are aware that recently the Government has raised its guarantee of the debentures of the Central Land Mortgage Bank to 1½ crores. In this connection, the Government has received responsible banking advice pointing out the need for creating a sinking fund for the redemption of these debentures. In the Legislative Council, the

Government accepted an amendment moved by our respected friend Mr. T. A. Ramalingam Chettiar to the effect that the guarantee may be raised on Government being satisfied regarding the arrangements made for the redemption of the debentures on maturity. On this point also the Government will welcome the views of co-operators.

Proposal for a Moratorium.

The severe economic depression through which the world has been passing during the last seven or eight years, has affected more severely the agricultural countries than the industrial ones, and has necessiated the adoption of various kinds of measures of relief in various countries for the benefit of the indebted people. Some such measures have been taken in our country also, and our province may well claim to be abreast of the others in the steps it has taken to help the indebted agriculturists. We have built up a system of land mortgage banks, which is looked upon as a model to be followed by other provinces. The success of these banks is due, as much to the zeal and disinterested labours of non-officials, as to the help given them by the Government. We are also giving special long-term loans to agriculturists for paying off old debts if they agree to certain conditions. We have passed a Debt Conciliation Act and appointed committees in a few districts, whose work as pioneers will be watched with special interest all over the province. But, in the opinion of the present Government, which, as you all know, is pledged to help to the utmost the poor man whether he lives in the village or town, these measures are not sufficient and therefore others are under examination. To devise and execute them will naturally take some time, and in the meanwhile it is necessary to prevent their object being forestalled and defeated by creditors. It is, therefore, proposed to declare a moratorium. As you are all aware, a Bill has been published; public opinion and criticism has been invited by the Government on the provisions of the proposed bill. It is expected that it will soon be put through the legislature, with amendments if any that may be considered necessary, in view of the criticisms received. It has been our intention to make the moratorium inapplicable to co-operative societies, because they have no interests other than those of their members and do not covet their lands, but on the other hand give liberally extension of time and reduction in the rate of interest. Suggestious, however, have been made in some quarters for the inclusion of co-operative societies in the scope of the Moratorium Bill terms. Under the guidance and with the co-operation of the late Dewan Bahadur R. Ramachendra Rao, he put in force a scheme for intensively developing the economic condition of the villages of Rasipuram Taluk through co-operative societies. Latterly Mr. Chettiar devoted special attention to the development of marketting societies. The Salem and Rasipuram loan and sale societies which are making notable progress owe their success to his labours. An intimate friend of the Hon. Mr. C. Rajagopalachariar, and deeply interested in the success of the prohibition experiment in Salem District, he was busy when death suddenly overtook him, organising the co-operative production and sale of jaggery from palmyra juice which was formerly used for making toddy. He was for long connected with the Provincial Co-operative Bank and the Provincial Co-operative Union and was a director of the Provincial Marketting Society. He was a member of the Mysore Co-operative Committee and presided over several district and other conferences. We offer our deepest sympathy to the members of his family.

In the course of an appreciative communication Rao Saheb M. S. Seshachelam Aiyar of Tiruvannamalai writes :—

" In the early days of the co-operative movement I have seen him riding on his bicycle with a paper bundle of eatables going on his organising tour in Salem district, and I am sure more than 50 per cent of the existing societies were organised by him personally. He was very much liked by successive Registrars ; so much so, that Dewan Bahadur R. Ramachandra Rao even after his retirement took up co-operative work in Salem district and formed a Rural Reconstruction Centre at Elur under his guidance. Mr. Chettiar was the first to introduce the system of having trained non-official staff of District Co-operative Inspectors and Union Managers in the Central Bank and his system of examination of individual loans in each society by a special staff is being followed now in all other districts. He was a fearless exponent of non-official views and was a strong advocate of de-officialisation in the co-operative movement."

The Madras Provincial Co-operative Conference.

The twenty-second session of the Madras Provincial Co-operative Conference commenced on Saturday the 23rd October 1937 at 3 p.m. at "Padma Vilas," Luz, Mylapore, Madras, with Dr. P. J. Thomas, Professor of Economics, Madras University, as its President. It was attended by a large number of visitors and delegates from co-operative societies in the city and the province.

The proceedings began with prayer by Mr. A. R. V. Achar. Then the Hon. V. I. Muniswamy Pillai, Minister for Agriculture and Rural Development, hoisted the rain-bow coloured co-operative flag. In doing so he said that co-operation offered wide scope for giving relief to the poor and indebted ryot whose condition had become much worse than before during the last few years owing to the economic depression. From Dewan Bahadur K. Deivasikhamani Mudaliar, who after retiring as Joint Registrar of Co-operative Societies was devoting the best part of his time and energies to the Madras Co-operative Milk Supply Union, they had heard only the previous day, how co-operation was able to increase the earnings of the villagers round about Madras by organising the sale of milk produced by them. Similarly the production of jaggery and sugar from palmyra juice could be organised on co-operative lines in Salem district where prohibition had been introduced and also elsewhere, to help the villagers. By doing so co-operators would be helping not only their own cause of co-operation but also the prohibition movement which the Government has started. He would therefore appeal to them to turn their energies in that direction. He wished the conference every success and hoisted the flag.

The conference was formally opened by the Hon. V. V. Giri, Minister for Industries and Labour, who is in charge of the portfolio of co-operation. As he was not in good health, he requested his Parliamentary Secretary, Mr. B. S. Murthy, to read the following short speech for him.

THE HON. MR. GIRI'S SPEECH.

I thank you very much for the honour you have done me in requesting me to open this conference. I feel I do not deserve such an honour, especially on account of the fact I have rendered no service matter of bringing immovable properties to sale during the period of the moratorium—was the clear opinion of the Conference. The addresses of Mr. Ramadas Pantulu and Dr. Thomas have given faithful and adequate expression to it. We emphasise this point because it is possible for a careless reader of the conference resolution to misunderstand it as desiring the inclusion of co-operative societies in the operation of the moratorium, if it should be declared.

Resolutions.

Several other important resolutions were passed at the conference which we trust will receive the sympathetic attention of the authorities. There is however not much need to comment on them here. The resolution regarding the levy of audit fees is of special importance, since the subject has been under discussion for the last two or three months and the Government have invited the views of the affected societies on its tentative scheme published recently in the form of a memorandum. The subject has been so thoroughly discussed in these pages and was also so well discussed at the conference, that all that we need say here is that the resolution embodies the considered opinion of non-official co-operators of this province and should be entirely acceptable to any democratic Government.

Special Conference.

One important and comprehensive resolution, of which previous notice had not been given but which was nevertheless admitted by the subjects committee, could not in the nature of things receive adequate discussion at the conference. We mean resolution No. 10 which authorised the Executive Committee or the Provincial Co-operative Union to convene a special conference in the near future to consider certain suggestions for reform in respect of different kinds of societies, made with a view to overhaul the whole co-operative movement in this province and make it benefit the poor villager to a greater extent than hitherto. The conference wisely decided that these suggestions should be well and thoroughly discussed at a special conference and that no hasty resolutions should be passed immediately without the subjects receiving adequate attention. When a Government is in earnest, as the present one is, to reform the movement with a view to obtain more benefit from it for the province than hitherto, it is certainly the duty of co-operators to help

the Government in that direction to the best of their ability. Hence the calling of the special conference is thoroughly justifiable. The first part of the resolution directs the Provincial Co-operative Union to circulate, along with a memorandum, the suggestions incorporated in the resolution to the societies concerned, and to request them for an expression of opinion. We shall be glad to publish reasoned communications on any of the points arising out of the resolution, so that those who attend the special conference may be the better prepared for discussing them.

Controlled Credit.

After dealing with the problem of present indebtedness, Dr. Thomas stressed in his address the paramount need for preventing a recurrence of the same condition some years later. During the rise of prices in the trade cycle, he points out, the Indian agriculturist is prone to borrow improvidently and the Indian moneylender to lend speculatively. This is the bane of Indian rural life. Borrowing improvidently, the ryot is unable to repay the loans punctually and therefore has to pay a high rate of interest. "Even if the bank rate is as low as 2 per cent, many agriculturists cannot get loans at anything less than 12 per cent. This is because they are bad borrowers and very unpunctual repayers." The high rate of interest is not due to scarcity of money but to the lack of creditworthiness of the borrower. Facile credit in the hands of the average villager would only mean greater debt and eventual ruin. He should therefore be taught—not by preaching alone—that has been done without any result for a long time now—but by devising a system of credit which will compel him to use his loans only for productive purposes and compel him to repay the loans out of the produce. "Whether the source of credit be the co-operative society or the private lender, the credit must in future be controlled and strictly rationed." We are sure every co-operator will agree with this view.

The Late Mr. Adinarayana Chettiar.

In the death of Mr. T. Adinarayana Chettiar of Salem, which took place at Salem on the 5th of this month, the co-operative movement in this province has suffered an irreparable loss. He was one of the oldest, best informed and most active of our co-operators. He started the Salem Urban Bank, now one of the biggest and most efficient of our people's banks, in 1906 and the Salem District Co-operative Bank in 1909. He was President of the latter for several that any special treatment should be confined to debts contracted before 1930. He said :

> Only debt that has become burdensome by long accumulation of interest, especially debt which originated before 1930, whether secured or not, can claim any special treatment. The reason for this, I believe, is clear. If a person repays now a sum of Rs. 1,000 which he borrowed in 1929 (when prices were high), he will be paying in commodities nearly double of what he received in 1929. In interest charges also, a similar increase of *real* burden has taken place. This is the injustice that results from a falling price-level, and Governments have a duty to grant relief to debtors on such occasions. On the other hand, if the amount now repaid was borrowed in 1931 (when prices were already down), no injustice is involved in it. Therefore, if relief is to be granted, it must be chiefly in the case of debts that originated before 1930, mostly mortgages. But relief must not be confined to landholders and statutory tenants ; others, especially labourers, also stand in need of relief owing to the unjust burdens some of them are carrying, and the unconscionable rates of interest they are paying.

We trust that the reasonableness of this position will be appreciated by the Government.

Regarding the proposal that after conciliation the amounts due to creditors should be repaid by the State by the issue of bonds etc., and the amounts due by the redeemed cultivators should be recovered in 30 or 40 annual instalments, both Mr. Pantulu and Dr. Thomas felt sceptical about its practicability. Supposing that out of a total estimated indebtedness of Rs. 200 crores only about Rs. 50 crores would have to be thus repaid and the State undertook its repayment, the amount that it would have to collect from the redeemed ryots towards the payment of interest, principle and working expenses during the period of 30 or 40 years would amount, calculates Mr. Pantulu, to about Rs. 3 crores per year or 50 per cent of the total land revenue of this province. Will it be possible to collect this amount from the indebted section, when the collection of the present land revenue is difficult enough on account of its burdensomeness ? It is a difficult problem, but the solution that commands itself to Dr. Thomas and also to Mr. Pantulu is to arrange for the repayment of conciliated debts as far as possible through credit institutions like land mortgage banks to which special facilities may be given by the State.

Moratorium.

Regarding the proposed moratorium, Dr. Thomas pointed out that it was a desperate remedy to which Governments resorted only when their banking systems were threatened with crash by a war or other serious calamity, that it was bound to be of a very short duration as otherwise it would smash credit which was a very delicate instrument, that the breathing space which was all that it was designed to afford would not suffice for a purpose like the liquidation of indebtedness, and that in any case relief measures ought to be in readiness before the moratorium was declared. Mr. Pantulu had less objection than Dr. Thomas to the application of the idea of moratorium for the relief of rural indebtedness, but he considered that the time chosen, the method adopted for declaring the moratorium, the class of debtors to whom it was sought to be made applicable and its other provisions were all ill-conceived. " But to proclaim a moratorium for a year or two pending consideration of the nature, scope and extent of debt relief to be formulated at some indefinite time is fraught with grave danger," he declared. That talking about the moratorium in advance of its being actually declared had already had an adverse effect upon the credit of the cultivators and on the flow of deposits into co-operative banks, was stressed not only by Mr. Pantulu and Dr. Thomas but by several others at the co-operative conference. Hence the resolution of the conference emphasised that the moratorium should be of very brief duration and that it should ancillary to, and if possible simultaneous with, the introduction of debt relief measures. We may describe the attitude of the Conferenre towards the moratorium as one not of enthusiasm but of toleration if certain modifications were made.

The question whether the moratorium should apply to the transactions of co-operative societies or not was, of course, specifically discussed by the conference. The resolution moved by Mr. V. Ramamurti Pantulu expressed faithfully the opinion of the conference, *viz.*, that the moratorium should not be made applicable to co-operative societies. If after discussion the conference adopted a different resolution, it was not because Mr. Ramamurthi Pantulu's resolution was unacceptable, but because it felt that its expression of opinion should not be so limited in scope as Mr. Ramamurti Pantulu's resolution was but should deal with the whole subject of moratorium. That the moratorium should not apply to co-operative societies—except that a restriction may be imposed on them in the

Governor of the Reserve Bank of India was also helpful. As President of the Provincial Co-operative Union, the Hon. Mr. V. Ramadas Pantulu, who may well be called the foremost non-official co-operator not only of this province but of the whole country, welcomed the delegates, while Professor P. J. Thomas, who occupies with distinction the chair of Economics in the University of Madras, conducted the proceedings as President of the Conference.

Ministers' Speeches.

Mr. Muniswami Pillai very appropriately drew the attention of the conference to the great good which the Madras Milk Supply Union, under the guidance of Dewan Bahadur K. Deivasikhamani Mudaliar, was doing to the agriculturists in the villages round about Madras by providing them with funds to buy cows and buffaloes and organising co-operatively the sale of the milk produced by them. He exhorted the co-operators present at the conference to organise similarly on co-operative lines the villages of Salem and other districts to produce jaggery and sugar from palmyra juice, in view of the policy of prohibition adopted by Government. Mr. Giri invited the conference to express its considered views on audit fees and the Moratorium Bill and to help the Government to come to a wise decision on those important questions. He also allayed the fears of non-official co-operators regarding the increasing officialisation of the co-operative movement by stating afresh that it was the aim and policy of Government to help the movement to develop on its own lines and to withdraw official control by degrees as soon as possible and by declaring that the Government did not wish the department to interfere with societies except when absolutely necessary and that the official staff would be lent to societies only at their request and for short periods only. He quoted facts and figures containing the results of a thorough examination of more than 6,000 rural credit societies, which are the weakest part of the co-operative organisation in this country, to show that the movement was quite sound and that there was no ground for one to be pessimistic about its future, and exhorted the co-operators to go ahead with their work hopefully though with necessary caution. Co-operators are much obliged to him for his declaration of policy and robust outlook.

Sinking Fund.

Mr. Ramadas Pantulu's address was as usual thoughtful and informing. He dealt mainly with the alleged need for the creation

of a sinking fund for the debentures of the Central Land Mortgage Bank, the measures of debt relief contemplated by Government including the Moratorium Bill and some of the recommendations made by the Reserve Bank for the reform of the co-operative movement. With regard to the provision of a sinking fund for land mortgage debentures, for the sake of which it is advised that the rate of interest on lendings should be raised, Mr. Pantulu pointed out that it could be thought of only in respect of future of debentures and not of those already issued, because in the case of the latter the interest charged to the borrower was already fixed and could not be raised, and that there were not other resources with the Bank from which to create it. He reminded the Government and the Reserve Bank from which the advice came, that it was quite reasonable to expect that the business of land mortgage banks would expand in the future, and not be stationary at or fall below the present level, so that if the creation of a sinking was insisted upon, it could be done without raising the rate of interest to the borrowers. Land mortgage banks, he said, had sought to bring down the general rate of interest in the province by themselves adopting rates which were lower than the rates charged by even good money-lenders and if on account of capitalistic criticism they were compelled to raise their rates of lending, one of their important objects would be frustrated. In expressing these opinions Mr. Pantulu was only representing the views of co-operators in this province, as will be seen from the resolution adopted by the conference on this subject.

Debt Relief.

The question of the relief of agricultural indebtedness and the measures contemplated by Government towards that end, including the declaration of a moratorinm were dealt with at considerable length both by Mr. Ramadas Pantulu and by Professor Thomas. The address of the latter which was mainly devoted to this topic, was a very informing and valuable contribution to the proper understanding of the subject. The exact measures Government propose to adopt for the relief of indebtedness have not yet been authoritatively stated, but from the speeches of Ministers it is possible to gather the nature of what are in contemplation. The necessity for enacting a simple rural insolvency law was stressed by both Mr. Pantulu and Dr. Thomas, as also the need for providing some means whereby debts could be scaled down reasonably. Dr. Thomas forcibly pointed out

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Editorial Notes.

The Madras Provincial Co-operative Conference.

Following our usual practice, we have made this a special number of the Provincial Co-operative Conference which during several sessions has been meeting in alternate years. This year's Conference was invested with unusual importance owing not only to questions like the levy of audit fees, the lowering of the rate of interest, the demand for creating a sinking fund for land mortgage debentures and the gradual shifting of emphasis from credit to non-credit activities, which are all engaging the attention of those who are intimately concerned with the running of the co-operative movement, but also owing to the declared intentions of the present Government to tackle immediately the problem of rural indebtedness by declaring a moratorium and introducing relief legislation and also to overhaul the co-operative movement so as to make it benefit the ryot to a greater extent than it has done hitherto. The recognition of the importance of this session by Government was indicated by two Ministers being conspicuously associated with it—the Hon. Mr. V. I. Muniswami Pillai, Minister for Agriculture and Rural Development, hoisting the Co-operative Flag, and the Hon. Mr. V. V. Giri, Minister for Industries and Labour, who is in charge of the portfolio of co-operation, opening the conference. The presence of Mr. Nanavathi, Deputy