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The

Madras Journal of Co-operation

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Editorial Notes.

The South India Co-operative Insurance Society,

The meeting of the General Body of the above society was held on the 28th July 1940 and a brief account of the proceedings is given elsewhere.[1] The Hon'ble Mr. V. Ramadas Pantulu[2] who presided on the occasion surveyed the present condition of the concern and dealt with some of the problems of importance that awaited solution.

As a co-operative concern it was having its official year from July to June; but the new Insurance Act makes it obligatory upon all insurance companies to have their official year the same as of the British calendar year. The South India Co-operative Insurance Society therefore has submitted the report for six months from 1—7—1939 to 31—12—1939 so that from 1940 onwards its official year may be co-terminous with the calender year.

We are glad to be told that the business of the society has exceeded one crore. It is a very good record for a recently started concern and the office and the field staff together with the officials and non-officials who lent it their moral support, all deserve to be congratulated on this achievement.

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[1] See page 111 of this number.
[2] See page 96 of this number.

The Hon'ble Mr. V. Ramadas Pantulu pointed out how under the conditions brought about by the new Insurance Companies Act it is not possible for insurance societies to carry on cut-throat competition among themselves with a view to procure new business. He also laid emphasis on the unfortunate fact that there exists at present certain amount of unwillingness on the part of the public to insure their lives, because of the lack of confidence in the investments, owing to the present international situation. Mr. Pantulu did well to point out how this panic was absolutely unfounded and appealed to all workers to see that business flows once more steadily as it did before the war scare began to affect it. One of the main problems as pointed out by the President was reconciliation between demand for increase of bonus and equally insistant demand for increase of reserves which would enable the society to weather any storm that may affect its investments adversely. He assured the policy-holders assembled that the management was aware of its responsibility and will do its best to safeguard the interest of policy-holders.

This problem of reconciliation between two interests, increasing reserves as well as making business more attractive by declaring larger bonuses, is only a reflection in the field of insurance of the problem which exists in the field of consumers' co-operation as a contest between increased rebate on purchases and the strengthening of the reserves of the society. If the experience of foreign co-operators in the latter field can be of any use to us it is available. At the last Co-operative Congress at Glasgow one of the most widely contested questions was, whether the C.W.S. should strengthen its reserve or declare more dividend. In the half year concerned the C.W.S., had a record surplus of £ 5 million and its Board of Management recommended that a considerable portion of it should go to the strengthening of the reserve whereas many of its leading constituent societies like the Consumers' Societies of London, Liverpool and Birmingham contested this proposition and pleaded for more of dividend upon purchases. The recommendations of the Board were finally adopted by a majority of 3,322 against 1,671. The C.W.S. which is the most powerful co-operative organisation in England, the cradle of co-operation, has thus set an example for other institutions to follow.

If another example is wanted, it is supplied by Sweden, one of the most co-operatively minded countries of the world. As is stated in a recent book on Swedish Co-operation more than half the societies pay

dividend of only 3 per cent. or less and only 63 societies out of 710 pay more than 6 per cent. Societies build up reserve which sometimes exceeds their total share-capital.

We need not follow the example of any country slavishly; but the policy pursued by brother co-operators in other countries will certainly be of some help to us in determining our own policy in the light of the peculiar circumstances of our own country.

The President raised a constitutional problem of great importance, namely, how to give every policy-holder an effective voice at the general body meeting. As it is, only the policy-holders of the metropolis with a very few people coming from the mofussil constitute the general body. The number of policy-holders on the other hand is increasing every year and though these policy-holders have got a right in theory to be present at the meeting at which questions of policy are being discussed and take part in the election of directors, they are not, to take a realistic view of things, able to come and exercise their rights. The President said that the management are contemplating effective ways of giving an opportunity to every policy holder to exercise his fundamental rights. We hope the slump in business due to panic is but a passing phase and it will soon be over. We also hope that the society will be able to extend the benefit of its services not only in this province but also in other provinces that have no similar co-operative institutions of their own.

Mr. Ramamurti's Address at the Agricultural College.

It is a truism to say that India is an agricultural country and anything that affects the agricultural policy of the country should be of fundamental importance to us, co-operators. It is this recognition of the significance of agriculture that has induced us to quote at length two speeches of Sri S. V. Ramamurti, M.A., I.C.S., Member, Board of Revenue, which he delivered in connection with the College Day Celebration of the Agricultural College, Coimbatore*.

Mr. Ramamurti is not merely an able and successful administrator, but a good student of Science who keeps his interest in abstract question alive. His speech therefore, as was only to be expected, was very suggestive. He started by saying how taking all available land into consideration the total area can sustain only 2/3 of the population of this country so that the remaining third has to be provided for in urban industries; otherwise the burden on the land would

* See page 102 of this number.

continue to be a little too heavy as it is the case at present. Next he drew the attention of his audience to the agro-biological formula which should be a warning to us that agricultural improvement and progress cannot go on for ever indefinitely, but a limit would soon be reached and wisdom consists not in exhausting the resources of the soil too rapidly. He put an effective plea for a study of man also by the followers of the Science of agriculture and not merely of his environment as is being done now. Turning to the main subject of study for the year "Soil Erosion" Mr. Ramamurti emphasised its supreme importance and pointed out how owing to the negligence of this problem Salem was almost drifting to the condition of the Ceded districts. He pleaded for a scientific attitude on the part of the research student with regard to many customs of the agriculturists which are sometimes looked upon as superstitions, but which are based on age-long racial experience. Lastly he put in an eloquent plea that an agro-industrial economy should be established which is a graft between and the balancing of the agricultural and industrial aspects of our economic system. He said that only one human scientist had solved it, the late founder of Dayalbagh at Agra. Along that line, according to Mr. Ramamurti, lies the salavation of future India and not in an ill balanced over-agricultural or over-industrial policy for the country. We commend the address to our readers for careful study and necessary action.

Fundamentals of Co-operation.

Last month we extracted an article from the American Journal *Consumers' Co-operation* about the "Fundamentals of Co-operation." We cannot have too much of a good thing and knowledge of the fundamentals of co-operation comes under this category. We should like to draw the special attention of our Indian readers on two fundamentals which are in danger of being neglected in this country.

The principle of *continuous education* energizes the co-operative movement, says the article. This aspect has been somewhat neglected by us. Co-operative societies were started without the necessary preliminary training being given to the would-be members and we are paying veryheavily for that initial neglect in the form of inefficient working of most of our societies, of liquidation of hastily started societies, of accumulation of overdues and various other forms of ills we are so familiar with. Not only is education necessary as preliminary requisite but there should be continuous education, and periodical stock taking on the part of members themselves of their co-operative equipment.

We should have refresher courses for all workers which would enable them to keep their knowledge upto date.

Another principle which also is likely to be forgotten is the principle of *peaceful evolution*. As the learned author of the article adds, "Co-operatives avoid mushroom growth. They lay foundations deeply. They evolve slowly. They practise evolutionary development." This wholesome principle is likely to be forgotten when sometimes an attempt is made for quantitive increase of co-operative societies. If the coming into existence of societies is not the result of slow evolutionary growth, but is due to some 'drive' from outside these are likely to become mere mushroom growths than living useful institutions. "Continuous education" and "Peaceful evolution" these are two *mantras* which we cannot repeat too often, nor is it possible to lay too much to heart the lessons they contain.

The Coimbatore Milk Supply Union Ltd.

Next to the Madras Co-operative Milk Supply Union, that at Coimbatore is the most important one working in our province. This Union has six milk supply societies affiliated to it and recently the Co-operative Butter and Ghee Supply Society of Perianaickenpalayam was also affiliated to it. The last mentioned society is specialising in the making and supply of home made butter and ghee.

The management is in the hands of very enlightened public men of the town, Diwan Bahadur Ratnasabapathi Mudaliar being the present President. The Health Officer of the Municipality is an ex-officio member of the directorate.

The Union supplies milk not only to clubs, hospitals and big institutions, but to over 500 individual customers in their houses. It is possible in big towns to get adequate custom by enlisting the sympathy of big institutions, but more important is the task of catering to the needs of individual members and this aspect has to be borne in mind by milk supply unions as well as co-operative stores. We are glad to be told that during the year ended 30-6-1940 the Union purchased milk from its affiliated societies for about Rs. 80,000 and sold milk for about Rs. 89,000 and thus making a gross profit of over Rs. 9000. The average sale of milk per day amounts to about 450 Madras measures. Equally welcome is the informations that the Union has been able to put up a building of its own, the Municipality having given them a site of about half an acre for a nominal sum of Rs. 500. They were able to take a long term loan of Rs. 5,000 from the District Bank which they hope to repay in about 5 years. We congratulate the Union on its successful working for another year and we wish it greater opportunities for useful work in a town which is fast growing into a city.

Co-operative Milk Supply in England and in our Province.

It was an eminent Statistician that said that most of the statistics about India are of huge proportions. This may be true with regard to the area of our country, our population, the height of our mountains and the length of our great rivers; but with regard to achievement of man our record is easily beaten by many countries. The annual revenue raised by the Indian Empire as a whole pales into insignificance compared with the stupendous sums that a small country like England is able to raise. So also taking the statistics of co-operation, England beats us hollow.

To take one example the total liquid milk trade of the co-operative movement in England for the year 1939, was 217,862,008 gallons and this marked an increase of 10,406,664 gallons over the sales of 1938. Trade in manufactured milk amounted to 28,093,389 gallons compared with 19,795,104 gallons of 1938.

As a contrast to this let us take the co-operative milk trade of our province. The Madras Co-operative Milk Supply sold milk worth 6,66,840 measures,* the Coimbatore Milk Supply sold 2,24,405 measures, the Madura Milk Supply 75, 647 measures, and Ellore 5,647 measures. To this may be added the milk handled by the Unions of Nellore, Salem, Cuddalore and Rajamundry, about 3,000 measures each, making a grand total of 9,84,539 measures for all the province or in round numbers 1 million Madras measures.

The co-operative consumption of milk in England would come to about 60 crores of Madras measures.† What headway we have to make to catch up England if at all it be possible to do so is seen by these figures; but England had a start of 65 years co-operative training and practice ahead of us. We should resolve to strengthen and devolop this department of co-operative activity, because as the Registrar aptly remarks "apart from the obvious gain to public health in the province where the average diet is sadly lacking in nutrition

*Figures are from the latest report of the Registrar of Co-operative Societies, Madras.

† 1 gallon = ¼ of Kerosine oil tin = 2½ or 2¾ Madras measure.

these milk societies are likely to evolve into satisfactory dairies and lead to improvement in the breed of cattle."

Co-operative Movement and Government's Responsibility.

There is a common belief among the masses of our villages that a co-operative bank is more or less a Government institution and we have heard it named as Sirkar Bank. This popular wrong conception may be somewhat useful to the movement in the matter of collecting dues, but the overdues are mainly from the people who know the real situation, namely that the Government have very little directly to do with the banks. No doubt there is the statutory Government audit, but that does not saddle the Government with any responsibility. Recently a test case was filed in Federated Malay States where there was a defalcation by the Secretary and Treasurer of a co-operative society. The society attempted to recover the sum defalcated from the Government on the ground that the statutory audit carried out by the Registrar had not been satisfactorily done. But the case was thrown out by the Court and the Judge remarked that the statutory audit is a duty imposed upon the Registrar in order to satisfy himself and the Government through him that the society is working properly. It is not audit carried out on behalf of the members and therefore the Registrar owed no duty to the society.

Another instance of Government disowning financial responsibility has recently come to our notice. At the Annual Conference of the Co-operative Federation Congress of C. P. and Berar co-operators assembled expected the Government to do this and that for them; but the Registrar had to tell them plainly that "Government has clearly stated in the communique that it has got no legal or moral responsibility for paying the depositors and that it is not in a position to pay 10 or 15 lakhs. Government has to take into consideration the interests of the general tax-payer and I do not think it would be proper for any Government to spend 10 or 15 lakhs at the cost of the general tax-prayer for helping the depositors. Government is unable to give any direct financial assistance."

It is time that we co-operators realised that the co-operative movement is entirely the peoples' movement and Government is there to advise and help, but certainly not to shoulder any financial responsibility. The sooner this is realised by the masses of our members, the better. It will make them more self-reliant and induce them to give up the present habit of depending on the Ma-Bap Government for everything.

The Co-operative Diary.

The Central Co-operative Printing Works deserve to be congratulated on the Co-operative Diary which they were able to publish and place in the market at the beginning of this co-operative year. The Diary is available in two forms-one a costly variety with leather cover priced Re. 1 and the other, a cheaper variety priced Rs. 0-8-0.

It is a co-operators' diary and what a co-operator of our province should know about the movement of our province is contained in a nutshell in the diary. Officers of the Department, information regarding non-credit societies in the various districts, officers of the various districts banks, the co-operative press of the world, all these particulars are given in a handy form. The diary also contains essential items of postal information and information commonly known as "Thrianga" *i.e. Thithi, Vara* and *Nakshatra* for every day, that are generally given in popular diaries. The most valuable portion of the information is a brief account of the co-operative movement in the province as a whole. This brief account is as informing as it is instructive and is crammed with useful and reliable information about the working of the movement in our province.

We understand the publication of this diary was possible by liberal contributions made by the leading provincial co-operative institutions of the province. We hope that this enterprise which has been so successful this year will be kept up and in the years to come the publication of the diary will be a regular feature of the activities of the Central Co-operative Printing Works.

Co-operators' Indifference.

The response to our circular published on page 55 of the July number of the journal has not been as encouraging as it should have been. A few societies of different types mentioned in our circular have responded though we sent copies of our circular individually to over 400 societies. We have summarised the reports so far received. Not one of the Loan and Sale Societies which do a considerable volume of co-operative marketing has chosen to respond. It is probably due to the fact that they are expecting to send us audit reports for the year ending 30th June 1940; the circular, however, makes it clear that what we require is not audit report, but a brief account of the actual working of the society, the difficulties experienced and problems that confront them. We hope we shall have better response to our circular in the coming months.

Co-operative Institutions in Bengal

AS I SAW THEM.

BY L. N. CHATURVEDI ESQ., B. Sc.

Assistant Registrar, Co-operative Societies, Agra.

The problem of securing the best possible price for ghee produced by the members of ghee societies has been engaging our attention for sometime past. There are about 500 ghee societies in my charge and they are affiliated to four central ghee unions. The unions handled about 4,000 mds. of ghee during the last year and the amount is expected to be doubled soon. There are two other ghee unions in the charge of the Assistant Registrar, Meerut and they are reported to have handled about 1200 mds. of ghee. At present, the unions sell a portion of ghee direct to consumers but a major portion of it is sold to ghee merchants in *mandis*. The result is that neither the members of ghee societies who are mostly agriculturists get adequate for their product nor are the consumers assured of the purity of ghee. It has frequently been suggested that if arrangements could be made to export ghee to Calcutta—the biggest consuming centre—and similar other places where it could fetch better prices, we would be able to do substantial good to the producers and consumers alike. I was, therefore, permitted by Government to visit Bengal for the purpose of studying the marketing conditions of ghee at Calcutta and the working of some of the important co-operative institutions in Bengal.

Need of a Co-operative Ghee Brand.

From enquiries and discussions that I had with the representatives of well-established and big ghee firms, the Provincial Marketing Officer and his assistant and the Secretary of the Ghee Merchants' Association, at Calcutta it was plain that only branded ghee could fetch good price in Calcutta. There is practically no big firm in Calcutta which has not got a brand of its own. It is equally necessary that we should get our ghee chemically tested and graded before despatch to Calcutta. There will be no difficulty in getting this done if the ghee unions become members of the Ghee Merchants' Associations at Etawah and Shikohabad. There is also a private Ghee Grading Station at Etawah and a second grading station has recently been started at Shikohabad by Government.

Sale of ghee on Commission Basis.

With regard to the sale of ghee in Calcutta there are three alternatives open to us. The first is that we should open our own ghee shop in Calcutta. The rents of shops in the ghee market in Calcutta are, however, very high and the establishment charges are equally heavy. We shall also have to face keen competition and shall have to spend a lot on propaganda to secure the good-will of customers. There is also the practice to sell ghee on credit in the Calcutta market. This would necessitate locking up a large capital in the business and there is also the risk or lossess. This alternative, is therefore, out of the question for the present for the simple reason that our co-operative societies of ghee producers and the ghee unions cannot afford to lock large sums in this business or to incur the risk of losses. The second alternative is that we may prevail upon the firms dealing in this business to purchase ghee from us in the Etawah and Shikohabad *mandis*, instead of purchasing from other ghee dealers. This is also not possible as they are not prepared to abandon their old customers. The third alternative is to appoint some reliable firm as our agents in Calcutta and to send graded and branded ghee to them for sale on a commission basis. After working out the figures I have found that it will pay us at least Re. 1 to Rs. 2 per md. more if we get ghee sold on a commission basis than what we can get by selling in the Etawah and Shikohabad *mandis*.

All these alternatives were thoroughly discussed with the Honorary workers at Etawah and we came to the conclusion that the third alternative was the best under the circumstances. The firm of L. Nandkishore Tandan has been selected for the purpose. This firm has also agreed to grade our ghee at their ghee grading station at Etawah and to put their own 'Kishore' brand on our tins of ghee on payment of 0-4-0 per maund. This arrangement will continue until we have introduced a distinct co-operative brand of our own.

Health Co-operatives.

Besides studying the marketing condition of ghee in Calcutta, I visited a number of important co-operative institutions in Bengal. There are about 2281 primary public health and anti-malaria co-operative societies on the Yugosalavian model of which 1102 have been registered. I paid visits to two of these. Their objects include the improving of the sanitation of the villages, the health of their people, the education of the members in public health and sanitation and

carrying on propaganda among the members and the public for rousing a sense of responsibility and consciousness about maternity welfare and public sanitation and health. The membership is open to all individuals residing in the area of operations, which generally consists of 2 or 3 villages, within a radius of 3 miles from the centre. The funds of the society are derived from admission fee and Rs. 4 per year as subscription paid by members, donations from the public and grants from Government. The society besides doing preventive work, such as clearing of jungles, filling in of pits, maintains a dispensary and employs a qualified doctor, who is paid Rs. 50 per month. The members have to pay only cost price of medicines which works out at 1 per phial of 4 doses. For calls made at their houses they have to pay only 0-4-0 per call and this amount goes to the funds of the society and not to the doctor. These societies are doing immense good and they are proving very popular. The primary societies have been federated into a central society for the purpose of organising more societies, co-ordinating their activities, doing propaganda etc. Dr. Rabindra Nath Tagore is the patron of the central society and Rai Bahadur Dr. G. L. Chatterji the founder of the health co-operative movement—is the Honorary Secretary and Treasurer. The work of the society is carried on by subscriptions from individuals and public bodies. It has a well-paid staff both for office and field work and for doing propaganda and organisation work. Besides convening meetings and distributing literature the society arranges for lantern lectures on sanitation at suitable centres and places in the hands of the rural people the results of the latest researches on prevention of malaria and other epidemic diseases.

The promotion of Public Health comes within the purview of our Better Living Co-operative Societies. In view of the importance of the subject, it should form an important plank in their programme or separate societies can be organised for the purpose. Work may preferably, be undertaken in selected districts to start with. To insure success, Government aid will be necessary both for capital expenditure and recurring charges.

It will not be out of place to mention that a cattle welfare society has been organised in my circle at Etawah more or less on the lines of the Health Co-operative Societies.

Women Co-operative Industrial Home.

In view of the recognition of handloom weaving as one of the important cottage industries in India, which could provide employment to Indian widows, Lady Abala Bose the widow of the late Sir Jagdish Chandra Bose who is the Honorary Secretary, Nari Siksha Samiti, submitted a scheme to the Government of Bengal for financing the establishment of a Women's Co-operative Industrial Home near Calcutta out of the grant-in-aid by the Government of India for the development of handloom industry. The scheme was approved by Government and the Home was registered in 1938 with its office at Dum Dum.

It was also thought that in addition to infusing a spirit of self-help, co-operation and thrift among its members, and enabling them to earn a living, the Home would impart such practical training to them as would enable them later on to organise thrift and industrial societies on similar lines in different parts of Bengal, whereby their other needy sisters could have a chance of living their lives, not as drags on society but helpful to themselves and helping others to stand on their own legs.

The membership of the Home which is 22 is open to all women of Bengal over 18 years of age who are willing to earn an independent livelihood by handweaving. Each member is required to purchase at least one share. The Home is housed in a bungalow at Dum Dum belonging to the Defence Department of the Government of India, which charges concessional rent of Rs. 32-8 per month. The members are required to reside in a portion of the Bungalow and they have to pay Rs. 2 per head towards rent.

The main sources of finance are the share capital of members, donations from the public, grants-in-aid from Government and the savings deposits of members. Realisation of shares from members is not enforced until their income reaches about Rs. 15 per month. The Government of Bengal gave a capital grant of Rs. 6,850 for machinery, appliances and working capital and Rs. 2,370 and Rs. 2,700 as maintenance grants for the years 1938-39 and 1939-40 respectively. A grant of Rs. 200 for installation of a telephone has also been sanctioned recently.

The raw materials *e.g.* yarns, dyes etc., are purchased through the Central Co-operative Depot at Calcutta, which also helps in the sale of finished goods on a commission basis. There are 12 fly shuttle looms which provide work for about 18 inmates. Among the main varieties of products, mention may be made of woollen shawls, scarfs, shirtings etc. The wages are distributed on piece work basis and the total amount so distributed during 16 months comes to about

Rs. 2,111. The Home has been able to earn a gross profit of about Rs. 1,375 during its working of 16 months.

The average earnings per head per month amount to about Rs. 15-8. Individually the maximum amount of wages earned by a member has amounted to about Rs. 21 per month which is not lower but rather higher than the normal earnings of a professional weaver. The members send a portion of their income to their families after meeting all the expenses of boarding and lodging and making voluntary savings deposits, on which interest at 6½ per cent per annum is allowed. The affairs of the Home are managed by a Board on which there is adequate representation of workers.

It will be seen that the Home is a novel institution of its kind. Apart from solving the question of employment, it has done a lot to remove the social evils which go side by side with the poverty of the sex. Provided State Aid were forthcoming as in Bengal, it should not be difficult to find in this Province prototypes of Lady A. Bose to run and guide such institutions.

Calcutta Milk Union.

The Calcutta Co-operative Milk Societies' Union was started in 1919 with thirteen milk societies as members with the object of financing the primary milk societies and making arrangements for the disposal, to their best advantage of the members, of the milk and milk products of the members.

The milk societies which consist of milk producers living in the villages now number 123 with a membership of 8000. They are situated within a radius of 12 to 48 miles from Calcutta, which is the headquarters of the Union. The Union handles on an average 105 mds. of milk per day. There are 18 collecting centres, each in charge of a manager who tests the milk with an electrometer and sends the same in sealed and sterilised cans to the Union at Calcutta where it is pasteurised and distributed in sealed cans and bottles. The Union supplies milk to hospitals, milk kitchens, child welfare centres, big hotels and the public. It owns a building of its own and has got costly up-to-date machinery valued at about Rs. 51,000 for the various processes. This has been possible owing to the sympathetic attitude of the Calcutta Corporation which gave a loan of Rs. 50,000 to it free of interest. It also gets free services of the Government staff of the departments concerned, the Secretary—in—charge of the Union being an officer of the Co-operative Department.

In our province the Lucknow Co-operative Milk Union which is run more or less on similar lines scores not a few points over its prototype in Calcutta. In the first place it has shown better progress in that it handles about 40 mds. of milk per day out of a total consumption of 300 mds. a day at Lucknow during the short period of about two years of its existence, whereas the Calcutta Union handles only about 105 mds. per day out of the total cosnumption of 3000 mds. per day in Calcutta. Further, the milking in the case of the Calcutta societies is done by paid milkers from door to door to avoid adulteration, while in the Lucknow societies it is done by members themselves under the supervision of the Panchayats at a central place in the village and the latter are made to feel their responsibility. Again the transport charges from the societies to the collecting centres are borne by the societies while at Lucknow they are borne by the Union. It, however, suffers in comparison in that the Calcutta Union has been able to secure orders for bulk supply of milk to hospitals and hotels etc. which the Lucknow Union has not. About 2/3rd of the output of the Calcutta Union is supplied to these institutions. There is also no satisfactory arrange-ment for free veterinary aid to the cattle of members as is the case in Calcutta. Further the milk distributed in Calcutta is scientifically purer because it is treated with up-to-date machinery all through instead of being touched with hand at one stage or another at Lucknow. Then again the sympathetic attitude of the Calcutta Corporation sets an example which the Lucknow Municipality may well follow. The Calcutta Union also spends a lot on general welfare work, construction of roads, establishments of charitable dispensaries, subsidies to schools and lantern lectures on sanitation, anti-malarial and anti-kalazar work.

Bengal Provincial Co-operative Industrial Society.

There are 321 primary weavers' societies and their membership and working capital are 3608 and Rs. 5,25,883 respectively. They are federated into eight industrial unions which help the affiliated societies in getting the necessary raw materials and in disposing of their finished products. The Unions have further been grouped together into a Provincial Co-operative Industrial Society which was established at Calcutta in the year 1928. This society maintains a depot in a busy part of Calcutta where goods received from the Unions are stocked for display and sale.

With the object of giving training to the weavers in improved weaving, an expert staff consisting of a marketing officer, a designer,

nineteen weaving experts and two canvassers with an Industrial Assistant Registrar at the top has been maintained with the help of a grant from the Government of India for the development of the handloom industry. Their efforts are directed to the production of marketable handloom stuff at a cost which campares favourably with mill made goods and they have introduced improved looms and appliances among the weavers.

The average annual sale of the society is now about Rs. 65,000. It has been able to enlarge its stock of new popular designs with the help of the grant of Rs. 20,000 made by the Government of India to provide running capital. The local Government gave an annual aid of Rs. 12,000 for three consecutive years besides granting a loan of Rs. 50,000 to the society in the beginning. They have now sanctioned a moratorium in respect of their substantive loan to the society and have reduced the rate of interest on the loan to 3½ per cent.

A similar scheme on the lines stated above has been worked out in this province. It contemplates the organisation of primary co-operative societies for artisans in villages and co-operative stores at District Headquarters for the supply of raw materials and sale of finished goods. The district stores again are intended to be affiliated to a Provincial Federation which will arrange for supply of raw materials in bulk to District Stores, to put them in touch with prospective purchasers, maintain a financing plant, engage commercial agents and run a show-room. It is expected that the scheme will be given effect to as soon as funds permit.

Bengal Co-operative Alliance.

The Bengal Co-operative Alliance, Ltd., which was formerly known as 'The Bengal Co-operative Organisation Society' is the premier non-official co-operative organisation for the whole province and all the co-operative institutions in Bengal are its members. The membership of the Alliance is also open to individual persons residing in Bengal. Every member has to pay an annual subscription in the manner and to the extent prescribed by the Executive Council of the society from time to time subject to a maximum of Rs. 3 in the case of rural societies, Rs. 25 in the case of central and special class societies, Rs. 50 in the case of Provincial Societies and Rs. 6 in the case individual members. Every member has to purchase, in addition, at least one share, the value of which is Rs. 5. The management of the society rests in the hands of not more than 30 members including the Governor of the society elected from both classes of shareholders.

The Alliance carries on publicity and propaganda on behalf of the movement through two journals, one in English and the other 'Bhander' in vernacular, which are circulated to all member societies and also by organising co-operative conferences, magic lantern lectures, meetings, exhibitions, shows etc. It has a staff of lecturers who visit the interior of the Province and preach the gospel of co-operation to the masses. It owns a Printing Press which supplies registers, books and forms etc. required by co-operative societies. Its Library and Free Reading Room are open to the public with valuable collections of co-operative literature and Journals. The information Bureau of the society furnishes all information relating to co-operative matters to its member societies and the public.

It is also among the objects of the Alliance that it will ensure regular and efficient system of supervision over the registered societies and will take steps for the co-operative training and education of official and non-official co-operative workers and the public. Supervision and finance of societies in Bengal are still the function of central banks and the supervising staff is entirely under their management. Evils of this system have now been realised and efforts are a foot to separate supervision from finance. Training of co-operative workers is imparted at a Co-operative Training Institute at Dumdum which is entirely under the departmental control and management and is at present financed out of the Government of India grant for co-operative training and education. The Alliance hopes to take it over when the Central Government's grant has been exhausted.

The U. P. Co-operative Union covers most of the ground traversed by the Bengal Co-operative Alliance. The former is responsible for the supervision of co-operative societies in the province but lacks the arrangements for propaganda and publicity adopted by the latter and this is essentially a question of funds.

Sale of Agricultural Produce.

The marketing of agricultural produce of members of co-operative societies has, of late, been receiving increasing attention all over the country. Bengal has started organising separate paddy sale societies for the purpose in the interior. The method of working of these sale societies is that the members are advanced crop loans by the local central banks through the credit societies to which they

belong on condition of the delivery of their produce to the warehouse of the sale society as soon as it is harvested. On delivery the member is paid full price of his commodity prevailing on the spot on the date of delivery. The Society either sells the produce to the nearest mill as early as possible without taking any risk of fluctuations in price or it sends the produce to the Central Paddy Sale Society at Calcutta. The mill gives a small commission to the society for every maund of supply. By eliminating the middlemen in this way, the cultivator is able to get better price for his produce and also shares in the profits and bonus. The office of the Central Pady Sale Society of which the primary paddy sale societies are members, is located at Calcutta. The society charges commission on sales and co-ordinates the activities of primary sale paddy societies. It also keeps in touch with the Calcutta market and informs the societies about the prices prevailing in the market from time to time.

It is, therefore clear that the paddy sale societies in Bengal are intended to purchase the produce of members outright or to dispose it of on commission basis. This system has helped in the realisation of the dues of credit societies to a great extent. The problem in our province is being tackled almost on identical lines through the organisation of marketing unions, preferably at the *mandis.*

Sriniketan.

The Sriniketan Rural Reconstruction Institute which was found by Dr. Rabindra Nath Tagore in 1922 is located amidst rural surroundings in the village of sural about a mile and a half from Santiniketan. In the language of the poet himself, "the object of the Sriniketan is to bring back life in its completeness into the villages making them self-reliant and self-respectful, acquainted with the cultural tradition of their own country, and competent to make an efficient use of the modern resources for the improvement of their physical, intellectual and economic condition".

The Sriniketan Rural Reconstruction Institute has in the main, three departments, for the development of industries, for village welfare work and for educational experiments.

I. Industries.

In the industries department young men and boys are trained in weaving, with power-driven and handlooms, carpentry, leather work, dyeing and designing or silk, pottery and duree-making etc. Special attention is given to the introduction of artistic designs so as to give the products of the Institute a distinctive feature, to appeal to our sense of the beautiful and to enable the articles to fetch higher prices. For these reasons the products of the Industrial Section have been appreciated by the public and find a ready market in Calcutta. Arrangements have also been made for training village apprentices who are expected to set up craftsmen in their villages and for imparting such training to women in villages by an itinerant lady teacher who visits the villagers in their homes.

II. Village Welfare Section.

The most important work, however, which has been undertaken by the Institute relates to the moral, educational, sanitary and economic improvements of the villages. For this purpose intensive work has been organised in a limited area of about 32 square miles, comprising 13 villages in the immediate vicinity of the central organisation at Surul.

Medical relief, improvement of the sanitary condition of the villages and the prevention of diseases have claimed the most serious attention of the workers. A special type of co-operative health society has been evolved which has become very popular and is showing excellent results. Under the system, the members are entitled to obtain medicines at cost price and to get the services of qualified medical men at their houses for a nominal fee. The medical officers attached to these societies are not permitted to have private práctice and whatever fees are paid for the services are credited to the funds of the society. On the other hand, the attention of the medical officers under this arrangement is more directed towards the improvement of the sanitary condition of the area under their charge and the prevention of diseases than to curative work. The members of the societies enjoy the additional advantage of obtaining advice free of cost from the medical officer in charge of the central dispensary at the Institute and having their blood, urine etc. examined also free of cost at the clinical laboratory at the Institute.

Agricultural improvement occupies an important place in the programme of village extension work. There is a Central Farm attached to the Institute which provides facilities for experiment and demonstration and also supplies seeds, seed-bags and grafts to the villagers. Attention is being given to poultry farming and market gardening so as to enable each villager to supplement his income. Efforts have been made to cope with the cattle problem through the

dairy of the Institute and Sindi Bulls have been purchased for improving the breed of cattle. A Seri-cultural Farm has also been opened where training is given to a number of apprentices with the object of establishing seri-culture as a village industry. An annual festival of afforestation and tree planting has also been instituted by the Poet and several hundreds of grafts were distributed in the villages on the last occasion.

A separate co-operative central bank has been established here for financing and supervising different types of societies. Apart from the medical relief organised on co-operative basis, establishment of Dharamgolas or co-operative granaries in which the members deposit a part of their produce at the time of harvest and obtain advances of paddy during sowing time, is another co-operative endeavour. Unregistered village stores are also being encouraged and in one village, inhabited by aborginal tribes of Santals the store is working successfully.

III. The Educational Programme.

The education is given here on the lines of the Wardha scheme and for this purpose a Shiksha Satra has been established. Side by side with Shiksha Satra is the training school for village teachers, which is called the Shiksha Charch Bhavana. Among the subjects included in the curriculum are civics, rural sanitation, agriculture, co-operation etc. which might be useful to them as leaders and guides of the villages where they will work. The Institute also controls about sixteen schools situated in the area of intensive operation where the educational ideas of the Sriniketan are, to some extent, followed. In addition to the circulation of suitable literature from a Central Library for the small fraction of people who have acquired literacy, the village people are encouraged to meet in the evening when they are treated with reading from simple books, discourses, musical performances and magic lantern shows.

Thus the Sriniketan or the Rural Reconstruction Institute serves as a nursery for training Rural Leaders and aims at improving not only Rural culture but also seeks to impart a vocational bias so that the inmates on their return to villages may train the people in one handicraft or another. The underlying idea is to improve the whole of the social and economic life in Rural areas. The activities fall within the scope of the Rural Development Department of this Province and the salient features may well be tried in selected area or areas.

Gosaba.

A trip to Bengal will always be incomplete without a visit to Gosaba. The experiments conducted and the activities carried on there show conclusively what a sympathetic and public spirited zamindar can accomplish through co-operation. The late Sir Daniel Hamilton took settlement from the Government of a section of Sunderbans for deforestation and colonisation with the object of creating an ideal estate for combating the indebtedness of agriculturists and for tackling the problem of unemployment. The estate is about 22,000 acres in area of which 16,393 acres are in actual cultivation. Gosaba, Rangubalia and Saljchila are the important centres in the estate, the centre of activity being Gosaba.

There are 2000 families of colonists in the estate representing all castes and creeds. The first co-operative credit society was organised in 1916 and the initial capital was provided by the late Sir Daniel Hamilton himself. There are now 21 rural credit societies in the Estate and 774 people out of the total number of 2000 families are their members. All the societies were financed by Sir Daniel Hamilton prior to the formation of a Central Co-operative Bank in 1924. It is noteworthy that these credit societies have wholly ousted the mahajans from the Estate.

The system of collection in the Estate is interesting. The co-operative credit societies finance the members for crop cultivation. The crop produced by the members is purchased by the Jamini Rice Mill whose share capital has been subscribed by the tenants of the Estate. The mill pays the sellers value at the market rate through the Central bank. The central bank deducts from the price obtained by an individual member his dues to the society as also the rent to the Estate, the balance being made over to the member concerned. The paddy purchased by the mill is sold at Calcutta through the Central Co-operative paddy sale society. After the sale of the paddy or rice locally or at Calcutta, the accounts between the bank and the mill are adjusted. Another satisfactory feature in the estate is that there has not been a single criminal or civil case between the tenants and the Estate for several years.

The result of combining credit with marketing at Gosaba is that there are very small arrears in credit societies and since the estate or the zamindar is also sympathetic, the scheme is working very well. For this reason, there are also very small arrears of rent.

Besides the co-operative institutions mentioned above, there is also a co-operative store. The Store supplies all sorts of goods to the tenants on the property at reasonable rates. The boats that bring the paddy or rice from Gosaba to Calcutta, take back goods for the store can sell goods almost at Calcutta rates. The membership of the store is 211, the share capital amounts to Rs. 1,235 and the reserve fund is Rs. 3,157.

To fight illiteracy 16 Lower Primary Schools, 2 Upper Primary Schools, one Lower Primary Girls' school and one M. E. School have been started and two or three night schools are also working for educating the adults. A circulating Library, Magic Lantern slides and a gramophone with instructive and amusing records have also been called to the aid of adult education and rural reconstruction. To each of these schools is attached a model farm where the boys get ample opportunity to get practical lessons in agriculture. They also serve as models to the cultivators of the area in which they are located. Arrangements have also been made to give a course of training in handloom weaving in the Institute and the primary schools and a Central Handloom Factory has been working under the supervision of the Gosaba Central Bank.

To cater to the medical needs of the tenants three charitable dispensaries have been opened in three different centres of the Estate under competent doctors and the tenants obtain free medical advice and supply of medicine and in cases of necessity they also get the attendance of the doctors at their houses without any fees. A midwife is also maintained by the Estate for attending to maternity cases.

Stories of failure of co-operation are neither light nor few. Gosaba, however, redeems its fair name and teaches the much needed important lesson that everything depends upon the method of approach and the spirit behind it.

The experiment, however, interesting and instructive it may be, is incomplete of realisation unless these provinces too throw up a man of the calibre and public spirit of the late Sir Daniel Hamilton. 'The smiling co-operative land settlement at Gosaba in what was merely a malaria ridden, snake infected and tiger haunted jungle is a living monument to the memory of this great and enthusiastic Co-operator.'

Multi-purpose Societies in Relation to Farming.

BY SRI K. UNNIKRISHNA MENON.

Co-operation in relation to farming is a subject every one claims to know a great deal. And you as ardent co-operators must know it most. As a layman in the field I now come and stand before you to speak something on co-operation as far as it affects farming. It is the same subject over again that I deal with this year as I did last year. The only difference is that this is only a year hence. I do not, therefore, venture to give you general aspects that I dealt with last year but prefer to speak on certain aspects of farming that may receive your immediate attention.

It is but an old story to say that Co-operation is a thrift movement and that every co-operator must begin to work it on that basis. So long as thrift does not help to advance the economic position of those that long to enjoy the benefits of co-operation, one has to admit that that aspect of the movement has not been put into action. My question is whether the members of a Co-operative society have made any advance in their economic position. The natural reply in generality of cases is that but for their being members they would have gone down far below their present financial position. The question is how to improve them further.

To my mind it looks that those members that fail to observe thrift as the basis of their methods in any aspect of life cannot reap the benefits of the movement to the extent we expect them to do. I have often thought that there may be more useful results if the word thrift be made associated with the term co-operative movement and is made a qualification for membership. Should we not admit that the needy man tries to come into the movement with the idea of benefiting himself by the short or long term loans a society may grant him at cheap rates? Does he come in here because he has lost credit elsewhere? If so, why did he suffer like? The causes that made an individual so bad in life cannot be too far to seek. It is only the want of real faith in the religion of thrift that one has to suffer this way. Can it be thrift alone that can bring him his salvation? my answer is that productive efforts combined with thrift must absolve him from his future sins. Therefore you would not disagree with me when I say that the movement may better be called Co-operative, production and thrift movement. Now then if we put down these two factors of thrift and production alone associated with

cheap credit as the essentials for a successful co-operative society membership ideal one will have to go far as a co-operator to secure help in disposing of his products as profitably as possible. Thus you find that marketing is no small part of the movement though it is one other aspect of thrift.

There may be many other points on which a co-operative society will have to pay its attention for the benefit of the members such as joint purchase and so on. I put them down as some other aspect of the thrift quality and leave the society to manage.

The essential point on which I place great emphasis is the fact that we cannot, I fear, attain success in co-operative efforts unless we take care to propagate all the various aspects of the movements. If one wheel of a cart is removed the cart must fail to function properly. When there are many wheels for the carriage of co-operation and if a few of them are absent the carriage may be going for some distance without a break down as we see it to do. But the right way is to keep all the wheels in tact and in good working order, well greased and so forth, so that the carriage of co-operation may move smoothly along and help those that have to travel in it. It will not be possible for one President or Secretary of the society to attend to the defects of all the wheels. Not even the Panchayatdars can do it unless they are prepared to remain victims of open rebuke. It is a truism that no organisation can do proper work without individual members of the organisation contributing their utmost for progress. Therefore every member of a co-operative society should join hands in helping the forward move of the co-operative carriage and to see all wheels are functioning properly.

How to do this is the question. I have been thinking seriously about the best way to work a society to attain success, giving the greatest benefit to the members thereof. This idea entered my mind as I am on the eve of retirement and expect to do something to help the village in which I hope to settle down. After exercising my mind very considerably I have come to the conclusion that nothing except a multi-purpose society can be expected to benefit the members to the fullest extent. The qualifications prescribed for the membership must be scrupulous. I may not be far wrong when I say that the originators of the movement had not failed to see this point. They have really made provision in the model-bye-laws of a real society to support the co-operative movement carriage with as many wheels as it requires. If the movement has not produced the desired effects in full it is entirely due to us, the members who began to drive the carriage without all the wheels or setting them properly.

Every co-operator who goes in for a loan for farming must be able to use all his waste materials to the best advantage by collecting and preserving them properly as manure. The Coimbatore ryot is by far the best in this Presidency in this respect. Yet he has to be told to remain aware of the colosal waste accruing from his failure to collect and conserve the liquid excreta of his animals. This amounts to about one anna worth of manure per day per animal. He has to be told to plough the lands panned with cattle the following day so that the droppings may be incorporated into the soil without remaining to be dried up and evaporated by the sun. If one anna worth manure is lost the ryot looses two annas worth of his repaying powers. If you now calculate the loss in terms of repaying powers in a village you have to simply multiply the number of cattle in the village with Rs. 40 to find out the loss of repaying powers of a village as a whole.

In the same strain we have to think ahead and find out if we are unawares wasting any of our natural resources. We manure the land, plough it up into fine condition to receive the seed. When the manure gets incorporated into the soil it assumes a very agreeable mellowness. When there is a good rainfall we all feel happy and begin to sow the fields. We are unaware of the loss the rain causes. The rainwater carries away with it a good part of the mellow soil and manurial matter we longed to secure. It is the finest part of our soil itself that we lose if we do not care to prevent erosion. With this fine soil we lose the water which would have been an asset of ours to face the dry months had we cared to make arrangements to allow the whole of the rain water or at least a good portion of it to soak into the soil. If a good part of the rain water is allowed to soak into the soil the surplus water that may flow out will not be able to carry with it so much of the fine soil matter. About an inch of the best soil is washed away generally from unprotected dry lands in an year when the rainfall is somewhere about 20 inches as in Coimbatore district. Nature gives us rains to help crop production, while we fail to conserve the water to help the crop growth. When rain is short we complain against bad season. Recently a ryot in Polladan taluk made attempts to prevent erosion by sowing cotton in lines across the slope of the land and bunded up the whole in a block of 110 acres, with bunds 10 feet apart. The expenditure on this item

of work was about 3 annas per acre. The ryot had similar unbunded lands sown in the ordinary way sown broad cast with cotton of the same kind. The season was not quite fine throughout. But the bunded line sown areas gave an average increased output of cotton worth Rs. 8 per acre.

In Coonoor taluk there are various cultivated fields. When we were recently going round some of the fields, we were able to find that wherever the fields were level a good of barley or wheat was found. When the terraces were not level the crop was good only at the bottom of the fields where fine soil and manurial matter could come down and soak in with the surface wash. In the level fields there was very little surface wash and both manure and water did not get out as fast as in uneven fields. This is the only reason for this difference.

If the planting of potatoes in a slopy field can be done in rows across the slope the chances for loss by surface wash or erosion is reduced. But being easy to put down the lines along the slope people generally cultivate the rows and provide facilities to help erosion and spoil both the fields and the crop.

In the Vattamalai village of Dharapuram taluk you can find sand blown into the fields by wind. Some times the road is also flooded with sand. In spite of that the villagers have failed to take any action to stop the damage. If trees are planted across the course of this wind it is possible to stop it. But even here people have their complaint against the Forest Department who are bent upon conserving natural growth and planting more trees.

Thus we can see that erosion is taking place in all places both by wind and rain. The loss due to it is something enormous. We are always remaining unawares of it. Unless this is prevented by all possible means that lie in our power, our adopting any improvements in farming can be of no avail. This is a subject in which public attention has not converged so much as on other aspects of loss in farming. I cannot lay sufficient emphasis on the fact that erosion is the foremost cause of loss to ryots and their consequent poverty. I should go to the extent of saying that it is one of the main causes of poverty in India. It is really a menace against all production efforts and must be stopped forthwith by any cooperator with the ideal of thrift before him.

Cow keeping as a source and means of producing cheap work animals on the farm itself is a matter of prime importance to a farmer who is unable to bear the large depreciation on the work bullocks he purchases from time to time.

Poultry keeping, bee keeping and other side lines of farming are practically important as means of increasing the wealth of the farmer.

The use of improved seeds by a farmer is an important item of thrift. We have in Coimbatore district one of the most important seed and multiplication work done at Tiruppur with Cambodia cotton. I wish that the contagion should spread to other seeds also.

Like this we have many items of improvements necessary to be adopted with a view to increase production.

In order to pool, grade and sell the produce of a villager in a profitable market, there can be no better institution than the co-operative organisation. No one can say that we are doing our best that way in spite of thrift we held aloft. A South Kanara ryot could sell his jaggery at the highest price in the market calling it as "Udumelpet" jaggery. When I went into a Co-operative store with your Joint Registrar, I had to point out this defect when I saw all kinds of jaggery heaped together in one confusion. The trader will offer the price of the lowest grade that the collection contained. The effect of pooling is lost unless grading is also accomplished before sale is effected.

In the small village of Trittala (Ponnani taluk, Malabar district) we had occasion to do a bit of joint work. A rural exhibition was started to award prices for the best crop produced by judging them in the fields and the way by which manure was collected and conserved or cattle looked after. In this both Co-operative and Agricultural Departments put their efforts together. The co-operators helped to stock and sell the seeds etc., needed for the ryot to adopt the cultivation of improved crops and methods. A co-operative store to sell agricultural perquisites was started. The better method in farming was explained by the Demonstrator. An exhibition was advertised about a year in advance. Both the co-operators and agriculturists carried out propaganda and we conducted the first exhibition in 1938. This roused a feeling of healthy rivalary and a desire to adopt improvements arose from within. Exhibitions on a more effective scale followed with the result that improvement in farming spread more widely. A co-operative depot for sales was found absolutely necessary and your Deputy Registrar here contributed his best to arrange for one and get the necessary sanction of

funds. I am glad to tell you that the building has been now put up. There are about 25 bee hives working all round. The society is regularly selling honey at annas 12 a lb—a much cheaper price than in Coimbatore. Please remember that this is very interior village. The depot has sold seeds alone worth Rs. 171 in the course of two months ending the 15th June. There are 20 acres of green manure crops grown in the dry lands. This is quite a new innovation in this part of the country. So too 4 acres have been brought under groundnut for the first time. The groundnut crop was manured with green manure crops. There is a general improvement in manure conservation and in the cultivation of dry lands. Fruit cultivation has been commenced. Pine apple cultivation has become established in a place where people looked with curiosity a big sized Kew pine apple fruit exhibited by the Department in 1937. Over 30 per cent. of the paddy crops in the three villages all round has been brought under new strains of paddy, sometimes giving up to 40 per cent increased yield. The co-operative depot has done quite a large amount of business in multiplying and distributing seeds needed for this cultivation. It is taking in all sorts of produce on a loan and sale system and advancing money, besides recouping crop loans by the members. Green manure seeds, mango grafts, pine apple suckers and probably a few roll easy mhote wheels and chemicals for spraying crops are now found kept for sale in the co-operative depot; apart from the locally produced grains and products like chillies ginger etc., kept for timely marketing.

Therefore there is the need for attention of a thrift aspect in every part of farmer's life. It can never be accomplished unless we are able to convert all our rural societies into multi-purpose societies and begin to educate the members by holding frequent general body meetings. Such societies may have a well chalked out programme of thrift ideal to follow. Until this arrangement is put into force by the joint efforts of the co-operative and agricultural departments we shall have to remain far below the water mark in production and prosperity which other countries have reached.

The Re-organisation of the Madras P. C. U.

By Mr. S. Venkata Rao, B.A.,
Director, Provincial Co-operative Union, Kurnool.

The Vijayaraghavachariar Committee Report has been ordered to be published by the Government and the same is not yet in the hands of the several co-operators of the Province. But already vigorous and active steps are being taken by the Executive of the Provincial Co-operative Union to completely reorient the existing constitution of the Union and this is the first recommendation (as is made available to us through the pages of the Journal) of the Committee that is being given effect to. The particular hurry about the whole thing makes me feel whether it is due to any causes other than the single-hearted desire to stimulate the healthy progress of the movement on sound and progressive lines.

The Co-operative Committee at first decided to totally abolish the Provincial Union; but on subsequent consideration revised their original decision by resolving that it should, in future, strive to be a Federation of Federations. The idea is quite a good one. But the only important point for consideration is whether the Language Federations are in a position to immediately take charge of and manage successfully the various duties and functions that are now being administered by the Provincial Union.

The strength and usefulness of the present Provincial Union, which celebrated its Silver Jubilee only last year, was well brought out in the account of the various activities of our Union given in the "Review of International Co-operation" for March 1940 and republished in the May 1940 issue of the Journal of Co-operation in Pages 694 and 695 and in the co-operative dairy issued by the Central Co-operative Printing Works. In this connection I would invite the kind attention of the readers to the Editorial Note on the subject published in pages 448 to 441 of Vol. XXX of the Madras Journal of Co-operation. Again, the journal run by the Provinial Union "is the oldest co-operative journal in India with its 32nd volume now running" and is acknowledged to be easily the best of all provincial journals on co-operation in India. Such being the case, it is quite essential that there should be a journal in English, which is, for the present at any rate the *lingua franca* of India, and conducted by the Central Union for exchange of thoughts and ideas between the several provinces of our great country.

Though the reconstituted Provincial Union is ultimately expected to be a federal body of the four language federations, for the present the new Union, if the draft constitution submitted by the Executive Committee is approved by the General Body, depends for its existence on the Andhra Sahakara Sammelanamu and the Tamil Nadu Federation. Will the two Language Federations be able to collect sufficient funds every year to make them self-sufficient with the 2/3 of their respective funds? These two federations are now practically inactive except for the publishing of their respective journals in Telugu and Tamil. And for the maintenance of these journals the Provincial Co-operative Union is contributing very decent sums, without which financial help they cannot hope to continue. And as far as the Telugu journal is concerned, many of the articles published in it are mere translations of those published in the Madras Journal of Co-operation. So, unless and until new life and energy are instilled in the two Language Federations, the proposed Central Institution cannot hope to pull on. For this purpose to be achieved and before the Provincial Co-operative Union can be replaced by a Central Committee, it is necessary that the present office bearers of the Federations should tour the several districts in their respective areas and canvass membership of primary societies and increase their funds. All this will take time.

One another peculiar difficulty as far as the Andhra Provincial Co-operative Union is concerned is that there is clear clevage of opinion in several matters between the six coastal districts and the five central districts, styled as 'Rayalaseema'. As far as I know, there is hardly any society in the Rayalaseema area that has been affiliated to the Andhra Provincial Co-operative Union. So, if the General Body approves the draft constitution submitted to it, what is to be the fate of the societies working in the Rayalaseema area and who will be in charge of Education and Propaganda as far as these districts are concerned? Is it not a heavy responsibility on the present office-bearers of the Andhra Sahakara Sammelanamu to tour in this area and see that the several societies here are affiliated to it before the present Provincial Co-operative Union can be replaced by a Central Committee?

These are some of the points to be considered by the members of the Union before they resolve to adopt the draft constitution submitted to the General Body by the Executive Committee. I humbly suggest that the present constitution of the Provincial Co-operative Union may be allowed to hold good for at least another year, within which time the two Language Federations should strive to increase their membership and augment their funds to enable them to easily shoulder their new responsibilities. Ofcourse there are several matters of detail to be considered, if it is decided to replace the Provincial Co-operative Union by a Central Federation. I earnestly appeal to the several members of the Union to attend in their full strength the General Body meetings to be held on the 21st and 22nd September next, when this important issue is expected to be decided.

Let me close this article with a quotation from the reply given by Sri Rao Bahadur M. Giriappa, B.A., then Registrar of Co-operative Societies, to Question 144 of the Questionnaire issued by the Committee on Co-operation, dealing with the Provincial Union and the Language Federations :

"The existing arrangements of two language federations and one provincial union does not require any alteration."

Action taken by the Department,

ON THE RESOLUTIONS PASSED AT THE XXIII MADRAS PROVINCIAL CO-OPERATIVE CONFERENCE.

Held at Madras on the 29th October 1939.

Resolution 1.—That in the rectification of bad societies, affiliated to Co-operative Central Banks, whose debts to the Central Bank, and outsiders can be discharged by setting off the Share Capital held by the Society in the Central Bank (on which the Central Bank has a lien under Sec. 22 of Co-operative Societies Act) and the reserve fund of the Society invested in the Central Bank, it is resolved to request the Registrar to permit the adjustments of such share capitals and reserve funds to Central Bank loans without liquidation.

1. "Where societies have invested in Central Banks more share capital than their own paid-up share capital, the adjustment of the excess to the loans due to the central banks has been permitted in some cases, the central banks in such instances enacting a transitory by-law to provide for such adjustment. If there is a chance of a society being revived by the adjustment of its reserve fund to the loan due to the central bank, the question of permitting such adjustments will be considered on the merits of each case."

Resolution 2.—That as a further step of rectification resolved to recommend to the Central Banks that if there be a deficit of bank loan even after the adjustment of the said share capital and the reserve fund to the loans due to the central bank, the central bank may, if such loans are found irrecoverable, consider the advisability of writing off such loans, in preference to the liquidation of the society and enforcement of unlimited liability.

2. "This is a matter for the central banks to decide on the merits of each case. Necessary action will be taken when actual cases come before me."

Resolution 3.—That in view of the hardships experienced by the agriculturists in raising requisite money for Share Capital before taking a loan and in view of the absence of such pre-requisite conditions in respect of other lending institutions, including Government also, resolved to request the Registrar to register amendments proposing to raise the limit of borrowing to twenty times the paid up share capital in respect of unlimited primary societies wherever it is not already so.

3. "It has been suggested that the maximum credit limit in rural credit societies might be fixed at 20 times the paid up share capital. If the proposal is accepted the paid up share capital in societies will go down. It is necessary that the paid up share capital in societies is developed, as it represents the savings of members. Moreover, share capital in rural societies will serve to mitigate the rigors of unlimited liability.

> The larger the share capital, the better for the creditors and also for the society as it will add to the stability of the society. I consider that there is, the refore, no need to change the existing practice of fixing the maximum credit limit in rural societies."

Resolution 4.—This Conference requests Primary Societies, Central Banks and the Registrar to find out ways and means for the proper development of non-credit work and cottage industries in Primary Societies and requests the Registrar to suitably amend the bye-laws as a first step to frame a bye-law allowing Primary Societies to take agencies of any manufacturing concern provided there is no risk for the society and the sale is restricted to members only.

4. "The by-laws of all primary credit societies allow joint purchase of the requirements of their members. Societies which are desirous of rendering services to their members in this direction can do so under the existing by-laws. No other special by-laws are necessary."

Resolution 5.—This Conference requests the Government to reconsider the standard of Fluid Resources required to be maintained by Central Banks and Urban Banks and revise them in view of the fact that the standard is unnecessarily high and causes hardship and inconvenience.

5. "Fluid resource is the safety valve of central and urban banks and any reduction of the present standards will only impair the safety of the banks. The Committee on Co-operation which considered the question, was of the opinion that the present standards should be continued. It is not desirable to take up the question of reducing the existing standards."

Resolution 6.—Resolved to recommend to the Central Land Mortgage Bank the procedure of floating Debentures of 25 years and restrict the period of lending to 20 years, creating thus a margin of 5 years, to cover inevitable defaults in payment and consequent extensions.

6. "The committee on co-peration has come to the conclusion that extention for a period of 5 years over 20 years in respect of loans issued by primary land mortgage banks might be given. The question of providing extension of the period of repayment of loans in land mortgage banks and the arrangements necessary to float debentures for longer period by the central land mortgage bank will be considered after the committee's recommendations are received and considered."

Resolution 7.—This Conference is of opinion that compulsory insurance is unnecessary for non-combustible produce pledged with loan and sale societies in respect of loans exceeding Rs. 250 provided there is collateral security given and where borrower takes the risk.

7. "In the interest of the safety of the funds advanced to sale societies, I do not consider it desirable to relax, in any manner, the conditions regarding Fire Insurance already prescribed in my circular No. 8626/38 C, dated 14-6-39."

Resolution 8.—This Conference requests the Registrar and the Government to organise societies for the development of Cottage Industries and for the distribution of electricity and allied services.

8. "The question of the development of the cottage industries is engaging the attention of both the Government and Registrar. A proposal to start a society for the supply of electric motors in the North Arcot District is under consideration. If definite suggestions and proposals are received they will be examined on their merits."

Resolution 9.—This Conference is of opinion that the bye-laws of the loan and sale societies in the moffusil be so modified as to include all the relevant provisions of the bye-laws of the Provincial Marketing Co-operative Society.

9. "If any loan and sale society sends proposals for amending its by-laws they will be examined on their merits."

Resolution 10.—This Conference requests the Government to modify the present rule as to giving contracts of public works, so as to give preference to co-operative and labour societies, provided that the tendered rates by such societies is not more than 5 per cent. in excess ofthe most favourable rate tendered by others.

10. "It is not possible to approach the Government to give any preferential treatment to Co-operative labour societies. Steps will, however, be taken to get them registered free of cost as contractors under local boards. If any labour contract society which is working well wants to take works on contract, it may apply to the local Deputy Registrar who will interview the President of the District Board or other local body concerned and see that the society is registered as a contractor free of cost."

Resolution 11.—(*a*) This Conference is emphatically of opinion that the interest charged by government on old loans issued prior to 1935 is very much excessive and the same should be reduced to the present rate of 4 per cent. without charging any penal interest.

(*b*) That this resolution be communicated at once to the Committee of Enquiry.

11. "Government have declined to reduce the rate of interest on old loans to building societies and they have reduced the penal rate from 10 per cent to 7½ per cent on all loans. They may not agree to grant any further concessions, especially in veiw of the war conditions."

Resolution 12.—This Conference considers that it is unjust and improper to abolish Local Co-operative Unions.

12. "Local Co-operative Supervising Unions which are functioning well are being allowed to continue. Only unions which are not working properly are liquidated here and there on the merits of each case."

Resolution 13.—This conference resolves that it is essential to have affiliation to Local Unions for propaganda, supervision and control of all the co-operative institutions including Depressed Classes and special types of societies, even Land Mortgage Banks providing different rates of Supervision Fund for different types according to the quality of the work done by them.

13. "I do not consider that there is any need for the Scheduled classes societies, special types of societies and land mortgage banks to get themselves affiliated to unions, as they are supervised by special staff."

Resolution 14.-(a)—That in as much as the payment of half the normal rates of fees for the furnishing of encumbrance certificate entails considerable financial strain and hardship to the poor members applying for loans, mortgaging their property, the Conference requests the Government to order that encumbrance certificate be supplied free in the case of mortgage loans from co-operative societies of Rs. 200 and below.

14. (*a*) "Government have said that it is not possible to concede the request to issue encumbrance certificates free of charge. Members of the scheduled classes who are members of co-operative societies get encumbrance certificates free of cost. In the present circumstances it is not possible to approach the Government for a general exemption."

Resolution 14.-(b)—That the building societies be given the same concession as Land Mortgage Banks.

14. (*b*) "As the concessions required for building societies have not been specifically stated in the resolution, it is not possible for me to take any action on the resolution."

Resolution 15.—The Conference requests the Executive Committee of the Madras Provincial Co-operative Union to examine the present position of the Non-official Co-operative Employees' and make suitable recommendation before the end of the co-operative year, with a view to improve the condition of their service with special reference to security of tenure, pay and prospects.

15. "This question is under the consideration of the Government and the recommendations of the committee are awaited."

Resolution 16.—This Conference requests the Government that the Executive Officers, Secretaries and Managers of Central Banks and Urban Banks be invested with the powers of the Registrar now delegated only to Officers deputed for duty in non-official co-operative institutions and that Directors of Central Banks and Supervisors may be invested with powers of Sale Officers for speedy disposal of business.

16. "As the directors of central banks and supervisiors are not under my control I cannot recommend to Government that powers of the Registrar under the Act should be conferred on them."

Resolution 17.—This Conference recommends to Central Banks to employ paid propagandists for Co-operative education and propaganda.

17. "There is no objection to central banks employing paid propagandists for co-operative education and propaganda."

Resolution 18.—This Conference requests the Government to withdraw the rules recently published regarding construction of buildings by co-operative societies.

18. "I consider that the rule is a satutary one and that there is no need to cancel it."

Resolution 19.—This Conference considers it undesirable to pool the Reserve Fund of all societies as contemplated in the resolution on the subject of the Committee of Enquiry. (30 x 8).

19. "The question is before the Committee on Co-operation. Its final decision is awaited."

Resolution 20.—This Conference requests the Registrar in deputing Officers of the Government for service in the co-operative institutions to consult the institutions concerned.

20. "It is only on the request of the Co-operative institutions concerned and when there is a real need, that the Registrar sanctions the loan of the services of the officers of the Department."

Resolution 21.—(*a*) This Conference requests the Co-operative Enquiry Committee to declare that it is not desirable to impose on members of limited liability societies any qualification or restriction with regard to their becoming Directors;

(*b*) and that is not proper to deprive them of their right to partake and vote at the General Body Meetings by reason of default committed by them in payment of loans due to the society. (18 x 4).

21. "This is a request to the Committee on co-operation."

Recent Utterances

THE SPEECH OF

THE HON. V. RAMADAS PANTULU, *President.*

The South India Co-operative Insurance Society, Ltd., Madras, at the Annual General Meeting held on Sunday, 28th July 1940.

I have the pleasure to place before you the eighth annual administration report of your Directors on the working of the Society for the period of six months commencing from 1st July and ending with 31st December 1939, along with the revenue account, audit certificate and other statements prescribed by the Co-operative Societies Act as well as the returns due to the Government of India in accordance with the provisions of the Indian Insurance Act, 1938. You will notice from this report and the documents appended that in the half year under report, the Society maintained the pace of progress which it was able to show in the previous years. The half-year under report has witnessed the completion of a crore of paid up business by the Society in a period of less than eight years from the commencement of its business.

The life of the Previous Board of Management terminated towards the end of the half year under report and fresh elections were held. As the representation to the policy-holders was raised from 3 to 4 before the fresh elections were held in November, Dr. Thomas, University Professor of Economics, was elected for the fourth place. Much as Dr Thomas was anxious to serve on the Board and much as the Society wished to have this valuable services, it is a matter for regret that the University authorities have not permitted him to serve on the Board. So, after some time he had to vacate his seat. In his place, Mr. Krishnaswamy Vandayar, an influential policyholder and mirazdar of Tanjore was co opted, specially with the view of giving representation to the Central districts of the Tamil Nadu, as we already have on the Board representatives from the West Coast and the southern districts.

In my address to you at the last annual general meeting, I dealt in some detail with the changes that were made in the constitution of the Society, notably the elimination of all shareholding. I also dealt with the revision of the terms and conditions of policies and the modifications made in the prospectus so as not only to bring our activities into conformity with the provisions of the New Insurance Act but also to place the position of the policyholders on a sound and secure basis, and to ensure for them more efficient service by the Society. Your Directors were able to carry out these measures without touching the pockets of the policyholders to any larger extent than before.

On this occasion, I wish to deal with the new situations that have been created by the war and its effects on our rural and urban economy. It is

now the experience of almost all insurance companies in India that the sections of public from whom we have been so long drawing our clientele have become uncomfortably nervous about investing their savings in purchasing new insurance policies to anything like the extent that they were hitherto accustomed to do. I do not see why there should be such nervousness among the insuring public. Insurance companies must spare no pains to impress upon their past and future clientele the fact that the best way of stabilising the existing insurance concerns is to secure a steady and continuous inflow of fresh business. If those who have insured with us already wish to adequately safeguard their interests and those who wish to come in newly desire to see that their interests will be as fully secured as those who insured with us in the past, they must both help us to secure more and more new business in their own interests. This is the surest way of strengthening the foundations of their own concerns. It is hardly necessary to elaborate this position or to adduce reasons in support of it. If we are to maintain our indoor and field staffs to efficiently administer our affairs and effectively organise our business, to prevent the rise in our cost ratio and to maintain our gross earnings and our net surpluses at the present level, we must be assured of adequate annual premium income from fresh business. I have heard it said that some people are nervous about patronising the insurance companies for the reason that most of the insurance companies are required by law to invest, and as a matter of fact invest, the bulk of their assets in stock, whose worth will depend upon the maintenance of the present structure of the State and the Society in our country unimpaired. I feel that any nervousness on this account is wholly unjustified. I do not think there are any people in this country who seriously doubt the ultimate success of Britain in this war or of the capacity of the British fiscal and economic system to maintain the value of the rupee or sterling gilt-edged securities, or to redeem them at par on their maturity. The strength of the assets represented by these securities lies in the confidence which the public themselves place in them. Their main source of weakness arises from want of confidence on the part of the public. Therefore such panic or nervousness is obviously detrimental to the interests of the policy-holders themselves. The attitude of some of the existing policy-holders who apply for paid up values or surrender their policies for cash, not on account of real inability to pay the premium but on account of war nerves is even more regrettable. They stand to lose the benefit which they accumulated by their hard earned savings for no valid cause. I hope they will cease to persist in such a suicidal course of action. I therefore hope that the policyholders of every insurance company will carry on as much propaganda as they possibly can in order to infuse fresh faith and increased confidence in their respective institutions.

But the war economy and the stringent provisions of the New Insurance Act have taught us some lessons which we must try to profit by and reform the whole of our businees practice and methods. The days of securing competitive business by lavish expenditure on the agency employed to tap new business and by tempting offers to would-be policy-holders of declarations of large bonuses are, in my opinion, now gone. If the old business methods are persisted in, I am sure, many insurance companies will come to grief sooner or later. They simply cannot afford to compete with each other on the present uneconomic and unbusinesslike lines by spending disproportionately large amounts on the procuration of new business, without undermining the stability of the institutions concerned to the inevitable detriment of the policy-holders. Again, the problem of bonuses versus reserves is one which is bound to become very acute under the impact of war conditions. It is therefore for the policy-holders to avail themselves of occasions like these when they are brought together, to suggest and carry out a more active policy of Reserves at the expense of reversionary and other classes of bonuses. We must also realise that our assets represented by our investments of our life funds are required by law and are in practice largely invested in what are called approved securities. Though the ultimate safety of these securities cannot be doubted as I have already said, their liability to heavy depreciation from market fluctuations is a factor which we have to provide against. So, we must make a conscious effort to reduce our scale of expenditure both on administration and on procuring of new business to meet the new situation created by war economy. Proposals for retrenchment, in such directions as are possible, are now engaging the attention of your Board.

In this connection, I would like to suggest the desirability of the Insurance Companies approaching the Government of India and to urge on them, if not the need for re-examining the question of the proportions of the assets to be invested in gilt-edged and other approved securities, at least the necessity to make some concessions in regard to providing for depreciation in their value during the period of the War. In the case of well-managed concerns which have built up adequate life funds, the need to actually sell these securities in order to meet their liabilities will rarely arise. They are virtually long-lying funds and during long periods of market fluctuations, their appreciation will balance their depreciation. So, I feel the stability of the concerns or the interests of the policy-holders will in no way suffer by making some temporary concessions during the period of war.

In so far as our Society is concerned, you will find from the balance sheet that we had to provide for a sum of Rs. 18,586-11-0 for depreciation in the market value of our holdings in Government securities. In the last two years, that is, in the two years preceding the period under report, we carried to what is called an 'Investment Fluctuation Fund' some sums, which should really go to the Life Fund. But this year, the Registrar, has rightly pointed out, while issuing the audit certificate, that there is no provision in the by-laws for such adjustment. He has also informed us that the

method of creating a reserve to cover the depreciation on investments was under his consideration. We have also a provision in our by-laws for creating such a fund but allocations to it can only be made from the surpluses disclosed at the periodical actuarial valuations. But as the valuation of assets and preparation of certificate provided for by the Insurance Act is an annual obligation, some suitable provision must be made for the intervaluation period, apart from the question of building up growing reserves for the purpose.

In this connection, it may be useful to point out how this technical difficulty has arisen. Normally all surplus of annual revenue over annual expenditure, after making a reasonable provision for working fund is carried to life fund. So far as I know no insurance company in India, commercial, mutual or Co-operative, has rigidly provided by its constitution for carrying specific percentage of its first year premium income to life fund, though in practice many good companies work on rules of business or conventions in this behalf. Very few companies have such rigid constitutional provision even in regard to renewal premiums. So, the elasticity of the constitution helps them by not involving them in a technical difficulty when the rule or convention has to be overlooked under special circumstances. But our constitution is inelastic in this matter. Under the bylaws of our Society, 10 per cent of the first and first year premiums and 75 per cent of the renewal premiums have to be carried to the life fund. This is a salutary rule and, in my opinion, should not be changed. It is my earnest desire that we should increase the proportion of renewal premium income to be carried to life fund from 75 per cent to at least 80 per cent. if not 85 per cent. In that way alone we can effectively protect and preserve the interests of our policyholders. While we maintain our bylaw as it is, we must provide for another statutory obligation which rests on us, and which is now imperative under the new Insurance Act. Regulation No. 7 in Part I of the 1st Schedule to the Insurance Act lays down that the persons who are required to sign the balance sheet must sign and append a certificate that the assets set forth in the balance sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings. So, our assets cannot be put at a higher figure than their realisable or market value. If there is any fall in their realisable or market value it has got to be provided for. If you do not provide for it, your life fund whether you debit to it the depreciation or not will automatically stand reduced by that amount, for the assets as represented by the investments in life fund cannot be worth more than the market value. It is obvious that we cannot provide for it as an item of expenditure in the budget. The assets have to be valued as on the last day of the year of account. There may or may not be depreciation—nay there may be appreciation. It is in order to harmonise both these legal obligations, one under our constitution and another under the Insurance Act that an appropriate amendment to the bye-laws is framed and circulated to you, and will shortly be placed before you for acceptance. This is a patent defect in the bye-laws due obviously to an oversight on the part of those who originally framed the bye-laws. It is high time we rectify the defect.

I wish to say a word about our present organisation and its future. At present our business organisation is mainly confined to the province of Madras. In Tamil Nadu and West Coast districts there are two Inspectors and six organisers working. In the Andhra Districts there are one Inspector and two organisers. We have a chief agent for two districts working on commission basis. Outside Madras, we have recently appointed an organiser in an Indian State; we have a chief agent working at Delhi and the Punjab on commission-basis, and we have two organisers in the United Provinces. All the 11 Organisers work on a guarantee basis. The rest of our field staff consists of agents who are remunerated by commission on the business secured by them according to prescribed scales. The lines on which our business organisation should be extended in future call for careful examination and the matter will soon engage the attention of your Board. If I may throw out a suggestion for your consideration as well as that of the Board, it seems to me that without losing the valuable services of our present inspectors and organisers who are all tried men, zealous in their devotion to the interest of the Society, we may in future try to organise new areas by merely employing agents who will be remunerated on a more liberal scale ; of course within the statutory limits laid down by the Indian Insurance Act, without diverting any portion of such remuneration to payment of over-riding commission for organisers or other paid members of the Society's field staff. The existing inspectors and paid organisers may be asked to look after some of those areas and help the agents to secure new business to the Society. This is only a general observation, for the actual details of organisation must depend upon the area to be tapped and various other local conditions. In the present difficult conditions, it is perhaps not practicable to explore new areas, for such exploration will invariably involve an amount of initial expenditure which will obviously not be commensurate with the income derived from actual business secured in the beginning. Such experiments should be postponed to such time as conditions improve, except of course where exceptional opportunities or reasonable chances of securing business present themselves to us.

With the growth of our membership new and difficult problems are arising. Our membership has now reached a figure of over 12,000 and with the passing of each year, the number will be rising by three to four thousand even at the present pace of progress. In a co-operative Institution, there must be facilities and opportunities for as many members as possible to participate in the deliberations which affect their interest vitally. One such matter is the election of the policyholder-directors to the Board of Management. As matters now stand, the people assembled in the City of Madras decide the composition of the Board of Management for the large number of policyholders.

This, to my mind, seems to be unsatisfactory. What steps we should exactly take to rectify this defect, it is not possible for me now to formulate. A meeting of the policyholders of the Andhra Desa recently held at Bezwada suggested to the Government the necessity of providing for election of policyholder-directors by postal voting. Another remedy that will suggest itself in the grouping of the electoral area into regions and allocating one seat for each region and holding the meeting for the election of the policyholder directors in a central place in the region. Still another expedient that obtains in the commercial and mutual concerns is voting by proxy. Such of the policyholders as may not be able to attend the meeting can exercise their votes through a proxy appointed by them. It is no doubt true that in co-operative institutions the system of proxy does not prevail. But in institutions with large individual membership, specially in the case of a co-operative insurance concern, whose membership consists of policyholders and where an ever-growing number of policyholders come into existence, some exception can be claimed by the policy-holders in their interests. Our Society in no way differs in this respect from a mutual company where the proxy system obtains.

There are other matters besides the election of policy-holder directors in the decisions of which also policy-holders should have an effective voice—for instance, a change in the constitution of the Society itself. When the members of the public insured themselves with this Society they had done so on the basis of the nature of the constitution as disclosed by the bye-laws. They must have been satisfied about the representative character, co-operative nature and other features of the composition of the Board. Any attempt to radically change the constitution by a few people assembled in the principal office of the Society without an opportunity to the numerous policyholders to safeguard their interests by ensuring that no changes in the constitution would be made which will impair its soundness and workability is utterly opposed to all notions of co-operation. I feel that in the matter of change of constitution, there must be some means whereby the views of the members who have put their trust and faith in the society on the basis of an existing constitution should be devised. One way of doing it is by taking a plebiscite by postal voting in regard to any vital changes in the constitution. I hope that the policyholders of this Society will give their thought to these and allied aspects of the matter and formulate their views in due course, so that we may take them up with the authorities concerned.

Before I conclude I desire to express our grateful thanks to the Registrar, Mr. S. A. Venkataraman, I.C.S., the Joint Registrar, Mr. M. Giriappa, the Deputy Registrars and other departmental staff for the encouragement and assistance they have given to the Society and the interest they have evinced in its working and progress. I also desire to express our sincere thanks to the various co-operative institutions in the Province for their support and patronage.

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PRESIDENTIAL ADDRESS.

By S. V. RAMAMURTHY ESQ., M.A., I.C.S.
(Member, Board of Revenue, Madras).

At the College Day of the Agricultural College, Coimbatore, held on the 15th of July 1940.

Ladies and Gentlemen,

The work of the Agricultural Department gives its scientists a happy way of blending a pursuit of pure truth with activities of practical value. Many of us who are interested in pure knowledge while at universities become engaged in work of purety utilitarian value, thereby ignoring lines of thought and aspiration which are pursued as students. My own sphere has been mainly in the field of Revenue and Magisterial administration. But pure science, the vision of the world it gives, the zest of intellectual adventure and creative opportunity it provid-s has always retained its attraction for me and it was eagerly indeed that I caught up the knowledge which the Agricultural Research Institute had gathered and the methods of work it pursued. I was in the happy position of being not merely tne head of an agricultural department but of one which was among the most alive of the agricultural departments of India. The keenness of work displayed by several of your research officers could be matched in India only, I think, in the Punjab. One may be permitted to think that in science, as in other departments of life, Madras and the Punjab share a happy balance of idealism and realism.

I had the opportunity too of enhancing my experience of agricultural science not only in India through the meetings of the Imperial Council of Agricultural Research in the palmy days when Sir T. Vijayaraghavachariar moulded its life and built up its vigorous traditions but also by a journey in Europe which I devoted mainly to an exploration of agricultural developments in the countries where science and organisation were most insistently applied to Agriculture. This experience I enjoyed in itself and as I gained it. Later it became part of my equipment which I found very helpful when as Commissioner of Land Revenue and Irrigation I had to deal with problems relating to the qualitative use of land and water. Most knowledge is pleasurable and in the long run, it is also useful.

I have been recently reading some of the annual reports of the Madras Agricultural Department. I was glad to see that the lines of work with which I was familiar, some indeed of which I helped to introduce myself, have received the fostering care of successive directors and have made creditable contributions to the welfare of the population. The old lines of criticism are, however, still heard. We have advocated in the past as now that there is a need for intelligent young men to go back to land. This does not mean that our agriculture has scope for finding occupation for a larger part of the population than now. It only means that our agriculture has

need for greater intelligence to be devoted to it than now, when a person who cannot possibly get on in a town drifts back to a village and to land. On the other hand, the fact that agriculture hardly pays the population that is engaged in it is not a condemnation of the efficiency of its practical methods. What is wrong with its practice is due to its economics and the economic organisation of the country. I have had occasion to take what I call economic soundings in villages in different districts in the presidency. My general conclusion is that two-thirds of a village population has land which gives half an economic holding for each family, the remaining one-third being labourers. To the owner of land, his holding on the average gives Rs. 5 a month of grain and that stands between the family and starvation. In poor district, a family requiries another Rs. 5 a month and in a medium district another Rs. 10 a month. This is made up in various ways where possible—by working as a labourer or as a bandy driver or as a petty shop-keeper. If the land in a village is divided into economic holdings, one-third of the population will have neither land nor labour and this can be tolerated only if industrial development in the country absorbs one-third of the village population, thereby producing an even distribution of population between agriculture and industry. In the absence of industries to absorb surplus village population, more people than land needs must live in villages and the distribution of land among them is such that it just provides an insurance against starvation.

It is against this back-ground that we have to view the prospects of Agricultural development in the country through the help of scientific research. Scientific research in agriculture does not set right the mal-adjustment between agriculture and industry that there is in the country. It does not make the villager other than the inheritor of poverty and ignorance. It can offer what to each individual is a small improvement but this to the country in the aggregate means a large increase of wealth. The enthusiasm and impetus to organisation in agriculture cannot therefore come as much from the individual agriculturist as it should from the authorities responsible for collective life and progress. On the officers of the Agricultural Department, there is therefore a special duty cast of not only offering valuable goods but also making the buyer appreciate the value of the goods. Demonstration and propaganda thus take their place side by side with research which by itself is not likely to achieve practical results in this country unlike, say in advanced countries of Europe, where an educated population is ready to take up the valuable information which scientific research obtains, for their needs. The greater, however, the difficulty, the greater must be the zest you can feel in your task. According to each individual and according to his mood, the Agricultural Service offers opportunities on the one hand of forgetting man and peering into the mysteries of the Universe and on the other forgetting all distant ends and helping man to bear his burden of feeding himself and his near and dear ones from day to day.

It is indeed surprising how closely two apparently opposite ways of occupying one's attention are connected. It was reported some time ago that a Committee appointed by President Roosevelt to make a list of a dozen scientific discoveries which are likely to help in making a social revolution, included in its list the scientific discoveries of Agro-biology. There are two basic formulae on which this science is built. One is that if a cause x produces agricultural produce y (weighed as dry crop), then $\frac{dy}{dx}=c(a-y)$, where c and a are constants. This is a result claimed to connect the quantity of any crop in any part of the world under any climate with the cause which may by amount of water or manure or seed supplied. The formula involves only two constants. One is the maximum of the effect produced by a living agent and the other is a constant set by the environment. The formula is, it seems to me, one of the neatest and yet most comprehensive formulae science has ever discovered. A formula which holds true over an infinite variety of soil, climate and seed seem to me to be almost as wide as a general law of causation applying not merely to plant life but also animal and human life.

The other basic result in Agro-biology that I have referred to is that the maximum of crop which seed of any variety may produce is $\frac{318}{n}$ where n is the percentage of nitrogen in the dry crop. Both these seem to me to be very valuable formulae which may set the boundaries for the progress that is possible in agricultural science in India. We have the particular danger in India where development of agricultural science has been recent that initial progress may lead to hope of unlimited progress. These formulae of Agro-biology caution us that beyond particular limits, more cause does not produce more effect. We have therefore to be particularly vigilant as to the values of the constants c and a which are imposed by the environment and the individual agent.

In this connection, there is one type of individual agent and one view of the environment which the Agricultural Science has hardly learnt to recognise. The agent is man and the environment is his social and economic environment. If the formula $\frac{dy}{dx}=c(a-y)$ be applied to man himself and x is the amount of anowledge of agricultural science applied to him and y is the amount of welfare drawn out, there are two boundary constants a and c. There is a maximum amount of welfare which knowledge of a particular kind can evolve in an Indian living in this country India with its past and present. It won't do to say that in England or Italy, Englishmen or Italians have so much increase of welfare through the application of agricultural science and so expect the same effect in India. To find the constants a and c applicable to Indians in India in relation to agriculture

this Institute has to study not only plants and insects and animals in relation to soil and climate but also study man in relation to his past history and present environment. I have sometimes said that in Indian agriculture the missing link is man. The considerations I have now advanced confirm my view of your need to study man. In the alternative, the work of these who have studied manures and insects and plants has to be co-ordinated with the work of these who have studied man.

It is indeed a wide range of thought and activity that agriculture offers to its votaries. More than this, it is essential for the nation that one-half at least of its people should be engaged in agriculture so that the nation may feed and live. This thought comes prominently to our minds at a time of war, when country is cut off from country and each nation is thrown on itself for its primary needs. We have imported during the last year several crores worth of rice which it should be possible to produce in this province itself, with its large and numerous irrigation sources and the long-sustained tradition of rice production. What is needed is a systematic ascertainment of the needs of the province and the planning of how to meet the needs. With the control which the Government have over the use of water and land, there is scope even for a short range adjustment of rice production. The war has also brought to the fore-front the need for a rapid production of commodities for the cause with which India is identified. There is for instance scope for a large extension of the cultivation of pyrethrum and castor. In all these matters, there is a case not only for the execution of the results of research but also, due to the crisis of the war, for a quick mobility in such execution. For this, the close co-operation of the Agricultural and Revenue Departments as well as of enlightened agriculturists is needed. I trust that the war will produce the stimulus for such a co-operation which can be continued with profit at times of peace.

I have been much interested in that the choice of the special subject for this year's discussion has fallen on soil erosion. This is a subject which in recent years has received considerable prominence in the United States of America and in South Africa and is beginning to do so in India. Soil which Nature has taken centuries to form may be eroded in a few years by a too rapid exploitation. Such exploitation may be intensive or extensive. Over-grazing and intensive mechanical cultivation have laid bare soil to wind and water in tracts of America and Africa colonized by Europe. Soil which has been conserved by a sparse indigenous population is being depleted by the strain of this increased use to which it is put. The result is a threatened reversion to infertility. Expensive measures are being taken in the U. S. A. for instance for the conservation of soil. In this country, soil erosion is due mainly to extension of cultivation. For many centuries, a steady though comparatively low physical standard of living has been kept up by methods of cultivation which used soil not with greed but with restraint. Under the impetus of modern agricultural science, we feel that our use of the soil has been too conservative and that there is a case for an increased pace of exploitation. The cultivator in general, however, has not begun to feel and act with us in this direction. But with the rapid growth of population as a result of peace and of methods of conserving life, the pressure on the land for food has grown and there has been a marked extension of cultivation. In the Salem District, I found that during the last 50 years, the area of cultivation had grown from about a million acres to a million and a half. The population grew in much the same proportion. Waste land which served as catchment area for rain and for the flow of rain water to tanks has been increasingly converted into cultivated land. The soil of such land has tended to be washed away into tanks. About half the tanks in Salem have lost a third of their capacity for storing water through being silted up. The economy of wet and dry cultivation in villages has thus been disturbed. The drying up of tanks has led to the drying up first of irrigation wells and then even of drinking water wells. Salem was, I found, in the process of being converted into something like the condition of the Ceded Districts.

Not only was waste land in the plains cultivated, cultivation began to creep up hill sides. The scanty soil of the hill side as well as stones and coarse sand began to be washed down. Rain water flowed away rapidly, leading to erosion of the water courses. Certain steps were taken to prevent an extension of such soil erosion in Salem and the extension of these steps to other areas in the Central Districts has been under consideration.

There is danger of soil erosion when new irrigation projects are executed, particularly in country with a steep slope. The area of the proposed Tungabhadra project is an example. There is special work being done at the Hagari Agricultural Research Station to deal with soil erosion that irrigation in Bellary and other Ceded Districts may produce.

In all these cases, the root cause of the trouble is a lack of balance between what the soil can sustain and what the population demands from it —whether from an increase of numbers or an increase in their standard of living or both. While science can increase the returns from soil by the application of improved physical, chemical and biological methods, there seems to be a limit to the population and the standard of living which the soil resources of a country can sustain. There is needed a need for a third major formula in Agro-biology which indicates the maximum crop that can be sustained during any length of time even by perfectly fertile soil. It is perhaps a recognition that such a boundary exists that is the secret of long sustained civilizations like India and China. It has been calculated by Agro-biologists that rice is the one crop that can maintain the largest population per square mile. Wisdom in Agriculture in apparently part of the essential basis of a harmonious civilization.

It is therefore the task of agricultural scientists not only to teach us to get more from soil when we do not get enough but also to be restrained in our demands on soil and its fertility so that our life and civilization may not be a brief flash but a steady light shining through time. In such a task, I wish the Madras Agricultural Students' Union all success in taking its due share.

Chairman's Concluding Remarks.

India is a country where cultivation has been going on for thousands of years and conditions of soil erosion were present right through. It is estimated that cotton has been in cultivation in this country for even 4000 to 5000 years; for cotton fibres were discovered in the ruins of Mohanje Daro. If cotton had been grown as long as that, what had happened to the cotton tracts of India during these 5,000 years?

There is need to recast the attitude of science to tradition. Scientists should modify their attitude towards what is usually dubbed as superstition and examine whether there is any scientific basis underlying the superstition. At Madras, I met an Australian lady who was conducting research in agricultural science in an institute near London. She told me that one line of research she was conducting was the effect of new moon, full moon &c. on growing crops. She gave me a copy of her paper in which I found that crops sown at these periods showed significant differences. Tradition was a thing to which the scientist even as the laymen ought to pay respect. Tradition was the father of science even as Poetry was the father of Grammar. Grammer was latently present in poetry; so also science was latently present in superstition. So that, unlike modern children who want to teach their daddies, scientists should pay respect to the cultivator whose knowledge is based on tradition. There is much in the cultivator's work which on verification would give the scientist greater confidence to follow or which on examination may suggest to him further lines by means of which to enrich old practices. It would also help to conserve the knowledge that had gone behind us in order to build up the future.

I was greatly interested to listen to the paper on the Annamalai University colonisation. Agricultural colonies had been receiving attention for many years. Mysore, Punjab, Cawnpore, Annamalai and Travancore had made experiments. The criticism of experienced officers like Rao Bahadur T. S. Venkataraman was that there was lack of adjustment between men available and the economic conditions into which we wanted to fit them. Instead of changing their psychology, I would take Mr. Venkataraman's own work and experience as furnishing a remedy to the problem propounded. Just as Mr. Venkataraman brought about a cross between bamboo and sugarcane or between sorghum and sugarcane we want a cross between the rural and urban mentality. One human scientist was able to achieve this in India and that was the founder of the Dayal Bagh. Dayal Bagh is a place where educated men live and live a decent civilised life making both agriculture and industry meet. It is an *agro-industrial* economy which has got the good points of both the village and the city.

I feel that so far as the educated unemployed are concerned, if we want to find an economic life for them, it must be in some kind of hybrid between town and village. The village by itself has not got the amenities of civilized life, whereas the town has too much of these. While we cannot abolish villages we can at least reorganise and regroup them and provide for the group what we cannot provide for the individual.

So far as land colonies were concerned I found that where I did not succeed with educated men I succeeded with uneducated men. I am speaking from my experience of the Chintaldevi farm which was offered to Agricultural graduates without any response from them. I conducted enquiries to get land-less labourers to farm this colony. I succeeded because the difficulties which existed in the case of the educated unemployed did not exist in the case of these people. These uneducated men knew cultivation. They already had houses. They bad some means of livelihood. Unlike the educated unemployed, they were men accustomed to small returns which land gives. With the application of co-operation to agriculture, it was possible to fit them to the economic conditions of India and to prevent these gifts of land made to the land-less labourers from falling into the hands of the capitalist and the exploiter.

It is unnecessary and possible for the individual educated man to go to the villages. The way of finding an economic living for him was by *agro-industrial* economy and not merely by *agricultural* economy. This is the view I have arrived at after thinking over the problem and discussing it for some years.

My interest in agricultural science is not only official but also personnal. I hope in the coming years not only to continue my personal interest in it but also utilise it in my own official life as Member of the Board of Revenue. I look forward to co-operation from all of you in the work in which you and I are interested (applause).

Extracts.

I

Resolution adopted at Co-operative Meetings and Demonstrations on Co-operative Day. Saturday 6th of July 1940.

This Assembly of Co-operators, united under the Rainbow Banner of the International Co-operative Alliance on the Eighteenth International Co-operative Day, in the midst of the most brutal and destructive war in the history of mankind, on the outcome of which the whole future of civilisation depends—

Expresses its Profound Sympthy with all those Co-operators who have been deprived of their freedom and right to carry on their co-operative activities, and whose countries to-day are suffering under the domination of the forces of aggression which occupy their territories;

Declares its Conviction that the Co-operative System provides the best basis for a World Settlement calculated to ensure Freedom, Security, Social Justice, and Universal Peace; and Calls upon all Co-operators and Co-operative Organisations to exert their force and influence to secure the restoration of full human rights, and the inauguration a of new era of Peace based upon the Co-operative Principles of Free Association, Democratic Government and Equitable Distribution of the Resources of the World.

II

From opposite ends of the Hall.

One type of critic of Co-operation blames the movement for its idealism. He is not quite sure just what idealism is but any how he is suspicious of it. He is dimly aware that idealism causes men to do things without manifest material reasons. Under the influence of idealism the *genus homo* tends to become unpredictable. You cannot figure him out with, for example, the certinity with which a horse will come and get his Oats. This is disconcerting. This is even shocking to people who have built up their view point in solid, earthly considerations alone, banking always on the inevitability of greed and selfishness, and sticking to the meaning of the slogan 'Business is a business' regardless of how many writhe in poverty and frustration.

Co-operative business organisations have been belittled by this type of critic. He is sure that a business that has injections of ideals in it can't possibly last. He blandly ignores that it is business without justice and without a sense of human values that brings the world to the brink of disaster.

This type of critic has his attendant parasite, as the botanist might say. The parasite is also a critic of Co-operation, but for the opposite reason. He finds it too materialistic. He is somewhat scandalized at the specatacle of adult education concerned with the economic rights of John Doe, lately evicted from any effective share in the economic processes of the country. He fears for education when it gets down on the ground to do spade work for co-operative stores, for credit, for crafts and poultry pools. Education should for him be something aloof from the storms and pains that average men met in the battle for bread and shelter; it should confine itself to ethereal and fluffy things and stay out of the mud.

The happy solution in regard to these two of opposing crititics would be that they should come together and consume each other.

Life must forever be a divine blending of the ideal with the material. Idealism in some form or other under-runs all business. Roger Babson, the well known business analyst, impressed by the growth of co-operatives, now affirms that the desire of one man to help another is not dead. He, the student of business through all its wildest cycles of prosperity and collapse, looks forward to the wide acceptance of the co-operative ideal.

(*From The Maritime Co-operator.*)

Working of the Co-operative Societies.

I. The South India Co-operative Insurance Society Ltd.

A meeting of the General Body of the the above society was held on Sunday the 28th July 1940 with Hon. Mr. V. Ramadas Pantulu in the Chair.

159 members were present. Sri Rao Bahadur M. Giriappa, Joint Registrar of co-operative Societies and Sri A. Palaniappa Mudaliar, Personal Assistant to the Registrar of Co-operative Societies were present on invitation.

The President's speech which he delivered at the beginning is printed elsewhere. The Directors report on the working of the Society together with the statements showing receipts and disbursements, assets and liabilities and revenue account for the half year ending 31st December 1939 were passed after some discusion.

Messrs. Rowe and Paul were elected as auditors for the year 1941 and their remuneration was fixed as Rs. 700. Certain bylaws were amended and the meeting came to a close with a vote of thanks to the Chair.

II. Building Societies.

Replies have been received to our circular from the following societies (1) The Salem Co-operative Building Society, Ltd., (2) The Cannanore Co-operative Building Society, Ltd., (3) The Madras Theosophical Co-operative Building Society Ltd., (4) The Madura City Christian Co-operative Building Society Ltd.

1. *Salem*:—Membership remained the same and five new buildings were constructed during the year. The recoveries were satisfactory. Keen disappointment is felt because the Government has not reduced the rate of interest on loans issued prior to 1935.

2. *Cannanore*:—The society has 16 members with a paid up share capital of Rs. 1,750. The Society has approached the Government with a request to place at its disposal vast tracts of waste lands belonging to the military authorities which they hope to divide into small plots and give to members for constructitg small and decent bungalows.

3. *The Madras Theosophical Society*:—Keen disappointment is felt because the Government is not lending money to building societies.

4. *Madura*:—The society has 422 members on its rolls with a paid up share capital of over a lakh of rupees. It has borrowed more than 4¾ lakhs, the Government loan alone coming to more than 3 lakhs. The loans outstanding as on 30-6-40 is over 4¼ lakhs. Nearly 300 houses have been constructed of which over 50 houses have completely discharged the loans upon them. It has got reserve fund of over Rs. 8,000.

It lends to members at 5½ per cent. having a margin to 1 per cent. over the Government loan. It has got establishment costing Rs. 120 a month and during the last 3 years it has been making good progress. The stopping of Government loan is felt to be a serious handicap to the further progress of the Society.

III. Students, Co-operative Stores.

1. The S. R. High School Co-operative Stores, Tuni, (2) The C. D. College Students' Stores, (3) The Board High School Students' Co-operative Stores, Ltd. Cherpalchery, (4) The Tirukkoyilur Board High Students Co-operative Stores, Ltd., and (5) The Paivalike Board Higher Elementary School Students' Co-operative Stores Ltd.

1. *The S. R. High School Co-operative Stores* :—It is just now started and not much work has been done.

2. *The C. D. College, Students' Stores*:—It was started on 14-12-38 with a strength of 319 members. The strength as on 31st March 1940 was 537. The Society purchased and sold books to the value of Rs. 3,500.

3. *The Board High School Students Stores, Cherplachery* :—On 30th June last they had 12 members and 26 associates. They made purchase to the extent over Rs. 950. Though all the requirements of the pupils are supplied by the stores, many students have not become associates and attempts are being made to enroll them.

4. *Board High School Students' Stores, Tirukkoyilur* :—The society started work only this July.

5. *The Paivalike Board Higher Elementary School Students' Stores* :—It started work in January 1940 with 14 members and 66 associates. It did not do much business.

IV. Consumers' Stores.

Replies have been received from the following societies :—1. The Karkala Co-operative Stores, Ltd., (2) The Krishna Co-operative Stores, Bezwada (3) The Srivaikuntam Co-operative Stores Ltd. and (4) The Kuttalam Co-operative Stores Ltd.

1. *The Karkala Co-operative Stores Ltd.*:—On 30th June 1930 there were 118 A class members and 18 B class members. The stores started work only on 9-3-40 and hence sales during the few months of the co-operative year came only to Rs. 270 and odd. The Directors are taking personal interest in the matter and there is a paid employee with a cash security of Rs. 200 who is incharge of the stock and distribution.

2. *Krishna Co-operative Stores Ltd., Bezwada* :—The Secretary complains that the audit fee levied is heavy and is taking away a good deal of the profit. In his own words " the capital is ours, the management is ours. The out turn is ours. The audit is of the Department.

If the Department is to knock off more than half of the profit where is the encouragement to the share holders or the staff ?"

3. *Srivaikuntam Co-operative Stores Ltd.* :—This started work only about the middle of February last and did sales to the extent of over Rs. 1,600

4. *The Kuttalam Co-operative Stores Ltd.* :—This store had a membership of 111 at the beginning of the year. 28 members were admitted and 3 withdrawn so that membership stood at 136 at the end of the year. They made purchases for over Rs. 21,180 and sold articles for over Rs. 23,000 and earned a gross profit of over Rs. 1,200. The most important service done by the Store to the locality is according to the Secretary "to keep down the level of prices in large shops." The Secretary suggests that sales may be permitted to non members who may be given half the rebate of purchases allowed to members and this rebate when accumulated may be converted into share capital and the non members may become members.

V. Loan and Sale Societies.—No report received.

P. C. U. Circular No. III.

To

All the Delegates to the General Body of the P.C.U.

Dear Sirs,

The Annual General Body meeting of the Madras Provincial Co-operative Union will be held at 12 noon on Saturday the 21st September 1940 in the premises of the Union when the Administration Report and Audit Review for the year ending 30th June 1940 will be considered as well as the draft consitution of the P.C.U. approved by the Executive Committee of the Union.

Delegates are kindly requested to see that annual subscription due from the societies they represent, if any, is paid before the meeting of the General Body.

Delegates are kindly requested to be present for the meeting.

S. K. YEGNANARAYANA IYER,
Ag. Hon. Jt. Secretary.

To

All the Member Societies of the P.C.U.

Dear Sirs,

The Annual General Body Meeting of the Madras Provincial Co-operative Union will be held at 12 noon on Saturday the 21st September 1940 in the premises of the Union to consider the Administration Report and Audit Review for the year ending 30th June 1940 and also the Draft Constitution of the P.C.U. approved by the Executive Committee of the Union.

Societies which have not paid their annual contribution to the Union for the last co-operative year (1939-40) and for previous years are requested to pay the contribution before the meeting of the General Body.

S. K. YEGNANARAYANA IYER,
Ag. Hon. Jt. Secretary.

News and Notes.

The Travancore assembly met on July 31 to proceed with the Third reading of the Travancore Debt Relief Bill and passed the Bill.

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A sum of Rs. 200 was sanctioned as contribution to H.E. Governor's war fund by the Hospet Urban Co-operative Bank.

* * *

Mr. R. Galleti, I.C.S., Joint Registrar of Co-operative Societies inaugurated at Anantapur the half yearly refresher course in co-operation for co-operative inspectors and Supervisors.

* * *

Grain marketing on co-operative basis was taken up at Rajatalab Chenbepur and Mangari centres, in U.P. The scheme was quites uccessful and the bank earned a profit of Rs. 762.

* * *

The Co-operative Wholesale Inc, organised three years ago to serve urban co-ops in Illinois Indiana Ohio and lower Michigan showed a 26 per cent increase in business during 1939. The volume for the year was $ 187468.00. Officials hope to pass the quarter million mark in 1940.

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Opening the 47th Annual General Meeting of the United Planters Association of South India at Ooty H.E. the Governor of Madras informed the planters that the question of increased grants for scientific development is going to put up shortly and would receive very careful consideration.

* * *

" Co-operation is more than mere distribution of provisions; it is a lesson of life men have learnt from civilisation and defence of which they are fighting to-day " So observed Mr. F. R. Brislee, I.C.S., Collector of Madura declaring open the co-operative stores at Karupatti an important agricultural centre near Madura.

* * *

Presiding over the concluding session of the half yearly conference of co-operative Inspectors of North Arcot Mr. P. Atchuta Menon, Deputy Registrar of Co-operative Societies, Vellore urged the Inspectors to tour rural areas and to give correct information of the war. He also advised them to take more interest in non-credit activities.

* * *

The General Body meeting of the members of the Chingleput District Co-operative Non-Official Employees Association was held on 30th July in the premises of the Conjeevaram Co-operative Central Bank Ltd., under the presidency of Mr. R. A. Shanmukhavelu, Secretary of the Central Bank. The members decided unanimously to contribute their half-a-day's salary for six months towards His Excellancy the Governor's War Charities Fund.

* * *

The education department of the Central Co-operative Wholesale, Wisconsin Superior, set as its goal the organisation of 250 study clubs by April 1st. By the beginning of March the programme had met with such

an enthusiastic response that 308 discussion clubs with 3100 individual members were already in operation and plans were made to continue the drive for more study clubs.

The Kakavedu co-operative credit society Puthur Taluq, Chittoor District was registered on 26-1-1928 on unlimited basis. As its working was unsatisfactory an enquiry was made by a special officer appointed for the purpose. The enquiry officer as well as the central bank recommended for its early cancellation of registration, there upon it was liquidated by the Deputy Registrar, Chittoor.

* * *

A conference of the Co-operative Supervisors in the Chingleput District was held on 29th, 30th and 31st July at Conjeevaram. The President and the Secretary of the Central Bank, the Deputy Registrar of Co-operative Societies and other Departmental Officers attended the Conference. All matters relating to rectification of societies were discussed and a comprehensive scheme for revitalising the primary societies in the District was explained to the Supervisors.

* * *

Presiding over the annual general meeting of the Agri-Horticultural Society of Madras H. E. Sir Arthur Hope, Governor of Madras pointed out that "flowers meant a tremendous lot to mankind" and expressed the hope that even in war time the activities of the society would go on as far as it was possible to go "because it was doing a great service not only to the eyes but also to the minds of the people who are working and worrying about other things."

* * *

After eight days debate the Bengal Legislative Assembly Passed the Bengal Co-operative Societies Bill 1939 introduced by Mr. Mukinda Behari Mullack Minister for Co-operation in spite of the criticism of Mr. Sarat Chandra Bose that it is an attempt to officialise the movement.

The Premier said—that nothing would give the members of the Government greater pleasure than to be fixed from the responsibility of looking after the movement which after all was the peoples movement.

* * *

As a further step to promote rural economy the co-operative Societies Department of Nizam's Government has established as an experimental measure rural banks on limited basis.

The new venture of successful is designed gradually to replace the present village credit societies which function on a basis of unlimited liability.

Alongwith the further development of these societies is envisaged the establishment of rural reconstruction societies to promote better living and better forming in all the villages affiliated to these banks.

* * *

Addressing a meeting of students "on the task before young men" at Annamalai University, Rao Bahadur M. R. Ramaswami Sivam stated the immediate problem before the youth of the country to-day was how to produce sufficient food for the people of India whose population is increasing day by day. Referring to the Punjab Government colonisation scheme he said that besides ordinary graduates other technical graduates also should join the scheme and he emphasised the need for such schemes in our Province also.

Reviews.

KHADI WORK IN TAMIL NAD.

Report for the year 1939—published by the A.I.S.A. Tamil Nad Branch, Gandhi Nagar, Tirupur.

This report of 40 pages affords very interesting and thought provoking reading to the reader who wants to make an intelligent study of the economic aspect of Khadi production. One of the essential qualifications for such a student is a first hand knowledge of the conditions of villages where one anna a day earned by an old woman sitting in her own cottage and spinning goes a longway to add to the necessaries of the family.

The Tamil Nad branch of the A. I. S. A. had a pretty bad year of it in 1939 as they started with a very heavy stock on hand and in the course of the year had the misfortune to lose stock worth Rs. 36,000 in the disastrous fire which took place in the Congress Exhibition in the city of Madras. We are glad to note that they have been able to pay slightly increased wages to the spinners from 3 annas to 3 annas 8 pies.

The spinning is only a subsidiary occupation to most of the spinners is shown by the fact that out of 55,000 and odd spinners nearly 32,000 are put down as irregulars and the others deliver yarn at the various centres once or twice in the month. Those who deliver yarn 4 times in the month were less than 2,000 and the deligent workers who were able to deliver yarn 5 times in the month were only 496. The average attendance works out only 17 weeks in the year.

Another interesting aspect of the Khadi work is that the spinners themselves consume about a third of the yarn spun. Weavers working under the A. I. S. A. have been steady in their loyalty and we are glad to be told that many new patterns were introduced during the year and the report assures us that there is ample scope for indigenous capital and talents in promoting the industry of chemcials and dyes in connection with spinning.

Out of about 14½ lakhs of Khadi sold by the Tamil Nad organisation, 3/4 was sold in the province itself and about 3 lakhs of Khadi was exported to other provinces.

The Central organisation held a number of training classes in ginning, carding and spinning, and some of those trained have been since absorbed in the services of the Association. They did a good deal of advertisement and propaganda. The one urgent need of the Tamil Nadu branch seems to be capital and more capital for want of it they were not able to stock good kapas in season and distribute it among the spinners, nor were they able to give regular and continuous employment to the spinners. They appeal more for private capital for opening Khadi stores in every place

and we hope it will be responded to by those who have small capitals to invest.

We congratulate the Tamil Nadu Branch of the A. I. S. A. for the very good work they have been able to do during the year 1939 inspite of adverse conditions and we share with them the hope that during the current year Khadi will become more popular.

S. K. Y.

Annual Report on the Working of Co-operative Societies in the Federated Malay States and Straits Settlements for the year 1939.

The report divides itself into three sections, Rural societies, Urban societies and societies for Indian Labourers—former two classes evidently intended for the native Malays.

The number of societies, members and paid up share capital showed increase.

We are glad to be informed that rural societies did better this year, because the price of rubber, paddy and coconut was better this year Some of these served as marketing institutions also. Their overdues are getting gradually reduced, and we are told that an analysis of the purpose for which loans granted shows that members are increasing their holdings.

The experiment of starting rural stores seems to have been a success. The stores demanding ready cash payment is an innovation in rural parts where people are accustomed to buy things on credit. The store was not able to make an immediate impression ; but it stuck to its principle of cash sales and showed good results at the end of the year.

The societies intended for salary earners also made some progress, though the report observes that the reasons given for borrowing are not always genuine. The evils which we are accustomed to in this country of overfinancing the members and book adjustment instead of actual payment of loans, these are to be found in F. M. S. also. The Urban co-operative store at Negri had another successful year.

Indian Labourers' Co-operative Society showed definite progress in F. M. S. though not to that extent in S. S. They seem to enable the Indian settlers to save a portion of their hard earned wages and in the various societies they have at present over a million dollars to their credit.

On the whole the co-operative movement seems to have had a successful year in 1939 and things are tending back to the state of affairs of 1930 previous to the beginning of economic slump. We hope that the progress noticed will continue to be kept up.

S. K. Y.

Circular.

R.C. No. 5963/40-A.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES,
Madras, Dated 30-7-1940.

S. A. VENKATARAMAN ESQ., I.C.S.,
Registrar.

CIRCULAR,

Sub :—Central Banks—Deputation of departmental officers to do duties as Secretaries.

The Registrar observes that, of late, far too many requests are being made by Central Banks for the deputation of departmental officers to work as their Secretaries. Where such officers have been once deputed, there is a tendency to ask for the continuance for the same officers beyond the period for which they were deputed or for the posting of other officers in their places. Whatever might have been the justification in the past, for banks to ask for the services of officers, the Registrar feels that it is time that this practice should be limited to very exceptional cases. While the Registrar recognises that in many instances the presence of the officers has contributed to the efficient administration of the banks, he wishes that it should not be allowed to become the normal feature of co-operative banking. From the numerous requests made by Co-operative Central Banks for the services of departmental men, it seems as though the management of these banks are anxious to relieve themselves of their responsibility for the proper administration of the banks. They seem to think that, once a departmental man is appointed, there is an end of their own responsibility. There is not a happy sign of development. The Co-operative movement is essentially non-official in character, and the ideal that its entire running should ultimately devolve on unofficials, have always been prominently held in view. The employment of departmental officers to attend to the day-to-day administration of banks will not certainly hasten the attainment of this ideal. The Registrar is, therefore, generally reluctant to spare his officers for work in Central Banks, for such deputation not only deprives the department of some of its good men but is likely to retard the growth of non-official initiative and enterprise upon which the success of the movement so largely depends. The Registrar, however, recognizes that there may be cases where the deputation of departmental officers will be justified as, for instance, where there is a deadlock in the management, or where normal work is hampered by faction, or where the majority of the affiliated societies are in a bad way and call for drastic action, etc. But such occasions where departmental assistance may be necessary to set matters right and to give a fillip to further progress should be rare ordinarily, there should be no need to inject departmental blood into the non-official structure. The position may have been different a

few years ago, but now that the several schemes for the intensive training of unofficial employees, particularly the training in the functions of Secretaries and Managers of Central and Urban Banks, have been in operation for sometime, there should not be much difficulty for co-operative institutions to secure the services of suitable men to run their administration. It should have been possible for the banks to have taken advantage of the opportunity to give training to suitable young men in their service so that they may fill the higher posts including those of secretaries. The object of the training will be lost if Central banks do not make full use of the services of men trained in these classes. The Registrar, therefore, wishes to make it clear to Central banks that he will not ordinarily countenance applications from them for the loan of services of departmental officers, unless it be for really urgent or exceptional reasons. He is, however prepared to make an exception in the case of special types of societies where departmental assistance may be necessary in the initial stages of their working.

2. The Registrar's disinclination to give departmental officers is not, however, to be taken to mean that he is in favour of honorary secretaries in Central banks. From what he has seen so far of the working of Central banks in the Province, he is strongly of the opinion that all central banks should have full-time paid secretaries, and that, unless this is done, it will not be possible to ensure effective control over the staff or to carry on the administration in an efficient manner. There should be a duly qualified secretary for every bank, adequately paid, so that he can have an independent outlook and take an impartial view of things. He should posses the qualifications suggested in Registrar's letter A. 1107/38 dated 15-6-38 and accepted by the Board of Management of the Provincial bank at its meetings held on 7-8-38 and 30-4-39. He should have no seat on the Board, but should carry on the administration subject to their control and guidance. He should also be allowed a free hand in the day-to-day administration of the bank. The Registrar hopes that Central banks will soon give the necessary training to their staff, if this has not already been done, and arrange to manage their affairs with their own men.

(By order)

G. CHANDRASAKARAN,
Manager.
31-7-40.

Government Order.

Copy of G.O. No. Ms. 1631, Development Department dated 12th July 1940.

Sub :—Acts and Rules—Madras co-operative societies Act—Rule XI (i) (*b*) draft amendment—published.

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

NOTIFICATION.

The following draft of an Amendment to the rules published with Development Department Notification No. 264 dated the 1st August 1933 published at pages 1178-1188 of Part I of the Fort St. George Gezette. dated the 1st August 1933 as subsequently amended, which it is proposed to make in exercise of the powers conferred by sub-sections (1) and (2) of sectfon 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) 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 16th August 1940 and that any objection or suggestion which may be received with respect thereto from any person before the aforesaid date will be considered by the Government of Madras.

DRAFT AMENDMENT.

In sub-rule (i) of rule XI of the said rules *for* clause (*b*) of the proviso the following clause shall be substituted. namely :—

(*b*) (i) to a purchase sale or production society, other than a loan and sale society, the value of whose purchases, sales or articles or goods produced, as the case may be, in co-operative year does not exceed ten thousand rupees ; or

(ii) to a loan and sale society transacting 'sales' business, the value of whose sales in the Co-operative year does not exceed ten thousand rupees ; or

(iii) to a loan and sale society advancing loan on the security of members' produce, whose working capital on the last day of the co-operative year does not exceed twenty thousand rupees ; or

(iv) to a loan and sale society transacting sales business as well as advancing loans on the security of member produce if the total value of its sales during the year *plus* fifty per cent of its working capital on the last day of co-operative year does not exceed Rs. 15,000.

(By order of His Excellency the Governor).

C. P. KARUNAKARA MENON,
Secretary to Government.

List of Societies Registered in July 1940.

Serial No.	Name of the Society.	District
1	The Byadarahalli Co-operative Credit Society ...	Anantapur
2	„ Kunnagampundi Weavers Co-operative Sale Society, Ltd. ...	Arcot North
3	„ Kilkodunglur Weavers' Co-operative Sale Society ...	„
4	„ Mullipattu Weavers' Co-operative Sale Society ...	„
5	„ Chittoor Milk Supply Union Ltd. ...	Chittoor
6	„ Civil Court's Lunch Home Ltd. ...	„
7	„ Saroja Mills Co-operative Stores Ltd. ...	Coimbatore
8	„ Maddulagadda Co-operative Society ...	Cuddapah
9	„ Eraballe Co-operative Society ...	„
10	„ Duddekunta Co-operative Society ...	„
11	„ Ravikampadu Co-operative Credit Society ...	Godavari East
12	„ Ramachandrapuram Co-operative Credit Society ...	„
13	„ Vakada Co-operative Credit Society ...	„
14	„ Samalkot Board High School Students' Co-operative Stores, Ltd. ...	„
15	„ Uppinangady Co-operative Grain Bank Ltd. ...	Kanara South
16	„ Udipi Co-operative Stores, Ltd. ...	„
17	„ Nitte Co-operative Grain Bank Ltd. ...	„
18	„ Subramaniapuram Co-operative Credit Society. Ltd. ...	Madras
19	„ Corporation Boys' Higher Elementary School Strahams Road Students' Co-operative Stores, Ltd. ...	„
20	„ Government High School Students' Co-operative Stores, Ltd. ...	„
21	„ Kamayagoundanpatti Co-operative Stores ...	Madura
22	„ Natham Co-operative Stores ...	„
23	„ Thevankurichi Kallupatti Co-operative Stores ...	„
24	„ Sholavandan Co-operative Stores ...	„
25	„ Theni Co-operative Stores ...	„
26	„ Vegavathi Ashramam Co-operative Stores ...	„
27	„ Karungalakudi Central Elementary School Students Stores ...	„
28	„ Vadamadura Co-operative Stores ...	„
29	„ Karupatii Co-operative Stores ...	„
30	„ Oddanchatram Co-operative Stores ...	„
31	„ Periakulam Vadagarai Co-operative Stores ...	„
32	„ Chinnamanoor Co-operative Stores ...	„
33	„ Devadanapatti Co-operative Stores ...	„
34	„ Veerapandi Co-operative Stores ...	„
35	„ Kilamaugalam Co-operative Stores ...	„
36	„ Unjampatti Co-operative Stores ...	„
37	„ Poombarai and Mannavanoor Co-operative Stores ...	„
38	„ P. Vadugapatti Co-operative Stores ...	„
39	„ Yadavalli Co-operative Credit Society ...	Nellore
40	„ Chinnayapuram Co-operative Stores ...	Ramnad

S. No.	Name of the Society.	District.
41	The Kamuthi Board High School Students' Stores ...	Ramnad
42	„ Sivaganga Co-operative Stores ...	„
43	„ Chinnagapuram Co-operative Society ...	„
44	„ Kaveripatnam School Students' Co-operative Stores, Ltd.	Salem
45	„ Attur Board High School Students' Co-operative Stores, Ltd.	„
46	„ Salem Municipal High School Students' Co-operative Stores, Ltd.	„
47	„ Salem Central Jail Employees' Co-operative Society, Ltd.	„
48	„ Arasakuppam Co-operative Society ...	„
49	„ Sankarankoil Co-operative Sale Society, Ltd. ...	Tinnevelly
50	„ Vallanad Co-operative Stores, Ltd. ...	„
51	„ Chicacole Co-operative Non-official Employees' Co-operative Society, Ltd.	Vizagapatam
52	„ Thethur Mettupatti C. S.	Madura
53	„ Vilampatti Kallar Co-operative Society ...	„
54	„ Idayakottai Co-operative Stores ...	„
55	„ Kalayambatore Board High School Students' Co-operative Stores	„

List of Societies Cancelled in June 1940.

Serial No.	Name of Society.	District.	Date of Cancellation of Registration.
1	Akepad Co-operative Society ..	Cuddapah ...	1-6-40
2	Kalva Do. ...	Kurnool ...	1-6-40
3	Bhumayapalle Co-operative Society ...	Cuddapah ...	1-6-40
4	Cedayalur Co operative Sale Society...	Tanjore ...	1-6-40
5	Kayar Co-operative Society ...	Chingleput ...	1-6-40
6	Tirupanthurithi Roman Catholic Christian Co-operative Society ...	Tanjore ...	3-6-40
7	Kandrada „ ...	East Godavari ...	3-6-40
8	Koyyur Co-operative Credit Society ...	South Kanara ...	4-6-40
9	T. Puthur Co-operative Society ...	Trichinopoly ...	5-6-40
10	Noonepalle „ ...	Kurnool ...	10-6-40
11	Therkumayliodai Co-op. Society ...	Tinnevelly ...	10-6-40
12	Mungamur Co-operative Society ...	Nellore ...	12-6-40
13	Penakanametta Co-op. Society ...	West Godavari ...	18-6-40
14	Boddepalli Co.operative Society ...	Vizagapatam ...	18-6-40
15	Burrakayalakota Co-op. Society ...	Chittoor ...	19-6-40
16	Sanarudravaram Christian Co-op. Society ...	Kistna ...	21-6-40
17	Serampattu Jaggery Co-op. Society ...	North Arcot ...	21-6-40
18	Yaikalpatrai Nadar Sri Ranganathar Co-operative Credit Society ...	Salem ...	25-6-40
19	Moodahadu Credit Society ...	South Kanara ...	25-6-40
20	Erravaripalem „ ...	Chittoor ...	25-6-40
21	Neduvakottai Co-operative Credit Society ...	Tanjore ...	26-6-40
22	Madura Co-operative Society ...	South Kanara ...	27-6-40

Draft Constitution of

The Madras Provincial Co-operative Union.

Name and Registered Office.

1. The name of the society shall be 'The Madras Provincial Co-operative Union.' It shall be registered as a Co-operative Society under Act VI of 1932. Its registered office shall be in Madras. Its operation extends to the Province of Madras.

Interpretation.

2. In these by-laws, unless there is anything repugnant to the subject or context:—

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

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

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

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

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

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

Objects.

3. The objects of the Union are to promote the Co-operative Movement in the Province of Madras, to propagate the principles of Co-operation and to serve as the recognised exponent of non-official co-operative opinion in the Province. In furtherance of these objects, the Union shall be at liberty to do all or any of the following acts:—

(*a*) to organise and develop societies of diverse types;

(*b*) to assist the work of Language Federations and of other registered societies affiliated to it;

(*c*) to publish a Co-operative Journal in English;

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

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

(f) to organise Co-operative Education, including the prescribing of syllabuses of study and the holding of examinations in the institutions run by the Language Federations and the conduct and management of any institutions established in Madras;

(g) to promote the study of problems connected with Co-operation and carry on research in the same;

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

(i) to raise funds according to these bye-laws and to administer the funds so raised; and

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

Membership.

4. (1) Membership of the Union shall be open to:

(a) Societies registered under Act X of 1904 or Act II of 1912 or Madras Act VI of 1932 or any other Act for the time being in force and falling under any one of the following classes:—

(i) Provincial Societies,

(ii) Language Federations,

(iii) District Co-operative Central Banks of Madras, Malabar and South Kanara.

Proviso: The membership of the District Banks of Madras, Malabar and South Kanara will cease when District Federations or other institutions for education and propaganda for the respective revenue districts are formed. When such institutions are formed, they will be admitted as members of the Union and the representations given to the District Banks will be assigned to them.

(b) Members co-opted whose number shall not exceed 7.

(2) The member societies shall be represented on the Union as follows:—

(i) Provincial Societies ...	1 delegate each.
(ii) Language Federations (Andhra and Tamil)	20 delegates each—at least one from each revenue district.
(iii) District Co-operative Central Banks of Malabar and South Kanara ...	2 delegates each, one of whom at least shall be a representative of the Primary Societies.
(iv) Madras District Co-operative Central Bank ...	1 delegate.

(3) Membership of the Union shall cease:

(i) by the cancellation of registration of any member society or its disaffiliation;

(ii) in the case of individual members by resignation or efflux of time or withdrawal of representation by the member society concerned.

Funds.

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

(i) Subscription and contribution as per bylaw No. 6.

(ii) Sale of co-operative literature and publications.

(iii) Voluntary contributions.

(iv) Subsidies, if any, from the Government.

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

(a) Every Provincial Society shall pay such sum not exceeding Rs. 100 as the Executive Committee of the Union may prescribe with reference to such society from time to time.

(b) Madras, South Kanara and Malabar District Banks shall pay Rs. 50 each.

(c) Andhra and Tamil Nadu Language Federations shall pay 1/3 of the affiliation fees collected each year by them.

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

(3) Co-opted members are not liable to pay any subscription.

7. The funds of the Union shall be devoted to the promotion of any or all of the objects mentioned in bylaw No. 3 as the Executive Committee decides from time to time.

Constitution.

8. There shall be:—

(a) A General Body and

(b) an Executive Committee.

General Body.

9. The General Body of the Union shall consist of delegates of member societies and co-opted members as provided in bylaw No. 4.

10. (*i*) Every member society shall elect in such manner as is provided in its constitution and not inconsistent with bylaw No. 4, its quota of delegates to the Union for a period of three years. It shall be competent for a member society, if it so desires, to change its delegate within the said period, and the new delegates shall hold office for the unexpired period of the three years, for which the original delegate was appointed.

(*ii*) Notwithstanding the expiry of the three years aforesaid, the delegate of a member society shall be deemed to hold office, until his successor is appointed; but, if such successor is not appointed within three months of the expiry of the three years aforesaid, the delegate shall cease to represent the society on the Union.

(*iii*) Co-opted members shall hold office for a period of three years.

11. Every member shall have one each vote.

12. The General Meetings of the Union shall be held at such places and on such dates as the Executive Committee may decide. At least one such shall be held in the course of each co-operative year. It shall also be the duty of the Executive Committee to convene a General Meeting on the requisition of not less than 10 members.

13. (*a*) The quorum for a General Body Meeting shall be 15.

(*b*) If at the time fixed for a General Body Meeting a quorum is not present, the members may wait for 30 minutes, and if no quorum is formed within that time, the meeting stands cancelled. If the meeting was called at the requisition of members, it shall not be called again without a fresh requisition; in any other case, the Executive Committee may convene it at such time and place as it may think fit.

14. The President, or in his absence, the Vice-President shall preside at the meetings of the Union. In the absence of the President and the Vice-President, any other member present may be elected by the meeting as Chairman thereof.

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

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

(i) elect from among the members of the Union:

(*a*) The President,

(*b*) The Vice-President,

(*c*) The General Secretary, who shall also be the Treasurer and resident of the city of Madras,

(*d*) Two Organising Secretaries, one for each of the areas of the Tamil and Andhra Language Federations, and

(*e*) such other members of the Executive Committee as are to be elected as provided hereunder.

(ii) define, alter, amend or modify or repeal any of the bylaws or subsidiary bylaws of the Union.

(iii) To sanction the annual budget of expenditure;

(iv) consider and adopt the annual report and accounts presented by the Executive Committee with such remarks or modification as may be resolved upon;

(v) fix the travelling and halting allowances payable to the office bearers and members of the Executive Committee and sub-committee constituted by the Executive Committee, or any member deputed to represent the Union, when they travel on the business of the Union; and

(vi) transact such other business as is placed before it by the Executive Committee.

Executive Committee.

17. (1) Subject to general control by the general body the administration of the affairs of the Union shall vest in an Executive Committee.

(2) The Executive Committee shall consist of 11 members, namely:—

(*a*) The President,

(*b*) The Vice-President,

(*c*) The General Secretary & Treasurer,

(*d*) The two Organising Secretaries, and

(*e*) Six other members elected as follows:—

(i) *One* to be elected by the Andhra Federation;

(ii) *One* to be elected by the Tamil Nadu Federation;

(iii) *One* to be elected from the delegates of Malabar and South Kanara District Banks by the general meeting of the Union;

(iv) The ***delegate*** of the Madras Provincial Co-operative Bank on the General Body;

(v) The ***delegate*** of the Madras Co-operative Central Land Mortgage Bank on the general body; and

(vi) *One* to be elected from among the delegates of other Provincial Societies by the general meeting of the Union.

(3) The Executive Committee shall hold office for a period of three years or until their successors are appointed.

(4) Interim vacancies on the Executive Committee may be filled up by co-option by the remaining members of the Executive Committee from among the members of the General Body.

(5) The quorum for a meeting of the Executive Committee shall be 5.

(6) The Executive Committee may meet as often as the business of the Union requires but shall ordinarily meet once in a quarter. It may transact its business by circulation of papers in regard to matters which it may specify or which in the opinion of the President require urgent disposal.

18. The Executive Committee may decide the manner in which the funds of the Union shall be vested.

19. (1) The Executive Committee may appoint an Editor and Editorial Committee to assist him in the conduct of the journal. The Executive Committee may pay the Editor such remuneration as it decides. It may also fix the annual subscription payable to the journal.

(2) Member societies affiliated to the Language Federations shall be entitled to get the journal at half the rate, if they desire to subscribe to the journal and an application is made in that behalf through the concerned language federation.

(3) The Executive Committee may constitute such sub-committees as it may deem necessary for carrying on the work of the Union, define their functions and delegate any of its powers to them. It may however withdraw or modify those powers as it thinks fit.

(4) The Executive Committee may appoint delegates to the All India Co-operative Institutes' Association and Co-operative Conferences.

(5) The Executive Committee shall have power to appoint, remove, suspend or fine its employees, and to fix the terms of their appointment, their duties, salaries and allowances, and to prescribe leave and provident fund rules.

(6) The Executive Committee shall have power to settle the accounts with the member societies and subscribers to the journals published by the Union and to collect or remit, partially or wholly, any sums due by them to the Union and write off or compromise any claims.

(7) The Executive Committee may incur expenditure within the budget allotment.

(8) The Executive Committee may make contributions to member societies.

20. Within 30 days after the close of the co-operative year, that is, after the 30th June of every year, the Executive Committee shall prepare (1) a statement showing the Receipts and Disbursements of the Union during the previous years, and (2) a statement showing the Assets and Liabilities as they stood on the last day of the previous year. These two statements shall be submitted to the Registrar without delay. After the Registrar has verified the statements and granted his audit certificate, the Union shall publish them in the manner approved by him.

21. Subject to the general control of the President, the General Secretary shall be the Executive head of the administration. He shall be in charge of all the properties of the society and pass receipts for monies and shall incur such expenditure as are authorised by the Executive Committee.

22. The Executive Committee of the Union shall have power to make subsidiary by-laws for carrying out the objects of the Union and for administering its by-laws; provided that nothing in the subsidiary bylaws so framed shall be repugnant to any of the provisions of the Act, the Rules or these by-laws. The subsidiary by-laws shall not require the approval of the Registrar for their operation.

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

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

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

26. Notice for the General Body meetings shall be sent at least 15 days before the date fixed together with a copy of the Agenda.

27. The society shall sue and be sued in the name of the General Secretary.