

70

He

abra

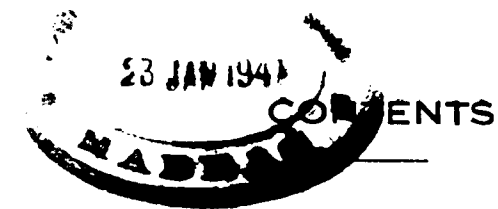
loc



Nat

D

JL
XM-211, NCM
N210-32.6
1251



	PAGE No.
I EDITORIAL NOTES	327
II ARTICLES:	
(i) RURAL RECONSTRUCTION THROUGH CO-OPERATION—By Rao Bahadur A. Vedachala Aiyar...	335
(ii) REPORT OF THE COMMITTEE ON CO-OPERATION	
(1) By M. S. Narasimha Rao, B.A., B.L. ...	337
(2) By Mr. K. G. Sivaswami Iyer, B.A. ...	344
III RECENT UTTERANCES—	
(i) Lecture delivered by Sri T. A. Ramalingam Chettiar at the Central Co-operative Institute	353
(ii) Welcome Address by Sri M. Lakshminarasimharaju at Bhimavaram ...	361
(iii) Presidential Address by Sri B. Venkataratnam at Bhimavaram	362
(iv) Welcome Address by Rao Bahadur M. Gangaraju Garu at Ellore	362
(v) Presidential Address by Dr. P. Gurumurthi at Ellore	364
IV BRIEF REPORT OF THE M. P. C. BANK, LTD.	366
V WORKING OF THE CO-OPERATIVE SOCIETIES—	
(i) The Mudis Co-operative Stores, Ltd., (No. K. 806.)	368
(ii) The Alamuru Co-operative Rural Bank, Ltd...	370
VI REVIEWS	374
VII P. C. U. CIRCULAR No. III	378
VIII NEWS AND NOTES	379
IX LIST OF SOCIETIES REGISTERED AND CANCELLED	381
X P. C. U. OFFICE BEARERS	383

SUPPLEMENT—

Co-operative Societies Act as recommended by the Committee.

THE
Madras Journal of Co-operation

VOL. XXXII.]

DECEMBER 1940.

[No. 6

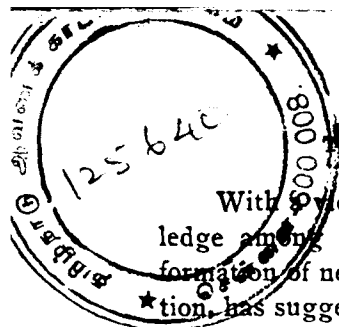
The Editorial Committee do not hold themselves responsible for views expressed by contributors. Contributors are requested to write legibly and on one side of the paper. Manuscripts will not be returned unless stamps are sent to cover postage. Matter intended for the issue of any particular month should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

Editorial Notes.

Co-operation and Mass Contact.

That co-operation is a popular movement intended for the betterment of the masses and not a class movement intended for the amelioration of the condition of a particular sect or class is almost an axiom. During the third of a century the movement has been in existence, it has not, however, been able to reach the masses to the extent one would wish.

The total number of societies in our Province as on 30th June 1939 is 13,558, excluding 1,392 societies liquidated. The total number of members belonging to the living societies come to 10,41,385 or roughly 10½ lakhs. The population of the Province at the time of the 1931 census was 47 millions and we may take it that on 30th June 1939 the total population would be (making an allowance of 10 per cent increase in a decennium) 51 millions. Out of this total population only 10½ lakhs of people have been brought within the ambit of the co-operative movement. It works out only at 2 per cent. or taking one member as representing a family of five, the people within the co-operative movement would be roughly about 10 per centage of the population of the Province.



THE MADRAS JOURNAL OF CO-OPERATION

With a view to speed up the spread of the co-operative knowledge among the people, which is a condition precedent for the formation of new co-operative societies, the Committee on Co-operation, has suggested, that over and above the continuous propaganda work carried on by the Provincial Co-operative Union and the Language Federations as at present, further efforts should be made for sustained wider diffusion of knowledge among the villagers. In order to bring about this they suggest the introduction of a book on co-operation written in easy style for non-detailed study in recognised high schools, and a similar book of a higher standard for non-detailed study in colleges. They further recommended co-ordination of effort between non-official agencies and the department in the matter of co-operative education and propaganda.

We would like to suggest as a supplement to the above encouragement of publication of good literature dealing with the evils which co-operation is expected to combat and overcome. There is need for rousing public consciousness regarding the evils that our Society suffers from, such as appalling poverty, illiteracy and addiction to evil habits of drink and extravagance. Public consciousness could be roused not by direct appeal so effectively as by indirect appeal through literature. The famous novel 'Uncle Tom's Cabin' is supposed to have done more effective work for anti-slavery propaganda than the thunders of orators from pulpits on platforms. So also the evils of the industrial system of England were set forth and people were made to realise them far more effectively by Kingsley's "Alton Locke" than by the publication of pamphlets by economists based on their researches. What is required, therefore, is making literature deal with the social conditions and hold up co-operation in a literary masterpiece as the most effective method of overcoming most of the evils we are groaning under. A book like "The Land of Milk and Honey" by the famous Japanese author and Co-operator Mr. Kagawa where in he sets forth the economic evils of society run under the capitalistic system and points out how co-operation opens a way out of these difficulties has to be written in the various languages of the Province and the Government and the Non-officials would do well to encourage publication of a book of that sort.

Perhaps in our own Province where only one out of every ten is literate a more effective appeal to the population would be through popular songs and dramatic performances. The late Mr. T. L. R.

EDITORIAL NOTES

Chandran made an attempt in this direction and wrote his drama "Sadyama" and wherever it was staged it was very popular. More dramas are to be written on those lines and we only wish that a literary genius would arise in our country and would devote his unparalleled gifts in the service of co-operation. So far as the Tamil Nadu is concerned everybody knows what a tremendous asset in the case of national revival the songs of the late Subramanya Bharati have been. What is required is a genius of that order who would deal with co-operation in a popular way and endow it with all the charms of his literary powers. We hope that ere long such a genius would arise and give the movement the strong support which it badly requires at present.

The Madras Provincial Co-operative Bank, Ltd.

Elsewhere would be found a brief account of the working of the Apex Bank of our province of which we co-operators are justly proud. Thanks to the disinterested labours of a series of able presidents and boards of management, the Bank has come to occupy a unique position at the head of the co-operative credit movement in the Province.

From the statement embodied in the report, our readers would see that the Bank is now following a policy of cautious expansion in the matter of loans. The total amount of loans given to Central Banks in 35—36 was barely Rs. 35 lakhs whereas in the year under review it has exceeded that amount by almost a crore. This is due to the policy now followed by the Bank of financing Central Banks to enable them to grant advances on produce. The amount specially ear-marked for produce loans alone come to nearly Rs. 48 lakhs.

The Bank continued to finance the Vuyyur Co-operative Agricultural and Industrial Credit Society Ltd., which as our readers know is manufacturing sugar.

The Bank is giving a lead in the matter of making Loan and sale Societies take up the function of marketing. It should be the main aim of such societies instead of merely lending on pledge of produce, and in order to enable the Loan and Sale Societies to discharge that function, the Bank has been giving some special grant. The Bank also has been giving financial assistance to District Banks in the matter of the much needed work of consolidation and rectification. On the whole the Apex Bank had a very successful and a very useful year. We hope the Bank will continue its activities of not merely

JL
X M m 21, 210-11
N 40.32.6

lending money to Central Banks but giving them specific lead in the matter of developing non-credit activities like marketing.

Who is to Bell the Cat.

Rao Bahadur M. Giriappa, the retiring Joint Registrar of Co-operative Societies, Madras, in his address to the students of the Loyala College (printed on page 297 of November 1940 issue) has conjured up a beautiful vision of villages being revived by a band of workers devoting themselves whole-heartedly for rural uplift. We have in the Province roughly 50,000 villages and assigning a group of 10 villages to a worker we require 5,000 workers and in order to supervise all these rural guides we want 500 supervisors so that if we work according to a five year plan we can absorb 1,000 rural guides and 100 supervisors in a year for 5 years to come.

This scheme is well conceived and there is nothing inherently impossible in it; but the workers and their supervisors have to be fed till they are able to maintain themselves by voluntary contribution from villagers who are expected to appreciate their work, and pay for it willingly. Until that consummation is reached these have to be maintained and moreover as Mr. Giriappa has pointed out, these have to be given training before they are sent out as workers in villages.

For national reconstruction work on such a colossal scale responsibility has to rest ultimately upon the State. Private agencies can, with the help of grants and subsidies from the State, run a demonstration centre here or look after a model village there. But these, like the rural reconstruction centres now in existence, will be a mere drop in the ocean unless the State realises its duty to the villagers and organise reconstruction work on the lines suggested by Mr. Giriappa.

We hope the time will come when men with a distinct rural bias and clear vision of the future will be at the head of affairs and would boldly launch forth schemes of reconstruction and not be satisfied with merely carrying on the administration of the country on the old lines.

Definite Rural Bias in life.

Our readers would find published elsewhere speeches by the Chairmen of the reception committees and the presidents of the Bhimavaram Taluk Co-operative Conference and of the West Godavari District Co-operative Conference. It is a pity that we could not catch in the bald and prosaic English translation the fire and enthusiasm

of the speakers evident in their Telugu addresses; but one thing there is common in all these speeches and to that of the Hon'ble Mr. V. Ramadas Pantulu who opened the West Godavari Conference and that is, the refrain "give unto Ceaser the things that are Ceaser's." The Ceaser being in this case the villager. All these speakers realise that in the recent past the villager has been taxed to the utmost capacity to pay for maintenance of towns and cities and got back very little in return. They also realise that unless villages are resuscitated and the villagers are made economically self sufficient, the country's future is bound to be very gloomy and doubtful. All of them are equally well convinced that of the many means of rural uplift co-operation is the most efficient. They advocate the formation of co-operative societies not only for the distribution of cheap credit, but for other economic activities also. Let us hope that this shifting of the emphasis from the town to the village in the scheme of national regeneration is not a passing phase, not a temporary reaction, but the result of a genuine conviction about the significance of the village in the scheme of things taking the peculiar conditions of our country into consideration.

The importance of rural reconstruction is well brought out by the fact that the Committee on Co-operation has devoted a special chapter to this subject. The Committee has recommended the formation of provincial and district standing committees which would co-ordinate the activities of the various nation building departments. They have realised the need for the creation of a new order of workers called village guides and more important still the need to have them "properly trained, paid and controiled." They envisage the formation of multipurpose co-operative societies and the work these are expected to perform in the matter of rural uplift. There is thus complete unanimity of opinion among all regarding a supreme need for tackling this national problem of rural uplift. Let us hope our future villages would be not isolated units sunk in poverty, illiteracy and dirt, but inter-connected and commanding all the decencies of life and capable of producing leaders and of retaining them. Our country is so vast that we can well afford to have some big cities and a very large number of economically efficient villages as well.

Faith and Vision—The Great Supporters.

We read every day about Nazi air raids over different parts of England. London seems to be the worst sufferer but other important mofussil centres like Bristol, Leeds and Birmingham have had their own share. We begin to wonder how co-operative societies in the bombed areas are carrying on their work. We know the dogged perseverance of the Britisher which has stood him in good stead in many a serious trial, yet we must confess to a feeling of surprise when in the midst of all these struggles the International Co-operative Alliance is looking forward with great hope and enthusiasm to the future, after peace

is restored and nations now at war each other are expected to meet at least on the co-operative platform as brothers. A perusal of the note on the future of the International Co-operative Alliance by Mr. R. A. Palmer, the Vice President of the Alliance, should cheer up the most pessimistic amongst us. He looks forward to the day when the International Co-operative Alliance which is as much the creation of the common people as is domestic co-operation in towns and villages, would become stronger than at present, and contribute its own quota to the stupendous task of International adjustment after the conclusion of the war.

Whatever the future be, there is sure to be according to Mr. R. A. Palmer some organisation like the League of Nations wherein the various states may come together and discuss their problems and grave national issues. In that organisation, the I.C.A., has a rightful claim to officially recognised participation. In the economic reconstruction that has to be taken up after all the colossal destruction of goods implied in the war, the I.C.A. hopes to play a very important part. From unbridled individualism national economy has changed in the countries implicated in the war to complete state control as a temporary measure. In the restoration of normal conditions the I. C. A. hopes to play its part in bringing about a *via media* between the two extremes. The I. C. A. moreover is fostering the growth of international institutions like the International Co-operative Trading Agency, the Wholesales' Committee, the Insurance Committee etc; these institutions, however small at present represent positive achievements and are fraught with great potentialities for future development. So also it is hoped there will be plenty of opportunities through I. C. A. for promoting technical collaboration between the experts of different national movements and perhaps the employees of one national institute may be exchanged for a period with those of other countries. Mr. Palmer hopes that at the time of the 16th International Co-operative Congress which is likely to be held in the not distant future "the stage will be set for a new international order in which peace and harmony among the nations will be possible and in which the International Co-operative Alliance will live upto its highest traditions and play a noble part in promoting co-operative enterprise across the boundaries of states, encouraging and strengthening co-operative endeavours in every part of the world."

We admire Mr. Palmer's robust optimism. We share with him his hopes and aspirations and we commend his example to co-operators in our country who under less trying circumstances become unduly pessimistic about the future of the movement.

The Trend of Co-operative Thought in U. P.

A copy of the proceedings of the 24th meeting of the Provincial Committee of the U. P. Co-operative Union, reveals to us the main trends of thought among our brethren in that province. In June last

EDITORIAL NOTES

we published in the pages of our Journal, the address at the Provincial Conference of U. P. of the Registrar who is also the President of the Union, and of Sir T. Vijayaraghavachariar who presided over the conference. The meeting of the Committee seems to have been held on two days and as many as 33 items were got through though this did not take them to the end of agenda and for want of time consideration of some items had to be postponed.

Many of these 33 items considered and disposed of were of a local or of an administrative nature and therefore we pass them over. But we should like to draw the attention of our readers to three resolutions which were considered and fully discussed though in the end they were withdrawn.

The first of these ran as follows :

"The Provincial Committee of the U. P. Co-operative Union requests the Registrar and the Government to consult the views of the non-official members of the Committee before launching out new schemes and also kindly to include its representative in any special meeting or conference that may be convened by the Government or the Co-operative Department to discuss the condition of the Co-operative movement in this province."

The Registrar-President stated during the course of the discussion that the Provincial Committee (corresponding to the Board of Management of our Provincial Co-operative Union) met only twice a year and it was not possible for the Government or the Department to consult it before new schemes were launched. The Executive Committee of the Union was, however, taken into confidence and any information that the members of the committee may require was given and hence there was no need for the resolution. It was later on withdrawn. But the fact that a member thought it worth while to bring in the resolution shows that the public at large are not satisfied with the part that the U. P. Provincial Union is playing in shaping the policy of the movement in U. P. We hope the spirit of the resolution would be respected and non-official leaders would be consulted on all important matters.

The second resolution ran as follows :

"(a) The Registrar be requested to issue instructions to Assistant Registrars, Circle Officers and to all concerned to the effect that half of the existing credit societies be changed into credit and marketing societies after necessary amendments of bye-laws of societies by June 30, 1940 and the remaining half by June 30, 1941.

(b) No new society (agricultural credit) be allowed to be organised unless it is a credit marketing type.

This shows that our brethren in U. P. are anxious to push the scheme of co-operative marketing as far as possible and expect even ordinary village societies to do its bit of work regarding marketing. The Registrar, however, had to counsel a course of moderation and

assured them that the experiment of tagging on marketing to ordinary village societies would be tried in 2,000 societies to start with, and as the work was of a very delicate nature, it should be developed through gradual stages and advised them not to rush the pace. He also deplored the non-existence of a provincial bank which would finance the operation, and after discussion this resolution was also withdrawn.

In our province, we have developed Loan and Sale Societies and Marketing is coming to be considered to be the main business of these societies and not merely lending money on pledge of produce. The importance of Apex Bank as the financing agency is well brought out in the report of our Apex Bank published elsewhere. It is hoped our brethren in U. P. will soon have their own provincial bank which should help them in the scheme of marketing as much as our own Apex Bank is helping us in this Province.

The third resolution which was also after discussion withdrawn ran as follows :

"Resolved that the Provincial Co-operative Union requests the Government to transfer audit work of societies from the Department to non-officials by forming a separate Provincial Union."

The function of the present Provincial Union is merely Supervision, Education and Propaganda. In the course of the discussion it was brought out that perhaps it may develop a separate audit section in contrast to the existing section of supervision. That ultimate responsibility with regard to audit vested in the Government according to the Act was recognised, but what the members assembled wanted was a non-official agency to conduct the audit and they quoted in support of their claim the present practice of permission being granted to certified auditors to audit some important societies. The Registrar-President in summing up the discussion agreed with the policy enunciated, namely, the audit work should be disassociated from supervision and that it should be carried on by an independent agency and the auditor should not be appointed by the management or be subordinate to the officer whose work he might have to criticise during the course of audit. But he went on to show, how the scheme proposed was not quite practicable taking the local circumstances into consideration and the resolution was withdrawn. But the fact that the subject came for discussion showed that non-officials are anxious to take up this important responsibility and co-operate with the Registrar. In this Province, however, except a few instances of audit unions we have allowed the department to discharge its function of auditing and have not asked for the work being handed over to non-officials except in the case of a few big societies whose audit is being done by certified auditors approved by the Registrar.

Co-operators in this province will, it is hoped, compare and contrast our problems with those of U. P. and the main lines of thinking among the prominent co-operators in this Province with those of our brethren over there.

Rural Reconstruction through Co-operation.

BY RAO BAHADUR A. VEDACHALA AIYAR,

(1) The rural organisation (Co-Society) should be a *corporation of co-operators* only in that locality. The District Central Bank with its administrative and financial branches should be a *corporation of co-operators for the district* and the Provincial Bank for the province or Tamil and Telugu Districts. Similarly the local co-operative union and the District Bank's administrative branch will be a corporation of co-operators for supervising and arranging for efficient working of local co-operators' corporations in each district.

(2) The Tamil Nadu Federation and the Andhra Sahakara Sammelanam and the Provincial Co-operative Union will be corporations of co-operators for the province practically to control the co-operative movement on the non-official side.

(3) The Government and the Co-operative Department represent the interests of *all people* in the province inclusive of co-operators, the co-operative department working specifically in the interest of the co-operative corporations. The Government may regulate its help to co-operative corporations with reference to its resources and in relation to the deserved needs of other corporations undertaking various other services and activities.

(4) Co-operative corporations should tackle the problem of agricultural industry in entirety and the economic position of rural agriculturists, land owners and labourers. Besides other industries in vogue or to be introduced should be within this grasp. In short the betterment of agricultural industry and of the economic position of the agriculturists and rural population must be the main and primary work of the co-operative corporations, with or without the aid of Government.

(5) Statutory privileges or privileges relating to civil court litigation or otherwise which money lenders, traders, bankers and industrialists do not enjoy should not be courted. If made available, co-operative corporations should use them as little as possible and prove that they can get on without them. It is only then that they

will exert their best to do their work on business and selfhelping lines without undue competition from moneylenders, traders and Bankers or industrialists.

(6) Business world will never get on without capital which must have its full force for a very long time to come. The evils of capitalistic, profiteering and exploiting enterprises will gradually disappear when and if co-operative corporations work efficiently and capitalists will gradually get absorbed in co-operative corporations at the tail end or at the top. I visualise co-operative corporations composed of agriculturists, artisans, industrial men, moneylenders, traders, bankers, working together not on *competitive basis*, but on *partnership profitsharing basis*. I would not avoid or exclude capitalist in any wing of the co-operative corporation if they would accept co-operative principles of working.

(7) Non-official co-operators should sit together and with the information available in the report of the committee on co-operation, should weave out their own method of work in the circumstances the co-operative corporations are placed at present courting as little help as possible from the departmental machinery and try to procure *more men* paid or honorary imbued with the sincere desire to improve the economic position of the rural population and with adequate practical knowledge and able to take up such self-sacrificing work. Money in abundance is not an urgent necessary factor. It will come when the corporations deserve it out of efficiency and not necessarily from Government, a changing political institution. I do not mind the slow growth of such arrangements as even truly they will bear all vicissitudes and accidents of human life in economical political and social spheres.

Report of the Committee on Co-operation

(i) BY M. S. NARASIMHA RAO, B.A., B.L.,

Director, Nellore, District Co-operative Bank, Ltd.

The Committee has in the usual orthodox manner reviewed in detail the several undesirable features that have manifested themselves in the working of the several Co-operative institutions in the Province and suggested remedies for each such manifestation. But one cannot help feeling that, caught in the meshes of detail, the basic organic cause of which the several manifestations pointed out by the Committee, are but symptoms, has not been properly appreciated. So long as the wound within remains green, mere treatment of external troubles will only result in other and more incurable maladies arising in future in the place of those which might yield to the proposed treatment. It is not that the remedies proposed, or at least most of them, are not good. They are good, and one will be failing in one's duty if due tribute is not paid to the labour and common sense which the members of the Committee brought to bear in the solution of each and every vexed question. Nevertheless one has to realise that co-operative enterprise, as every other kind of human activity, is essentially an organism. The roots have to be searched for, if radical remedies are to be prescribed.

Where does the fundamental trouble lie ?

To determine this question, one must inevitably delve into the beginnings of the consolidation of British Rule in India. Then was witnessed a disruption of the old economic order, and the substitution instead, of a new one, alien to the genius and traditions of the inhabitants of this land. This disruption consisted in the introduction of money economy in the place of the system of self sufficiency of the village with its simple agricultural pursuits, with its network of handi-crafts, and with its method of exchange of commodities by means of barter. It is not in a spirit of reproach that one has to say that the beginnings of the new order synchronised with the disappearance, one by one, of the indigenous handi-crafts of the land, which all served as hand maids to the principal industry, namely, agriculture.

There was, however, nothing surprising in these happenings. The British avowedly came to this country for purposes of trade, and even after acquiring political power, they continued as traders for

several years. If in those old days, the rulers had used their political supremacy for the advancement of the economic and financial interests of their own countrymen, if Agricultural production in India was directed to ensure a steady stream of raw materials to Britain, if India was made a market for Britain's finished products, if currency, exchange, and tariff were so ordered as to suit British finance, and if British capital was sunk in the major enterprises here, for providing a remunerative outlet for British investors, the motive could only be a desire, perfectly natural, on the part of the rulers to satisfy their own vital self interests. But whatever the motive, it cannot be gainsaid that Indian economy suffered a very severe shock.

In the days of self-sufficient economy, the returns from agriculture supplemented by the income from cottage industries, supplied sufficient food and raiment to the ryot. It is not that the ryot did not borrow in the pre-British period. He *did* borrow for seasonal requirements. But the borrowing was for productive short-term purposes only, and never exceeded the limits of his repaying power. The indebtedness was also of a very moderate character. That was due to the fact that in those days transfers of landed properties were very rare. Lands normally descended from father to son, in unbroken continuity, from generation to generation. Even for realising arrears of land revenue, the governments of the time would not generally sell the lands of the ryots. Whether the creditor happened to be the Government or a private individual, it was usually the produce they laid their hands on, after reserving beforehand a reasonably sufficient portion thereof for the maintenance of the ryot and his family. In such a state, there could not be indebtedness of any serious mentionable kind. But with the introduction of the new order, the ryot in addition to losing income from handicrafts, had to pay his land revenue to the state, *in cash*, while previously he easily paid *in kind*, in the shape of a definite share of his realised produce. The cash he had to pay was to be paid in a currency, which one can imagine, safeguarded vested interests.

Where was the ryot to get the cash from? The yield from land had become meagre. While the previous rulers, Hindu or Mohemadan, invested a large portion of state revenues on construction and repair of numerous tanks and other irrigation works which all continue to exist even to this day, the British did not bestow so much attention on them in those early days. The yield naturally diminished. The prices of agricultural produce depressed. The depressed

prices were lower than the cost of production would justify. It is no wonder that under these adverse circumstances, the agriculturist found it impossible to obtain cash to pay his demands. But then, new avenues were shown to the ryot to find cash. Recognition under British Rule of the rights of individuals to freely transfer their agricultural holdings, at once resulted in the increase in the sale values of lands. With this increase, increased simultaneously the credit power of the holders of lands. The consequence was that free and unrestricted borrowing became common. It is well-known that the hunger for credit grows on its own feeding. The borrowing did not limit itself to productive purposes, but extended to non-productive purposes also. They were gala days for the money-lenders; but for the people they were quite the reverse. Soon the inevitable happened. There were series of famines and people perished. What with the rapacity of money-lenders, the rigid system of money economy, involuntary sales of land for recovery of debts and land revenue, the cup of misery was full to the brim. Agrarian disturbances broke out. The santhall rebellion in 1855, the Deccan riots in 1874 and the Ajmere riots in 1891—all directed against money lenders—were all so many protests against the then prevailing economic disorder.

It is against such a historical, social and economic background that the introduction and growth of Co-operative enterprise in India, and the fundamental causes for the present trouble, have to be viewed.

These serious agrarian troubles set the Government a thinking. The Government thought that the ryot would get out of the slough of despondency, if facile credit was made available to him for his seasonal requirements and for the payment of land revenue. There was also the idea that if such a facility was provided, the Government might collect their land revenue dues more easily, and above all much more silently, than before. What finally emerged from these thoughts was the introduction of the co-operative movement in India. The first Co-operative Societies' Act was of the year 1904. Societies began to be started under Government initiative and control. Co-operation was in the beginning restricted to the supply of credit. Until recently it was in fact the supply of credit that constituted the predominant activity of the co-operators. The successive Co-operative Acts that followed the earliest Act of 1904 did not make any basic changes in the structure of the co-operative credit movement, but only provided better and tighter methods in the recoveries of dues.

The movement is now 35 years old. Had it been able to stem the tide of indebtedness and give the expected relief to the ryots? It is universally accepted that co-operative enterprise in the matter of credit was a distinct and unalloyed failure. The indebtedness, far from diminishing, or far from remaining static even, has risen ten-fold since the introduction of the first Societies' Act. It is confessed that Co-operation did not touch even 6 per cent. of the total indebtedness. Agricultural debt has grown by geometrical progressions.

The following conclusions seem inevitable :--

- (i) The present colossal indebtedness has its origin, not in the debts incurred in the pre-British period, but in the debts incurred thereafter as a result of the economic changes introduced in the wake of the British rule.
- (ii) The reason why India was not able to stem the steady rise of the burden of debt is to be found in her incapacity to order and shape her economic structure in the manner she liked.
- (iii) The economic salvation of India is possible if she can shake off Britain's economic stranglehold on her. Until India is able to call herself mistress in her own household, the troubles in some form or other are bound to continue.

At this stage, one may usefully examine the question of overdues and its resultant problem of frozen debt, which are both manifestations of the basic disease.

On the question of overdues, the Committee in a naive matter-of-fact manner, alluded to the deficit economy of agriculture, and the fall in prices due to depression, and established a connection between the fall in prices and the growth of overdues. Such an analysis of the position is not as comprehensive as it ought to be.

After the introduction of money economy in the country, what was the return that the agriculturist had from his land? It is established that the return from lands on which even staple food crops were grown, worked only from 2 to 5 per cent. in terms of cash. This return was hardly sufficient to meet the several demands on the agriculturist, namely, the payment of land revenue, the expenses of cultivation, and above all the family maintenance. The ryot had necessarily to borrow. Credit was obtained at rates varying from 9

to 24 or 30 per cent. interest. When his return was only 2 to 5 per cent. which was insufficient to meet his necessary demands, how on earth was he to pay any interest, even if it be as low as 1 per cent? Even the payment of the principal was beyond his power. The only consequence for this perilous state was that the ryot was shunted out of his hearth, home, and land. The depression, no doubt, added to the misery. But it was a world-wide depression. The prices of agricultural products depressed heavily. Manufactured articles, however, fell relatively less in price, than agricultural commodities. In addition to the fall in prices, there was a phenomenal growth in unemployment and a steep reduction in the purchasing power of the people. It is a combination of all these factors that spelled worse and worse ruin for the agriculturist. He had to sell his gold which was, so to say, his last line of defence. There followed an uninterrupted stream of yellow metal from India to the vaults of the banks in England and America. Even this sale of gold did not alleviate his distress. What with the scarcity of money, the fall in prices, the sale of gold, the mounting unemployment, and the expropriation of the peasantry, is it any wonder that overdues mounted up? It was at the beginning of the depression, in 1932, that a new Co-operative Societies' Act was passed which vested greater powers in Government for recovering co-operative dues. The co-operators anxious to realise their monies co-operated with the Government in the passing of the Act. But the very reverse of what these co-operators hoped, happened. What these Himalayan attempts after all brought forth, was the proverbial mouse. The Government, no doubt got plenty of execution fees. But what the societies got was only award-decrees which they substituted in their records for the original bonds. It is true that concessions announced by the Government resulted in the realisation of some of the dues. But the overdues in the main showed no signs of abatement. On the other hand, the co-operative movement had to face a new problem—the problem of frozen debt which was caused by the purchase by the Banks of a large number of ryots' holdings for the recovery of dues, which no bidders would purchase.

Taking a broad view of the matter, one has necessarily to come to the conclusion that the main cause for the alarming overdues is not that agriculture is a deficit economy, but that agriculture *has become* a deficit economy. The credit given was almost utilized in many cases to relieve distress. It was credit appropriated for consumption, pure and simple. All civilised countries grant subsidies to relieve unemployment. Are these subsidies given as loans, with any view to

recover them from the grantees? The credit given to the agriculturist was more or less in the nature of a subsidy. In this view, it is the government that should properly bear the burden of frozen debt.

We necessarily revert again to the same basic solution. The only way to exercise the overdues is by taking steps to turn the *deficit* economy of agriculture into a *surplus* economy. The committee suggested that the repaying capacity of the ryot should be increased. Every one agrees that it should be. But the problem is how? It is significant that the Government has of late been shifting the emphasis from the agricultural credit societies to avenues like loan and sale societies, milk supply unions, women's societies, thrift societies etc. This shifting of ground is reflected in the Committee's report also. One may conclude that this is a virtual confession that the problem of agricultural credit is one which defies solution and that it cannot be solved so long as the existing economic order continuous. Non-credit work on which the committee laid special stress is commendable. But where is the wherewithall for the people to undertake non-credit work and earn more income? The answer is again the same, namely, "make the deficit economy a surplus economy." Credit and non-credit activities should not be viewed as independent entities. They are originally connected with one another. One acts and reacts on the other. The fundamental remedy lies not in merely starting new and new non-credit societies, not in merely imparting instruction on the moral, ethical, and economic values of co-operation, not in merely dotting the "i's" and crossing the "t's", not in merely shilly shallying with this expedient and that, but in overhauling outright the existing economic machine. This may not be possible to achieve, but until this is done, the deficit economy of agriculture is sure to become more and more deficit, and the co-operative Banks will be dragged more and more into the mire of frozen assets and mounting overdues, and the poverty of the Indian masses will grow in more and more increasing proportions.

There is one other matter in the growth of the co-operative movement in this country which calls for comment. The one essential difference between the growth of co-operative movement in this country and that elsewhere in countries like Britain, Pre-Fascist Italy, and China is, that whereas the Indian movement owes its origin, initiative, and working, to Government control, the movement

in those countries, was born out of the struggle of peasants for bread and of workers for fair wages. What vitality and strength the movement in Britain exhibits is due predominantly to its being a people's movement, worked by the people themselves. It is not contended that there should be a complete liquidation of all Government connection with the movement in India. The Government's contribution should be only that of a guide, philosopher and friend. But unfortunately in India, the Government domination over the movement has been from the beginning rather too pronounced. Co-operation cannot properly flourish, if it is sought to be worked as a Government Department.

In India, the Government holds, as it were, the life-strings of the movement. The loan policies are laid down by them. They have powers to collect arrears due to co-operative societies as "arrears of land Revenue" under the Revenue Recovery Act. In the name of audit, the Government controls the administrative details of societies in even trivial matters. The powers of supercession which they have assumed, always act as the sword of Damocles over the societies. It is needless to say that all this has a demoralising effect. Who can say that this effect is not already there? The growing indifference of the office bearers of many societies which one notices, is an indication. This indifference became more and more acute, as depression deepened. That was due to a stigma which the Government attached to defaulters who were all disfranchised from being office bearers. Since default was widespread, there was a state of suspension and stagnation in the activities of a good number of societies, as a result of the defaulters having had to compulsorily walk out. Societies became moribund. It became evident that the result of too much of Government control was stagnation.

The Problem now is what is the way out of this unsound state? The way lies in lessening Government control, though not eradicating it altogether, and in making the people actively participate in co-operative activity. An organic link has to be created between the peasants and workers who are the real persons requiring relief on the one hand, and the co-operative movement on the other. The Committee on Co-operation has also stressed on the need to find "Raiffessans." Societies on occupation basis should be organised wherever possible and should be invested with real powers to manage their own affairs. Unless this wide strata of peasants and workers are incorporated into the movement and encouraged to work it, all talk of rehabilitation of the movement is a moonshine, and all efforts to resuscitate it are foredoomed to failure.

Opinions in the form of Resolutions on the specific recommendations of the committee are being submitted to the Executive of the Nellore District Co-operative Bank for consideration, and will be forwarded after they are considered.

THE PRIMARY ORGANISATION FOR RURAL ECONOMIC DEVELOPMENT.

(ii) BY MR. K. G. SIVASWAMY IYER, B.A.

The general criticism that is levelled against the recommendations of the Committee on Co-operation is that they do not envisage a plan of organising the business of agriculture and other industries so as to eliminate private agencies in the field, and to give employment to the under-employed and unemployed population of the province. But such a criticism presupposes that the Committee was engaged in carrying out functions similar to those of the All-India Planning Committee, of making a comprehensive scheme of economic development of the Province. The Committee's work was governed by the terms of reference given to it by the Government. The Government communique of 16th November 1938 referred to the need for a committee to examine the possibilities of serving the needs of agriculturists by improvements in the co-operative method. The Committee could have gone into the question of the modifications required in the co-operative method and also drawn a rough out line of the limits of co-operation as against other methods of organisation for promoting economic development. But it rigidly adhered to the view of building up an organisation as the basis of the (strict) principles of co-operation; and consequently proposed to restrict their scheme to such of those who could understand co-operation, who will be 'more select' for their 'honesty and character.' (Paras 158 and 159.)

Beyond the system of indents for certain commodities the proposed multi-purpose co-operative society for villages is not to take the place of the private store or shop. Jewel loans are to be given as an experiment under certain conditions. Promotion of handicrafts of a specialised character are to be included under the objects. Further there should be no hasty expansion and no compulsory membership. Service for the agriculturist through central trade societies by way of supplies and sale and by financing the crop should not be encouraged as the agricultural credit society in the village would be thereby weakened. Consequently the scheme does not envisage for the present the co-operative organisation taking up the functions of private capitalistic agencies in regard to the needs of the agriculturist until the people are ripe for the co-operative

REPORT OF THE COMMITTEE ON CO-OPERATION

method. This view has been criticised as a too narrow one by a few members of the Committee. What the latter have recommended is summarised below. The Committee has proposed the liquidation of all the debts of an agriculturist. Why should a radical measure of adjusting all old debts within a time limit be adopted if the agriculturist freed from debt is again to fall into the hands of money-lenders? The redeemed agriculturist should be prohibited from borrowing outside and alienating his land outside, except to a co-operative organisation of his own which he should be compelled to join. This organisation should supply his requirements, finance his business, sell the produce, and find occupation for his unemployed hours. A trained staff should direct these organisations. The organisation should serve all the economic needs of all the people in the village engaged in varying occupations. Hence separate societies either with different purposes or for different communities should not be encouraged. The co-operative movement should be set on the road towards the complete elimination of private agencies.

The difference between the proposals of the Committee and this scheme is one of degree and not of kind. Both agree on the need for a trained staff and the strengthening of the village agricultural credit society as the economic unit. But while the Committee's proposals take note of existing limitations the other proposal emphasises a full-pledged programme.

There is a third view expressed in his dissenting minute by Mr. T. A. Ramalingam Chettiar. This view fundamentally differs from the other two. According to Mr. Chettiar, complicated business should not be entrusted to a village society. Appointment of a paid staff will weaken the society still further. Supplies and sale are better undertaken by central societies. A larger area for each society will not improve the ability or the character of panchayatdars. In order to pay the staff, more unco-operative loans may be advanced. The introduction of limited liability principle will make it impossible for people without visible property to pledge, to get accommodation for their needs. The large body of tenants, artisans, and members of scheduled classes will not be in a position to get any loans from the society. Central Banks will make searching scrutinies of loan applications, there will be more delay, and transactions will only go down. The co-operative society will become one of a joint-stock type.

This view does not want any reorganisation in the co-operative structure. It takes its stand on slow growth, gradual spread of

co-operative principles, and the growth of a better village leadership in consequence of education and developed citizenship. It has no special doctrine to propagate and no scheme of reorganising the agricultural economy on the co-operative basis as against private agencies.

The second view which has been propounded by Mr. K. Bhashyam in his dissenting minute to the report is to be appreciated for its bold planning. It does modify the co-operative method, but sets the province on the goal of achieving a close-knit economic organisation as an aid to the agriculturist. Those who are intent in saving the agriculturist even at the sacrifice of co-operative principles will agree with this view. Those who pin their faith only in the pure co-operative method whether it suits existing village conditions or not will disagree with it.

All these views have one common basis, that they are founded on a faith in the village co-operative society being trained and equipped as the future organisation for the promotion of the economic interests of the agriculturist, the artisan, and agricultural tenants and labourers. All of them admit that the village co-operative society has failed. The report admits that only 20 per cent. of the total number of societies which were 10,794 in number during the last year belonged to A and B classes. During the year 1938-39, 55 per cent. of the societies worked at a loss of Rs. 20.29 lakhs while the remaining worked at a net profit of Rs. 4.06 lakhs. An examination of loans of 24 central Banks showed that about sixty per cent. of the societies have not borrowed for periods of a year and above. Constancy in average membership at about 50 in each society should not be taken to mean the existence of a same clientele for overdue members leave and new members come in, similar to the floating audiences we are familiar with in public meetings in towns. 66 per cent. of the societies were in default to Central Banks. The arrears of principal and interest due by members have in no way declined after the depression period. Co-operative societies started as lenders to agriculturists and have become jaghirdars of lands in spite of themselves. Many panchayats have been superseded. Many agents for the administration of the societies have been appointed. These indicate, according to the report, a general lack of vitality on the part of many agricultural credit corporations. (page 136). The report itself admits that honest men are not rare in rural areas, but there are "few men of character with ability who could guide the movement on proper lines."

Mr. T. A. Ramalingam Chettiar not only exposes the defects of village leadership but also of those who are directing the movement in top bodies. There is the politician and local Board candidate to whom the movement has a vote-catching value. There are those who exploit the societies for their personal ends. There are those who have 'their eye on jobs.' There is the 'professional co-operator who wants to dominate the field.' At the bottom there are land holders and money lenders who try to transfer their bad debts to their societies. Mr. Chettiar says that—most of the difficulties we have felt in the management of village societies were due to the so-called people of means joining the societies. It is these rich people that generally commit mal practices.

It is to this village leadership guided by another type of leaders in unions and financing banks just now referred to that the Committee has set larger tasks by an enlargement of functions. Many of these functions are already there from the time Sir Frederic Nicholson wrote the following about the scope of work of village societies in his report in 1897.—

"Their ability to act as agents and brokers for their members in the sale of produce and purchase of necessities; their capacity of acting as village granaries, lending grain for maintenance and seed; their ability to act as intermediaries between the state and the individual whether in matters of loans for land improvements, cattle etc."

The Committee itself admits that none of these objects excepting advancing credit to members has been realised in agricultural credit societies. But over and above these objects the Committee has added the function of organising and promoting certain types of cottage industries to these societies. Further the latter are to take an interest "in the conservation of grazing grounds and the planting of trees, encourage the castration of scrub bulls and the control of breeding, experiment in the rotation of crops and the increase of fodder acreage, etc. and so, by paying attention to the biological economic and social needs to their members give them a new hope and a new interest in life."

What is the reorganisation proposed by the Committee to make the village society function for these larger purposes? The hope of getting better leadership by having a larger area for the society is and will be only a hope. Societies of three miles and five miles radius already exist. The village of to-day is a revenue village whose

area has been fixed from the point of view of giving a compact area for village officers to collect land revenue. In dry areas a revenue village extends even to seven miles, because what is collected from one square mile in a wet land area as land revenue has to be collected from five to six times the area in dry tracts. The village of to-day is the unit of land revenue collection.

Neither the character of the society is going to bring better leadership. Neither the restriction of membership to a few will improve a society. For no agriculturist or a worker who does a business will be ordinarily dishonest in his transactions towards his own organisation. The real trouble to-day is the absence of common economic interests among the members which is the first requisite for the proper functioning of any co-operative society. The rent-receiving or the varam-sharing landholder has no interest in the introduction of improved methods of cultivation nor in the provision of supplies till the harvest. If the rent is received in kind, he may be possibly interested in the marketing of the produce.

The lease-holding tenant dares not improve the land by better manure, by tree-planting as he has no security of tenure. Where peasant cultivators having security of tenure cultivate lands, the agricultural credit society may function successfully, because their needs are common. The combination of a retail shop for supplies of all kinds and marketing of produce will be successful in such areas. Subsidiary industries too may be introduced. But even such a society cannot solve the problem of unemployment among the uneconomic holders, artisans and labourers, for which a separate organisation is necessary.

The proposal of the Committee to appoint a paid clerk and a paid secretary in village societies is one to be welcomed. But such a proposal should be made for areas where a popular awakening for economic betterment exists. Such an awakening can be created among small peasants of common needs, and not in a village of absentee landholders, middlemen agents, tenants-at-will and various craftsmen and labourers. Another proposal of the Committee is the appointment of trained village guides. How these fit in the scheme of co-operative societies has not been explained. One should hardly expect youngmen to be mere educators in a village while the society is run by some others in a manner which not only does not arouse their enthusiasm but also makes them pessimistic about the activities of their own leaders in these societies.

I will not therefore wait till village leadership improves. I consider the reason for the failure of the credit movement itself as due to our forgetting that the agriculturist requires not merely credit but supply, sale, and facilities for subsidiary occupations. The private merchant combines all these functions. What we require among the members is a devotion and loyalty to the organisation and that can be built up only on the basis of common needs. The non-agriculturist as well as the rent-receiver should be excluded from membership. Expert service can always be provided by a paid agency. Reorganisation of societies on this basis for the cultivator small-holder owning lands and having security of tenure will certainly create a new organisation for him. I will not admit into this organisation the non-agriculturist classes as the absentee, landlords, artisans and labourers though they may join the supply side where they may buy articles of consumption.

In working out such a scheme I will take first the few good societies, give them a paid secretary, expand their area of work and restrict membership to cultivating agriculturists. I will also expand the multipurpose societies in the areas of peasant proprietors whose common economic interest dominates. Where the reorganised society functions, the member should be compelled to transact his business for credit, supply and sale only through such society. He should not alienate his lands also outside the society.

The reorganisation should be preceded by a popular awakening among the peasants so that they might feel that the organisation is their own.

It should also be noted that even when the scheme is in full operation as outlined by Mr. Bhashyam in his dissenting minute, its success will depend on the personal of young men recruited as secretaries, the training they undergo and the direction and drive they get from the top. For when once warm-blooded genuine workers find that opportunism and adventurism as pictured by Mr. T. A. Ramalingam Chettiar in his dissenting minute are exploiting the movement, they will either degenerate into the same type or will leave the movement or be forced to leave it in course of time. It should always be remembered that no young worker with a burning love for the country would like to slave in a society which is exploited by some others for their personal ends. When once the societies are reorganised in the manner outlined, the need for their direction by the Central Bank will become less and less. The success of

Central Banks is no doubt there in attracting deposits. But the condition of village societies is a sad commentary on the leadership of central banks in directing them.

This is not the occasion to expatiate on the necessity for central banks. Suffice it to say that if the latter are manned by directors who have their eye on votes for legislature and local bodies, or on jobs, or on satisfying personal ends or who want to be perpetually in office as professional co-operators, as is pictured by a responsible co-operator as Mr. T.A. Ramalingam Chettiar, then no self-respecting young man of public spirit would like to serve in the movement. Considering the fact that the nearness of Central Banks to societies has in no way conduced to efficient supervision by honorary directors, and that a paid staff can direct the supervisors from any place, the amalgamation of Central Banks on the lines proposed by Mr. K. Bhashyam will centralise finance, facilitate the provision of an efficient staff, and will in no way hinder supervision as the provision for it will become less with the increase in the number of multi-purpose societies. To conclude, the Committee has been too much obsessed by the voluntary character of co-operation and have consequently made halting recommendations for modifying it as suited to Indian conditions. Voluntary character cannot be achieved either by slowness in organisation or by a restriction in the scope of functions. It will be achieved if those who join a society have identical economic interests. Then we can appeal to them to understand the value of co-operation and we may create in them a sustained enthusiasm for the society. Internal vitality again can be built up only on this basis. What the members lack by way of knowledge may be made up by the provision of a paid agency provided there is a common platform of needs to be satisfied and a consequent cohesion among them. When once this fundamental principle is granted, modification of the co-operative structure providing for a paid secretary, prohibition of outside dealings in cash or commodity by compulsion, and prohibition of alienation of land to outsiders, will be necessary if our object is to create an agricultural organisation on the basis of the co-operative method for the benefit of the agriculturists.

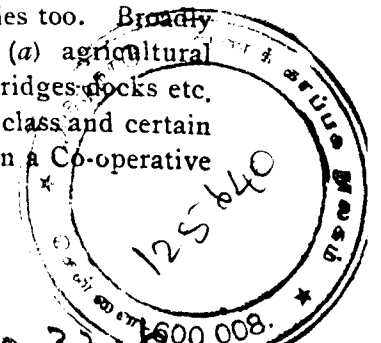
We have next to examine about the nature of the agency proposed for the promotion of the economic interests of the classes of workers other than agriculturists having some security of tenure in land. These are agricultural labourers, industrial workers, village artisans, transport and manual workers undertaking labour works, etc.

It is unfortunate that, even though according to the terms of reference the committee could have gone into the question of production societies, it should have strayed away from it and given only little attention to the question. 'Subsidiary occupations' and 'cottage industries' are used in the report as synonymous terms. A cottage industry may be either a subsidiary one or a primary one. The former is an off-time occupation and need not give a living wage. The latter is a whole-time occupation which ought to be able to maintain the producer and his family according to the existing standard of life prevailing in his community.

As regards subsidiary industries, they should be those allied to agriculture. There has been no examination of the question of the number of days and hours when an agriculturist is free to take to them. The industries must have some bearing on agriculture such as live-stock breeding, coir-making, collection of manure and so on. The Committee itself admits on this question that "a technical investigation is necessary and that has not been possible for us to undertake. We have dealt only with the general position of subsidiary or cottage industries." If the Committee had a desire to address itself to this problem, it might be said that was not difficult at all for them to discuss the economics of subsidiary industries and what should be taken up as side-shows of an agriculturist in the different economic regions of the province.

Again the Committee has dealt with the problem of primary industries in a perfunctory manner excepting that of weavers. Even here a cross cut has been made by proposing an economic organisation on the basis of a community (scheduled classes). Agricultural tenants and labourers belong to various communities. Further scheduled classes are not merely agricultural labourers. Many of them are weavers, and traders.

The report admits that Central Banks do not want to finance scheduled class societies. If so, how can they be relied on to finance societies with same or similar purposes in the case of other classes. There is as much risk in financing artisan societies too. Broadly speaking, the working classes may be divided into (a) agricultural workers, (b) artisans, (c) manual workers on roads, bridges, docks etc. and (d) industrial workers in urban areas. The last class and certain categories of artisans may be capable enough to run a Co-operative organisation of their own.



The Committee has admitted the failure of co-operatives of scheduled classes. It is very difficult to find the human resources in this class to run a society. As recommended by the Committee, Government did finance this class of societies and had them supervised by labour officers, but yet no advance has been made in promoting their economic interests. Even though certain classes of artisans, and industrial workers in urban areas might be organised into co-operative societies, the organisation should be entirely different in the case of agricultural labourers, road workers and other manual workers. Preferably a central worker's corporation and branches will better serve the purpose. The State might take a certain number of shares, and nominate a certain number of directors. Those interested in the welfare of these people might also take shares. There may be advisory committees of workers attached to the branches. Good trade unions might be assisted to undertake these activities. A scheme of life-workers might be promoted who might be helped to be in charge of these branches. Missionary organisations might be requested to undertake this work. In fact even the scheme of multi-purpose societies might be worked by life workers of a missionary type where it is not possible to find capable Panchayatdars and a vigilant general body.

It is rather surprising that the Committee has never thought of the existence of millions of these workers, agricultural and non-agricultural except as scheduled classes, weavers and women. Possibly they are satisfied that the leadership of the better middle class in village societies will serve the needs of these classes. Even granting that they are willing to help all the classes in the villages, they should find the time and have the knowledge to tackle all the problems. After all, co-operation can succeed only where the economic interests are identical, and we cannot and ought not to put forth a scheme in the pious hope that philanthropy and altruism will supply the correctives where interests are not only not common but even conflicting.

Recent Utterances.

LECTURE DELIVERED

BY SRI T.A. RAMALINGAM CHETTIAR,

at the Central Co-operative Institute, on 18-11-'40.

Friends,

I am really very glad to come here to-day and meet you all who are not merely youngsters who are to learn co-operation but who are actually workers in the field. You are, most of you, persons who are actually working institutions and managing them. It is a very good arrangement indeed that in addition to the practical experience, you are equipped with the theoretical knowledge as well as a sort of idealistic background that is necessary as we proceed in our movement.

It has been complained that the co-operative movement has not taken root in our country and we are not doing as much as we can possibly do. There is also another school which thinks that the co-operative movement has failed altogether in our country; and the best we can do is to wind up our business. Well, so far as these people are concerned, I can only tell them that so far as our Province is concerned, we can certainly say that the movement has not failed. We are working a very large number of credit institutions with credit to ourselves. Our Provincial Bank and the District Banks have been working very creditably and the system of the Central credit is a special achievement of our province and that is a special contribution to the movement in India and probably outside as well, because in the outside countries credit is secured by each institution separately and is not supplied from a central institution as it is done here. If in the co-operative movement we are saying that we have not done as much as is necessary it is not with the feeling that we have failed and that we have not done anything in the movement in the Province. That is a thing to be understood. Unfortunately circumstances in other Provinces have not been the same and for the examination of the movement several Governments have had to appoint committees. It is on account of that the fact that we have also appointed a committee has raised doubts in the minds of the people that things are probably as bad in this province as elsewhere. If, in this province, a committee was appointed for the purpose of examining the movement it was with a view to make it more useful to people and not for the purpose of finding out the reasons for the failure of what we have been doing—because, I can claim that we have not failed.

You might probably remember that a few years back the question was often raised whether the co-operative institutions in this province were not bankrupt and the money that was invested in the movement is not lost. Then, many of us in the movement, boldly came out and asserted that there was no fear for the finances invested in the movement and that the movement is not

bankrupt in the province and all the funds that are invested are absolutely safe. I can now claim that after five years since we made that statement, there is nobody in the province who can say that the movement itself is bankrupt and the money invested in it is not all right.

Well, then, if it is asked why was a committee appointed and what was its object, I can say that the idea is that we are not satisfied with the little that we were doing. We want to extend the scope of the movement; we want to make the movement do as much as it possibly can especially in the present chaotic condition of the world. Before the war, you might remember, the question of the capitalistic movement and how far and how much it can serve the interests of the people, was a question which was being examined everywhere. People thought that capitalistic finance and capitalistic business were not altogether satisfactory and the only alternative they could find was state socialism or communism. There is nothing between. So, the question arose whether there is any method by which you can avoid the regimentation that is necessarily involved in State socialism and Communism on the one side and high capitalism which we have been used to on the other. Those who were working in the Co-operative movement felt that here is a remedy which will solve the difficulties of the situation and which will just serve the purpose which neither capitalism nor Communism can serve. Here is a case where people can voluntarily join together. They can be free agents of their time and their finance; they can contribute jointly for the purpose of increasing the production of the country. This served the purpose both of capitalism and that of socialism. Capitalism was served by the joint credit and the joint effort that was possible and the question of socialism was served by people voluntarily coming together, having freedom to do whatever they liked and at the same time working in an organisation in which all those who were prepared to join joined to have the benefit of joint effort, joint labour and all other endeavours. So, people thought and especially Co-operators put forward the idea that Co-operation is the method and the only method which can save the world from the evils and difficulties of capitalism on the one side and the socialism on the other. How can Co-operation serve the purpose? It is for the purpose of making the co-operative movement serve the bigger purpose of organising the whole country on the basis of co-operation, on the basis of making co-operation a method of production, exchange and distribution, it is for that purpose that people began to think how best they can prepare the ground, how best they can organise the institutions and work those institutions. That was really the problem that was before us and many of us thought that this question would require proper examination by a committee which can suggest actually the way in which things can be done. It was no question of theory because, so far as theory was concerned, we were convinced there was nothing to talk about and so far as ideology was concerned, that was a foregone thing. What was necessary

was the practical arrangements by which we can adjust our organisation as well as make provision for finance and other matters, by which this movement of co-operation can serve the people and contribute to the only proper solution of the difficulties we are feeling in the country. That was the idea. Some of us thought we will be able to tackle in the Committee like the one that was proposed these and other matters. You know that the committee has submitted its report. As a member of the Committee I may say that it did really deal with a very large number of questions though not all. The proposals are there before the Government and we expect the Government to be in a position to pass orders very soon. But whatever orders are passed, what is important is the men who are going to work those things. We can frame good constitutions on paper—Very good constitutions. They are not worth anything if they cannot be translated into action. Merely laying down principles is no good at all. If everything is going to be done, a very large number of people with proper idealism and people who can spare time and energy and make this movement their life-work are required. I am one of those who believe that voluntary service is not always a safe thing. It is a dangerous thing both for the person and for the institution. The honorary men may act in an irresponsible manner, sometimes. We have to see, that if things are to be done properly, somebody has to look to that. We have to vest that power in the Department. We cannot help it. I am aware of the fact that the co-operative movement has developed in this country with voluntary work and with the help of people who had the right spirit in them. That was at a time when the call upon the time of the workers was not very heavy and we had only few institutions and those with small transactions. There were a few people in the Districts who could afford to spare the time. When you have got bigger institutions and a very large number of institutions to depend on, voluntary agency, I think, is wrong. For one thing, you cannot get the number of people you want and for another, work would not be done satisfactorily. So, I have been pressing everywhere that we ought to have a large number of paid men. Not only that; we want men who are properly trained for the work. If the movement has not done much in the Province it is mainly due to the fact that we have not got the men who have got the business training and business knowledge. It is very often thought that anybody is good enough to take charge of an institution; but it is not so. Most of the disasters have come from the fact that the inexperienced and incompetent men have been put in charge of institutions. So, training is absolutely necessary, training of a very comprehensive character so that those who are trained are in a position to run an institution and do whatever is necessary. I have been suggesting for a long time that we ought to have a properly equipped college for persons who will manage institutions. The course may take at least two years and the students ought to be given very wide education for the purpose of meeting the requirements of the institutions. Well, we may know in the old days the training was started in a haphazard manner by the banks themselves. I remember the days when we had our

classes in Satyamangalam where for about 6 weeks candidates were trained whom we selected for training as supervisors. We went on in that way for some time. Subsequently, we extended the period to four or five months. First we managed to show ourselves. After that, the Government came in and said they would conduct the training for supervisors for 4 or 5 months. The Institutes and the Provincial Co-operative Union took it up then. Now, it is absolutely necessary that we ought to make satisfactory arrangements. There should be two classes, one for a period of two years which will be properly equipped and a lower class which will give training and education for four or five months just as the institutes do at the present moment. Those given the shorter course will serve as clerks or low grade supervisors and things like that. In that way, we can meet the present situation. The question is also raised, who should be in charge of these institutions. It is a matter which will have to be considered, no doubt, from all its aspects. There ought to be a proper co-operation of both official and non-official groups in a matter like that. I believe, in the Punjab, they have got a sort of combined arrangements where the Registrar is the President of the Provincial Co-operative Union and the Secretary is also a person who was in service and whose services had been lent to the institution. But the other members are all non-officials. We need not copy them; but the idea is there. I ought to say at this stage that in a movement like co-operation, there is no such thing as official and non-official, because, the official has not got any ideals or objects different from the non-officials. The non-officials are there to start the institutions, and to work them and the officials are also there only for that purpose. They won't be worth anything if they simply carry on their official work apart from the starting of institutions and supervising and helping the institutions. I think you people who are coming from the mofussil know very well what the Deputy Registrars and others are doing. No doubt there is a little bit of confusion. The same officer is in charge of audit as well as other work. It is because audit is a branch of the work that has to be done to see that the societies are properly working. It has got an air of 'magisteriality' about it, if I may say so. So people think that the work of the Deputy Registrars and the Department is to find out faults. It is not the proper attitude. Most of the work they are doing is work in which there is absolutely no difference between the official and non-official and they cannot look for any success unless the official and non-official co-operators work together. Such being the case, I do not see any reason why there should be any difference. Both the officials and non-officials can be said to be successful only if the institution they work in is successful and things are done properly and arranged properly.

So, I don't understand why this feeling of officials vs. non-officials should exist in this department. I can say the same thing of the Agricultural Department. In this department, the object of officials and non-officials is the advance of the people whom they seek to serve and the

advance of their business. Why should anybody think that the official is there to do any harm and the non-official is there to suffer all harm? This sort of mentality I don't understand. So long as that exists, there is very little chance of our movement making any success. And the officials also should not think they are exercising magisterial powers. Deputy Registrars are not in a position to feel like that. On the other hand, they are begging people; they are trying to settle things, to fix up matters and I think the 'magisterial' attitude is the last thing that they can adopt in the Districts. It seems to me that it is necessary that we ought to adjust ourselves to the real state of affairs and forget this idea of antagonism between the officials and non-officials. If that is done, then, it is easy to work the rest. Whenever we get good men we ought to be able to employ them. There have been some complaints that some banks have had to employ officials and in those cases it has been said that the poor Registrar is the person responsible for the employment of officials in banks, and that he is forcing officials on banks. I have no doubt that it is far from true. If I may tell you a secret, 3 separate gentlemen came to me and asked me to intervene with the Registrar to get the services of an official to their banks. You know Trichinopoly, the second biggest bank in the Province wants its Secretary to be an official and the Registrar won't give one. Both the ex-President and the present President came to me and said that I should somehow coax the Registrar to lend the services of an officer to their bank. The Kumbakonam bank is another in which they want an official. There again is this difficulty; the Registrar says he won't give an official, and only a few weeks back, the Tinnevely bank applied for an official Secretary and only temporarily they have secured the services of an official as Secretary. Unfortunately, we have not got trained men who can take secretaryships of big banks dealing in 30 or 40 or 50 lakhs. Some of you are already managing institutions and you must be able in course of time to be in charge of banks like that when competent men have to be found. In the Department you have reliable men, trained men. And if the bank thinks that they want trained men and they have none in their midst they ought to be very glad to have them from the Department. They realise the value of the help they are getting. So, it seems to me that this attitude of antagonism ought to go. As we proceed, it will not be possible for single institutions to get men trained properly. You take special fields, like marketing and things like that and no society can train men individually. When you want trained men for technical purposes, for dealing with big affairs you want a class of people specially trained. The question is who is going to train this class of people. Again I may tell you and this is no secret that in the Tamil Districts they are making a definite proposal, whatever our Andhra friends may say in the Telugu districts, to get a number of trained men for marketing and for working as secretaries of banks in a Government cadre and notice has already been given to me orally that this will be moved at a meeting and I have been

asked to call for a meeting of the T. N. Federation during Christmas. So you see what the feeling is.

To say there should be a sort of division between the official and the non-official is a very narrow and short-sighted policy. There is absolutely no reason why we should be thinking of officials and non-officials. Nobody should force anybody on any institution but you choose the best man for the work and for the pay you are prepared to give. When people are in demand we have to get a number of men specially trained and the time is come for this duty of training men has to be tackled. I believe neither the Provincial Bank nor the Provincial Union can undertake this job by itself. It is only Government that can afford to give adequate training and keep this men in Provincial cadre.

Then, as regards the managements of these training institutions, I thought we had come to a sort of arrangement. With reference to the financial portion of it, whether the Government is to bear the whole or a portion of the cost or whether the management may be the joint concern of both the Department and the Provincial Union; these were discussed often and definite proposals were made. I believe the last resolution of the Board of the Provincial Co-operative Union was also in favour of Co-operation between officials and non-officials. If I remember aright, the then Registrar (Mr. Austin) was present and personally agreed though he said definitely that he will have to examine the proposals later. It was a matter which was agreed to by both officials and non-officials and the matter is pending with the Government. Orders have not been passed by the Government pending the receipt of the report of the Committee. Now that the Committee's report has been received I think Government will be in a position to pass orders very soon. Well, in the meanwhile, districts are clamouring that they have not got trained men for services. Coimbatore and adjacent Districts were complaining that they have no trained men for supervisors or as employees in institutions. So as a special case the Provincial Union said that they would work the old scheme under which peripatetic classes were held for a year. Coimbatore and Raiahmundry had the classes last year and this time the other Districts began to clamour. There was no class in Tanjore for the last five years. There were not trained men available to be employed in the institutions. So, the Provincial Union decided that this time, a school may be opened at Tanjore and another at Anantapur. By this time there was a proposal that the constitution of the Provincial Union itself should be modified leaving most of the work to the language federations. And it was thought that the running of these institutes might be given to the language federations. So, when the Registrar wrote to the Provincial Union asking them whether they will run the institutions themselves this year also just as last year the Provincial Union, without saying that they will consider the question later on, said we won't have anything to do with the matter; 'the subject was dropped'. Unfortunate, no doubt it was, it was

worded like that. But it was also unfortunate that the Registrar had no option except to make arrangements himself for the conduct of the classes. Apparently he addressed the Government with their sanction, he started the schools. Well, in the Union until this announcement came, we were not aware that the Government were going to start the schools without us. I mean we did know that Tanjore and Anantapur had been chosen, but we were not aware that the Registrar was starting the classes and doing the duties the Provincial Co-operative Union was doing. We ought to have addressed him as soon as the proposal for changing the constitution of the Union was dropped—we should have told him that we were prepared to run the classes ourselves. Somehow, we failed to do it. The result was that the Registrar started the institutes. Well, we have been running these institutions for a pretty long time and naturally when the conduct of these institutions were taken away we were a bit chagrined. I thought things could have been managed smoothly by telling the Registrar now that we are prepared to run these institutes as usual. But unfortunately in the heat of the moment we sometimes lose ourselves. This incident was trotted out as one of the things done by the Registrar for the purpose of grasping power; and I for one can't see exactly where this comes in. The syllabus was what was drawn by us when the institutes were worked by us. These peripatetic classes were run not by the Government agency but by the institutes formed in the area itself by the district banks concerned with one or two co-operated members. That agency continues; the syllabus is not taken away. All that remains is the examinations. The admission of boys is done in the usual way. The same procedure was followed as in former years. The only change is that the instructors are to be appointed hereafter by the Registrar. And the examinations are still to be held. No doubt, if the Provincial Union does not come forward, the Registrar has to make some arrangements for conducting the examinations. After all, there is not very much lost. And there was not much room for the charge that the Registrar has been grasping power, that he has been trying to officialise the institutes. So, I thought that the proper solution of the matter would be for the Provincial Union to say. 'We will carry on from the stage which it has reached.' But that did not commend itself to the majority of the committee of the Union. We are, more or less, in a sort of impasse. But I hope that it will be possible to come to an arrangement by which the Union and the Registrar could co-operate in holding the examinations. I am only sorry that this sort of incident should arise just now and it should be thought that the Provincial Union as such and the officialdom as represented by the Registrar are at loggerheads in this matter. The Registrar had taken the initiative only after the Provincial Co-operative Union refused to proceed with the matter. I only wanted to clear the ground as I was speaking on the matter of education. Education will have to be under the joint control of officials and non-officials. We can make all the arrangements that are necessary. It is a

THE MADRAS JOURNAL OF CO-OPERATION

good thing that the University has recently resolved to institute a diploma course in co-operation. It is due to the efforts of our friend Mr. K. S. Ramaswamy Sastriar, Mr. Bashyam and others. Well, if we are able to adjust our syllabus to the diploma course, we can prepare our boys in our institutes for diplomas and prescribe the obtaining of the diploma as a qualification for employment both officially and non-officially. As for the college, we ought to make it as all embracing as possible. The training should be partly theoretical and partly practical so that those who are trained there may be utilised immediately for service. If that is done we would have gained a lot for the purpose of 're-orienting' or re-organising our movement in the Province. It is a very necessary and important arrangement we have to make.

The new orientation that we are giving to the movement should be such as to take the place of capitalism on the one side and socialism or communism on the other, so that all the workers in the movement and all those who have joined it may have a proper standard of life. After all that is the object of every movement - to raise the standard of life of the people and get a proper income to the people. It is for that purpose we have got to organise our movement. So, to you, gentlemen, who have come from the mofussil and who are really in charge of the institutions, I will say that you should keep that ideal before you and should try to extend and develop your institution in such a way that you are able to serve the largest number of people and that you are equal to the larger demand that is going to be made on you.

THE MADRAS AGRICULTURAL JOURNAL.

An English monthly, which helps to develop your land, your stock, your purse and your country. Rs. 4/- per annum.

Apply :—

MANAGER,

The Madras Agricultural Journal,

Agricultural College & Research Institute,

Lawley Road P. O. Coimbatore.

RECENT UTTERANCES

(i) BHIMAVARAM TALUK CO-OPERATIVE CONFERENCE.

Held on 9-11-40.

(a) WELCOME ADDRESS.

BY SRI M. LAKSHMINARASIMHARAJU.

Chairman of the Reception Committee.

Brother Co-operators,

I extend my hearty welcome to Sri B. Venkataratnam Chowdary who inspite of various engagements agreed to preside over the Conference, S.A. Venkataraman Esq., I C.S., Registrar of Co-operative Societies, for attending to open the Conference and Sri K. Narasimhamurthy who consented to hoist the flag.

I regret the untimely demise of Sri V. Venkatasubbiah who served the nation in general and co-operative movement in particular. It is a loss to the movement in the Province. I wish his soul may rest in peace.

The world is now passing through a crisis and the fellow co-operators in Holland, Denmark and Belgium are deprived of their freedom.

I suggest that the village societies should not depend upon Central Banks for finance. Education should spread more in villages, the societies must be rehabilitated and cottage industries started in villages. There must be non-credit societies, such as marketing societies and cash credit be given on continued guaranteed bonds. Irrigation facilities must be made through co-operative societies and Banks must give loans to the lease holders of lands. Professional industries must be financed by Central Banks and the Home-safe deposits opened in villages.

I want to say that the abolition of supervising unions is a ruinous step for the movement and if at all there are any defects they can be rectified. There are unlimited societies, cloth stores, handloom weavers' societies, crop loan and sale societies, land mortgage Bank and urban bank with multi-purpose activities functioning in this taluk on co-operative basis.

There are some differences of opinion between the Central Bank and societies. The supervisors who are working satisfactorily are transferred without the notice of Unions. The Societies are in charge of the Assistant Registrar, Ellore where as the financing Bank, (Masulipatam Bank) is under the supervision of the Deputy Registrar of C.S. Bezwada. So I have to say that there is no proper understanding between the co-operators of the two districts. We feel it a necessity that there should be a separate Central Bank for this taluk. I do not know what justification the Committee had in leaving the question of Unions to the mercy of Central Banks without arriving at a decision. It is not justifiable that the other co-operative banks

are deprived of individual share holders when the Central Land Mortgage Bank is permitted to have them.

I now request Sri B. Venkataratnam to preside over the function and the Registrar to open the Conference.

(b) PRESIDENTIAL ADDRESS.

BY SRI B. VENKATARATNAM.

At Bhimavaram Taluk Co-operative Conference held on 9-11-40.

Brothers and Sisters of Co-operation,

I am thankful for the great honour you have conferred on me. The world is now in a great war of aggression. The main cause for this war is international competition. As there is no co-operation in society, caste, profession or in politics, competition usurped its place. I think there is no salvation unless co-operation resumes its place.

Even now, the real culture and civilisation of our country remain in villages. We the members present are all dependent upon agriculture. But now it has become a deficit economy. There are reasons more than one for this. But neither have I time nor space to deal with all of them in detail. Unlike our predecessors we have to handle currency. There is no use of having rupees in pockets when we cannot prepare our food from it. Therefore currency in excess of necessities of life, should not be in circulation. We have to see how far the Co-operative movement is helping the ideal that men and women must be self-sufficient. We are creating credit. Similar facilities are offered by other financing institutions but with a different principle. We should not be content with creating credit. But we have to see how far it is properly utilised. The co-operative movement should try to make the co-operators frugal and make them invest their surplus funds in co-operative institutions. We should see that the agriculturists get reasonable prices for the commodities they produce and should create other sources of income for them.

The Committee on Co-operation made nearly 300 recommendations to meet all the demands. But the Government have not published their views yet.

You know that Mr. T. Prakasam was trying to make the villages self sufficient, to solve the unemployment and to get rid of the poverty of the ryot. The movement must support him.

(ii) THE WEST GODAVARI DISTRICT CO-OPERATIVE CONFERENCE.

Held at Ellore on 10th November 1940.

(a) WELCOME ADDRESS

BY RAO BAHADUR M. GANGARAJU GARU.

Chairman of the Reception Committee.

Brother Co-operators & Gentlemen,

I extend on behalf of the District Central Bank and the Reception Committee a most hearty welcome to you, the representatives of the various institutions who have come here for the welfare of the people. My grateful thanks to Janab Mir Md. Bajah Ali Saheb Bahadur for hoisting the Co-operative flag, and the Hon'ble Mr V. Ramadas Pantulu who will open the Conference and Dr. P. Gurumurti who will deliver the Presidential Address. My namaskarams to the Registrar also who cancelled his programme for attending the conference.

I am glad to inform you that the Co-operative Movement has been of help for the development of cottage industries to a certain extent in this district. Various industrial societies have been established on co-operative basis in the district. The articles that are produced in those societies are sent to the Industrial Museum. There are 441 societies functioning. Due to unfavourable conditions there is much over due. The Bank officers visit all the societies to settle the matters by consolidation and rectification schemes. I am glad to say that the overdue last year is less than the year before. Rural reconstruction is necessary for the welfare of the nation. In this connection I am glad to say that in the area of this Bank intensive work is being done at Jogannapalem.

As the Registrar has pointed out recently, there must be controlled credit, forecast, kist loans in societies.

It seems necessary that the Insolvency Act, Limitation Act, should not apply to co-operative societies and the Registration and encumbrance fees should be lessened.

I am able to say that not only credit but non-credit side of the movement in the district is working satisfactorily.

Now a days there is difference of opinion with regard to limited and unlimited liability. I feel that rich people may not be inconvenienced, but poor people cannot invest much in shares. It is better to decide it according to the wish of the members.

Many co-operators are of opinion that there must be one Multi-purpose Society started at every important centre. I agree with that view. In this connection I must thank Mr. N. Satyanarayana who is a fellow co-operator

and a friend of mine and who is helping the poor at Alamuru by adopting Home-safe deposits and starting multi-purpose societies.

Under the auspices of this Bank propaganda is being carried on every year following the scheme of the Madras Provincial Co-operative Union, by means of magic lanterns. The Government have lent the services of a senior inspector this year to train up the employees of the Bank. I would like to suggest that propaganda be made by means of small stories and poems written by poets and these should be taught to boys and girls at school. There must be labour societies started everywhere and the contract works of Local Boards must be given only to those societies. There must be a co-operative alliance in our Province as in Bengal.

I am thankful to the directors of the Bank as well as to the various persons who are trying to make the movement a success in the district.

(b) PRESIDENTIAL ADDRESS.

BY DR. P. GURUMURTI.

Brothers,

I am deeply sensible of the honour you have done in inviting me to preside over this occasion. You had also given me such an opportunity in 1930. Due to reasons more than one, I am deeply interested in the Co-operative movement in this district.

The Co-operative Societies Act was passed in the year 1904. But the attention of the Government did not turn upon Andhra Desa till 1918. This is due to want of a separate Province. Until we achieve it nothing can be a success. All these 22 years have been spent in creating credit to the ryot but not in ameliorating his condition in anyway. The movement is not in the hands of the leaders of people but was made a branch of administration under the rules of Government. So the seed of the movement could not be sown into the hearts of the people. I am thankful to the co-operators of the movement who are striving their best inspite of obstacles.

You are also working the Non-credit side of the movement in various lines. Your attempts of improving cottage industries on co-operative basis is praise worthy. I advise you to take up rehabilitation scheme immediately for the sound working of the Bank. In this connection I must tell you that you must be very careful from the beginning when settling claims between the Bank and primary societies.

I request the co-operators of the district to sink their differences and work harmoniously for the welfare of the movement. It seems that there are some differences of opinion between the non-official co-operators and officials that they are encroaching upon each other's province. Let no body grudge the other his field of work and spot the growth of the movement.

Our country is purely agricultural. Due to uncertainty of rains the yield is also uncertain. Like other countries improved methods of

agriculture are not known to the ryots. In Russia cultivation is being done on co-operative basis. It is more economic and remunerative. Nearly $\frac{1}{3}$ of land in our province remains uncultivated. The Government must take steps and see that we do not import rice. The yield per acre in India when compared with other countries is very low. So we must find out sources for increased income. It is a very bad practice that so many of us lease out their lands and sit idle. Rotation of crops is necessary. Our population is still growing more and the income is becoming less. Live stock is necessary for agriculture. Now-a-days there is no space for grazing cattle and no money even to buy a cup of milk. Man has no food. The land has no proper manure. The crushed hay is the proper manure but it is not well utilised. There is no grass for cattle. If they are well fed up we can have better milk, cream, butter etc. Denmark leads first in this respect. We can start co-operative societies and get better prices.

We must grow commercial crops also. It is only recently that we found the use of groundnut and other oil seeds. We must see that the oil is prepared in our own country so that the by-products may be well utilised for some other industrial products.

All factories are in the hands of capitalists. They buy all the raw materials and labour and export the products to other parts of the world. If there is a rival there is competition. It eventually leads on to war. The poor man is crushed between them. So it is necessary that cottage industries should be developed and we should see that all our brothers buy the swadeshi products. Then only there will be food for the worker.

If societies can have an estimate of loans required in a particular year and get them sanctioned they can withdraw the amount as and when they require. Then there will be no delay. Let me remind you that there must be 'morality' in each and every transaction. The Supervising Unions are at the mercy of the Central Banks. The Committee itself did not make any definite recommendation on the matter. Supervision is, however, necessary.

The Committee on Co-operation has now published its report. After a keen perusal of the report it seems to me that the money, time spent over this is a waste. All these could have been done had they appointed a few experienced people. All these suggestions were made by the Hon. Mr. V. Ramadas Pantulu and others long ago. There are no new suggestions.

Brief Report of the Madras Provincial Co-op. Bk., Ltd.

During the year 1939—1940.

The progress of the Bank continued to be satisfactory. There was no change in membership, number of individuals and Central Banks remaining at 184 and 32, respectively, as in the last two years. There was however an increase of Rs. 10,000, in the paid up share capital. The transactions during the last five years are exhibited below :—

Particulars.	1935-36.	1936-37.	1937-38.	1938-39.	1939-40.
	Rs. Lakhs.	Rs. Lakhs.	Rs. Lakhs.	Rs. Lakhs.	Rs. Lakhs.
Paid up share Capital ...	6.59	6.64	6.56	6.56	6.66
Reserve Fund ...	15.25	16.00	16.50	17.50	18.25
Deposits and other borrowing ...	168.23	170.18	173.17	202.16	228.56
Working Capital ...	200.35	201.26	208.25	239.13	270.14
Loans ...	35.11	42.33	69.89	103.48	132.54
Investments in Government Securities ...	144.20	142.30	126.47	125.92	125.63
Net profit ...	2.02	1.98	2.93	2.36	2.38

The deposits held by individuals rose from Rs. 63.85 lakhs to Rs. 78.29 lakhs, as also the deposits held by Central Banks and societies from Rs. 60.03 lakhs to Rs. 65.35 lakhs. The deposits of Local Bodies and other institutions rose from Rs. 54.64 lakhs to Rs. 63.53 lakhs.

On the whole the total borrowings rose from Rs. 202.16 to Rs. 228.56 lakhs. The Bank continued to have the overdraft accommodation of Rs. 37 lakhs with the Imperial Bank of India. As their advance rate was raised to 3½ per cent. early in January of the year, the Bank had recourse to loans from the Reserve Bank at 3 per cent. to the extent of Rs. 19,00,000, out of which Rs. 8,00,000, was outstanding on the 30th June. Consequent on the increased demand for produce loans, the Bank went in for season deposits which had a good response.

The Bank issued fresh loans to Central Banks to the extent of Rs. 99.82 lakhs during the year, as against Rs. 64.88 lakhs during the year 1938-39. The increase was accounted for mainly by increased advances on produce, the amount lent for the purpose alone being Rs. 62.35 lakhs. Loans outstanding at the end of the year against Central Banks amounted to Rs. 83.99 lakhs, as under :—

Long term	...	Rs. 16.83 lakhs
Short term	...	Rs. 19.18 "
Produce loans	...	Rs. 47.98 "
Total	...	Rs. 83.99 "

BRIEF REPORT OF THE MADRAS PROVINCIAL CO-OP. BANK, LTD.

The Bank continued to finance the Vuyyuru Co-operative Agricultural, Industrial and Credit Society, Ltd., and loans to the extent of Rs. 12.43 lakhs were issued for working expenses and as advances against the Factory's production of sugar. The former was completely recovered and on the latter a sum of Rs. 8.54 lakhs was outstanding at the end of the year. The Bank continued to finance the Madras Official's Automobile Co-operative Society, Ltd., during the year and granted loans to the extent of Rs. 0.90 lakhs. The total advances to all societies during the year amounted to Rs. 14.13 lakhs, and a sum of Rs. 11.59 lakhs was recovered. The outstanding amount under this head on the 30th June, 1940 was Rs. 17.77 lakhs which included Rs. 16.86 lakhs from the Vuyyuru Society.

The Bank earned a net profit of Rs. 2.38 lakhs as against Rs. 2.36 lakhs in the previous year. The lending rate of the Provincial Bank to Central Banks was maintained at 3½ per cent. throughout the year and the increased turnover should have shown an improvement in the profits but for the fact that the amendments to Income-tax Act which came into operation on the 1st April, 1939 resulted in an additional levy of about Rs. 72,000, in the year. It has to be acknowledged here that the Government of India having been impressed with the persistent representations of the Madras Provincial Co-operative Bank and the All-India Provincial Co-operative Banks' Association specially in the matter of an inequitable levy of supertax has in the Finance Act 1940 given the relief sought for. It is hoped that the provision for the flat rate of supertax made applicable to Co-operative Banks as was hitherto applied to Joint Stock Banks would be continued for the next and succeeding years also. It is a matter for gratification that the strong position of the Provincial Bank in the matter of reserves has withstood the steep decline in the prices of Government Securities due to the unsettled market conditions brought on by the war.

The Bank continued to work the scheme of subsidising the development of Loan and Sale Societies during the year. The Loan and Sale Societies, which have very little resources by way of owned capital and very low margin of profit, are unable to meet the essential expenses of management, unless the turnover is sufficiently large and the societies themselves develop simultaneously the marketing side of their business. The Bank has given to the Salem Bank a special grant of Rs. 600, for being devoted to marketing societies. The Sale Societies in other districts also will have to concentrate on marketing and the establishment of commission shops alongside of their advances on produce. The scheme of the Provincial Bank for the year 1940-41 would be directed towards the attainment of that objective also. Certain Central Banks found as a result of examination of individual loans in societies that considerable dead load of bad debts had to be written down and fresh life infused into the working of such societies. As some of them suffered from want of resources for the purpose, special grants by way of subventions were also made to four banks in the second half of the year. During the year a sum of Rs. 20,425, was granted as subsidies for the development of Loan and Sale Societies and a further sum of Rs. 1,675, as subvention for rectification work.

Working of the Co-operative Societies.

The Mudis Co-operative Stores, Ltd., (No. K. 806).

1. *Locality and Origin.*—The Mudis Co-operative Stores is situated in the Mudis village in the Anamallai Hills, Coimbatore District. Mudis is the centre for the several estates around it owned by the Bombay Burmah Trading Corporation, Limited.

The Stores was registered on 30-4-39 and started work on the same day. The year 1939-40 is the second year of its working.

2. *Jurisdiction.*—The area of operation of the Stores extends over the Mudis Town and the five Mudis Estates attached to the Mudis Group, Anamallai Hills.

3. *Membership and Share Capital.*—Any member of the staff of the Mudis Group who has put in atleast one year's continuous service with the Bombay Burmah Trading Corporation, Limited is eligible for membership. Arrangements are being made to admit the Maistries of the estates also as members. On 1-7-39 there were 61 members on the rolls with a total paid up share capital of Rs. 2,310. 23 members were admitted during the year and 3 withdrew (2 because of jurisdictional disqualification and 1 by transfer) leaving a balance of 81 members at the end of the year with a total paid up share capital of Rs. 4,040.

4. *Business and Trade.*—Though the period under review is the second year of the Stores working all official records, in practice this is the first year of its deliberations and the Directors and the shareholders are proud of the heavy business it has successfully transacted during its maiden period.

(a) The Stores deal in all kinds of provisions, various shop goods, soaps, shoes, sandals, wollen and cotton clothings of several varieties, umbrellas, mattresses, sports goods, tinned provisions, and confectionery of varied sorts. Besides these we supply on definite standing orders, to certain European and Indian customers vegetables and fruits every week, which are purchased at the Pollachi shandy. As purchasing and stocking of vegetables for sale was found to be not profitable, we have engaged an agent in the local shandy to supply our members and customers, on the shandy day (Sunday). Since September 1939 we have also taken up the supply of meat in the Mudis area.

(b) The stores get A & B quality eggs from the Martandam Poultry Co-operative Society (S. Travancore) and potatoes from the Nilgiris Co-operative Marketing Society, Mettupalaiyam.

(c) The Stores purchase the business requirements mostly on credit from the merchants at Pollachi, Coimbatore, Cochin, Calicut, Madura and Madras and the merchants are paid by about the 10th of every succeeding month.

Most our food provisions except rice are purchased every week at the Pollachi shandy by our purchasing agents Messrs. A. Natesan & Co. Our agents are paid a commission of $2\frac{1}{2}$ on purchases made by them on our behalf. This system enables us to keep in close touch with the prices prevailing in the plains. Rice is being purchased from the Mills direct.

(d) Ordinarily the following rates of-profit are charged by the Stores on the goods:—

Rice	...	...	...	...	$3\frac{1}{2}$ per cent.
Fresh Food Provisions	...	...	...	...	$6\frac{1}{2}$ „
Cloth and Tinned Provisions upto	...	...	...	...	$12\frac{1}{2}$ „

(e) Sales are made both to members and non-members. Credit sales are allowed to all the members to certain European customers and to the estates. The present bye-laws of the Stores provide for credit sales to members up to 75 per cent. of their monthly salaries. It is also under contemplation to suitably amend the bye-laws legalising the credit sales to non-members and to the estates.

(f) *Recovery.*—The Stores is deeply indebted to the valuable Co-operation evinced by the Bombay Burmah Trading Corporation, Ltd. Mudis Group Office and the estates in the recovery of the dues to the Stores. By the 29th of each month a consolidated bill is sent to the Mudis Group Office and the various estates detailing the amounts due from the Staff and these amounts are recovered through their books and remitted to us.

(g) Our transporting agents are Messrs. The Anamallais Ropeway Co., Ltd., who charge us a flat rate of Rs. 11/12/- per ton on all goods transported.

(h) *Butchery.*—One noteworthy feature of this Stores is butchery. The Stores has the monopoly of supplying meat in the Mudis area. This trade was undertaken in September 1939 and is being carried on successfully. A special maistry is appointed to supervise this work. He is to purchase every week animals at the Pollachi shandy and attend to the meat sales. The animals are examined by a Veterinary Doctor before slaughter. This business has been paying an appreciable profit during the year under review, but during recent months due to the rejection of a disproportionately large number of animals at the examination station and due also to rise in prices of live stock in the plains. our profit in this business is showing a slight decrease. Arrangements are being made to engage a qualified purchasing agency whereby the heavy rejection could be avoided.

5. *Establishment.*—The Stores employ one head clerk and two assistant clerks. The head clerk is provided with free quarters adjoining the Stores and is held responsible for the safety of the articles in the Stores.

In addition two salesmen and one porter are employed and all the employees are provided with free quarters. The services of a trained Co-operative Inspector has also been availed temporarily to train the staff

in the proper maintenance of the books and the preparation of the final accounts to be sent to the Registrar annually.

6. *Premises.*—The premises in which the Stores conduct their business was specially built by Capt. Eric Johnson, General Manager of the Bombay Burmah Trading Corporation, Ltd., who is solely responsible for the origin of the Stores. The Bombay Burmah Trading Corporation, Ltd., charge us a nominal monthly rental of Rs. 30 - for the premises.

7. *Accounts.*—The Stores maintains its accounts on the double entry system. A separate Journal is being maintained for recording transfer, credit and adjustment transactions. The General Ledger is used as a medium to draw the statement of Receipts & Charges. Purchases are entered in a Purchases Book which provides necessary columns for entering the incidental charges and our margin of profit and the actual selling price is ascertained in this book itself. The daily sales are abstracted and posted in a Stock Ledger.

7. *Certain Statistics.*—The Stores purchased during the year goods worth Rs. 41,300. and Rs. 3,400 was spent under trade expenses. The total sales for the year was Rs. 45,700 and our gross profit for the year was Rs. 3,500 -. Deducting our establishment and contingent charges, the net divisible profit for the year was Rs. 1,200 -. We hope to declare a dividend of 7½ per cent. to members on their paid up share capital and a purchase bonus of 6 pies in the rupee.

During the short period of its working from 30-4-39 to 30-6-39 the Stores earned a net profit of Rs. 45/12/- and this has not yet been appropriated by the General Body.

8. *General.*—The Stores owes its successful beginning to the sincere endeavours and hearty co-operation of the maiden set of Directors. As per bye-laws the Group Manager of the Mudis Group is the ex-officio president of the Stores. The Group Manager and permanent president of the Stores Mr. T. Davenport has got himself admitted as a member and is deeply interested in the affairs of the Stores. As he is now away in his native home in England, his representative Mr. C. E. Dennys who occupies his predecessor's chair with an equal interest is the present President of the Stores.

The Stores is deeply indebted to the Mudis Group Office and the several estates for the kind assistance they are rendering by collecting our dues from their staff.

With the kind co-operation of all concerned and the co-operation and loyalty of the shareholders, the Stores foresees many more successful years proving itself an useful organization in the promotion of the economic and social interests of its members and the public at large.

M. M.
Assistant Secretary.

The Alamaru Co-operative Rural Bank Ltd.

First quarterly progress report quarter ending with 30-9-40.

The Alamaru Co-operative Rural Bank was registered on 1-2-38 and was opened on 27-2-38 by Sri T. Prakasam Pantulu, Ex-Revenue Minister for the Government of Madras. The Bank is working on limited liability basis with an area of operation of 11 villages, within a radius of 5 miles of Alamaru. At the time of starting twelve members were admitted with a share capital of 12 rupees. By the end of June 1940 the membership was 491. By the end of June 1940 share capital rose to 6,690.

The sudden rise in the membership during this quarter is due to peculiar circumstances. Food prices were abnormally rising owing to war. There was no work to the agricultural labourers owing to early transplantation this year due to early rains. They had to depend entirely on their own resources or live on credit or borrowing, till the commencement of the harvest. Hitherto agriculturists used to retain the services of these labourers by making advance payments at abnormal rates of interest. Owing to rise of price of paddy ryots sold away their paddy this year early and realised better prices instead of making advances to these labourers on their doubtful assets. This created panic among labourers in many quarters.

With a view to create confidence among labouring classes in the co-operative movement the Rural Bank promulgated a scheme to give them advances in kind. The Heads of their families were admitted as members and credit was given for each member for a bag of rice on two surities. Time was fixed for the repayment of these loans during the harvesting season. Four hundred bags of rice worth Rs. 5,000 were distributed among these families. These members were permitted to make payments daily out of their earnings by purchase of thrift labels of Rs. 0-1-0; 0-2-0; 0-4-0 denominations. Two collection agents were appointed to meet these families daily and make collections at the end of the day out of their daily earnings. The Collection agents were supplied with cycles and they were visiting the families and making collections regularly. The collections are very encouraging. A sum of Rs. 1,000 was already collected by the sale of these thrift labels.

We are very hopeful of the success of this experiment. The rich and the poor, agriculturists, tenants and labourers and other men of all professions calling and trades in the locality are freely joining the institution. Loans are sanctioned to them not on invidious distinction of any caste or creed but on their individual character and the purpose for which the loan is sought. This experiment has created a new hope and confidence among the working classes that if they are honest and sincere they will be given credit in the bank on their own intrinsic merit and character but not on any other consideration. The membership is as follows according to caste and profession.

THE MADRAS JOURNAL OF CO-OPERATION

Caste.—Adi-Andhras—334; Settibaljis—271; Kapus—166; Kammas—160; Brahmins—99; Christians—9; Mohammādans—6.

Professional Classes.—Labourers—482; Agriculturists—446; Petty traders—45; Teachers—17; Others—55.

Honest doubt is raised by many ardent co-operators that, if the principle of limited liability is adopted, the deserving poor will be deprived of the assistance they need to rehabilitate themselves. The above figures are self revealing and prove beyond doubt, that members of all castes and creeds and of different economic conditions can freely join these rural banks on limited liability basis and thereby derive benefit by mutual help and co-operation for their economic uplift.

Loans are sanctioned to members on mortgage of their properties on pledge of their produce, standing crop, gold and suretyships. Cash credit is given to members for cultivation expenses after fixing their credit worthiness on the strength of the security offered by them. Ever continuity bonds are taken for giving cash credits to members. These bonds are remortgaged to the central bank to get similar cash credit accommodation there. A sum of nearly Rs. 60,000 was sanctioned by the Central Bank on remortgage of these bonds to the rural bank. A sum of Rs. 30,000 was received by this Bank by way of deposits from members and non-members.

The present outstanding against members on different loans is Rs. 90,000. During this quarter the bank sanctioned loans to its members to the tune of Rs. 31,000 for the following purposes.

Loans issued classified according to purpose.

	No. of loans.	Amount involved.
		Rs.
(1) Cultivation expenses	108	10,885
(2) Petty debts	28	3,963
(3) Domestic expenses	62	3,244
(4) Purchase of cattle	3	205
(5) Construction of houses	11	1,573
(6) Petty trade	8	1,520
(7) Purchase of land	4	2,600
(8) Education	1	200
(9) Purchase of rice	498	3,924
	723	31,214

Loans issued classified according to value.

		Rs.
(1) Below and above Rs. 50	614	12,985
(2) " " 130	40	2,697
(3) " " 250	48	2,952
(4) Below Rs. 503	13	5,515
(5) Above Rs. 500	8	7,165

WORKING OF THE CO-OPERATIVE SOCIETIES

There are no overdues to the Central bank and from members to the rural bank by the end of June 1940. During this quarter a sum of two thousand rupees was fallen overdue and this sum will be realised during the harvesting season.

The bank has been maintaining two trained clerks to attend to the daily transactions and two collection agents for collection, of overdues and for the sale of thrift certificates. The accounts of the bank were regularly audited by the Co-operative Inspector with concurrent and final and the scrutiny of loan applications was done by a supervisor of the Central Bank. A sum of Rs. 75 was levied for the year 1939-40 for the audit of the account by the Government Co-operative Department and a sum of Rs. 120 was fixed for supervision charges to the Central Bank.

Cloth worth Rs. 345 of the A. I. S. A., was sold during this quarter and manures from the Parry & Co., for an amount of Rs. 322 were also sold. Owing to abnormal rise or prices of manures there was a fall in the sale of manures. The main non-credit activity taken by the Rural Bank during this quarter is the arrangement made for the distribution of rice among its members.

N. SATYANARAYANA.

President.

THIRD EDITION.

The Madras Co-operative Societies Act VI of 1932.

Rules brought up-to-date now ready.

*Printed on good glazed paper with interleaves
and neatly bound.*

Price As. 0-8-0. :: Postage extra.

Apply to:—

The Honorary Joint Secretary.

The Madras Provincial Co-operative Union.

Luz, Mylapore, Madras.

Reviews.

(i) *Report of the Kondevaram Rural Uplift Centre for five years (from 30—7—35 to 30—9—40). E. Godavari District.*

The village of Kondevaram situated 3 miles from Pithapuram has been the headquarters of a Rural Uplift Centre which has been run with the help of a donation created by Rao Sahib G. Jogiraju Pantulu, Retired Assistant Director of Agriculture. From the report of the working of the centre for the past 5 years, we are glad to note that the centre is fortunate in securing the services of an enthusiastic worker through whose untiring efforts good work has been done in popular education by means of bajana parties, rural dramatic performances, magic lantern lectures and discourses in puranas. Being under the guidance of an agricultural officer no wonder the centre concentrated special attention upon agriculture, and beekeeping. In recent times they have been able to produce hand pounded rice and have been concentrating attention upon village sanitation, health and diet.

Co-operation naturally claims much attention of the management and workers and a Co-operative Loan and Sale Society has been started. A Spinners' Purchase and Sale Society, Milk Supply Society and a Co-operative Store were also working or about to start work. Under the enthusiastic guidance of Mr. N. Satyanarayana a Co-operative week was celebrated in the centre and prominent co-operators from outside took part in the celebration.

In recent times attention has been concentrated on village communication and encouragement of spinning and weaving.

We are glad to note that the Kondevaram is now recognised by the District Officers as a model village of the Pithapuram Taluk. We wish the centre more and more success.

S. K. Y.

(ii) *The Eighth Annual Report of the Nagpur Co-operative Society, Ltd., Nagpur for the year 1939-40.*

From the names of the members of the Board of Management given below Co-operators of this Province would at once realise that Nagpur institution is being run by Madrasis.

Members of the Board of Management.

1. Mr. V. A. Parthasarathy Aiyar (*President*).
2. Mr. T. S. Suryanarayanan.
3. Mr. K. Vaidyanathan.
4. Mr. P. S. Hariharan.
5. Mr. C. R. Natesan.

During the year under review they bought goods to the extent of Rs. 44,000 and sold goods to the extent of Rs. 47,000 realising a gross profit

of Rs. 4,121 and a net profit of Rs. 1,870. Total transactions are equal to those of a second class branch of the T. U. C. S. Madras. But this Consumers' Store in Nagpur has been able to declare a rebate of 5 pies in the rupee on the purchases made. We are glad to note that our brethren at Nagpur are keeping the T. U. C. S.'s flag flying there. We wish them and their store all success.

S. K. Y.

(iii) *The Annual Report of the S. I. Ry. Employees' Co-operative Credit Society, Ltd., Trichinopoly, for the year ending 30th June, 1940.*

This society is another huge institution having more than 21,000 members at the end of the year under review and a share capital of nearly Rs. 7½ lakhs. More than 10,000 applications for loans were entertained and including those pending at the end of the last year more than 11,000 were dealt with. A huge amount of nearly Rs. 25 lakhs, were sanctioned as loans and paid during the year, and nearly 23 lakhs were recovered from members. It is interesting to note that most of the loans seem to have taken by employees getting Rs. 100 and less and the lower you go down the scale of salaries the more numerous the loans seem to be. The gross profits of the Society exceeded Rs. 1½ lakhs and the net profits over Rs. 70,000.

The Society declared a dividend of 6¼ per cent. on the capital having reserved ¼ of the net profit for the reserved. The reserve fund of the society come very nearly Rs. 3 lakhs and out of the Common Good Fund the Society paid a contribution of Rs. 6,500 to the War Fund.

On the whole the Society seems to have done good work during the year under review.

S. K. Y.

(iv) *The Twelfth Annual Report of the British Administered Areas Central Co-operative Union, Ltd., Secunderabad-Deccan, for the Co-operative Year Ending 31st July 1940.*

This Union located in the Administered Areas has got 26 society members and 32 individual members of whom 9 have paid Rs. 100 each and have become life members. The District Magistrate of the place nominated by the Government is the President of the Union.

The chief work of the Union consists in developing the movement in the Administered areas and in conducting supervision and inspection of co-operative societies located in the area and having their accounts audited. During the 12 years of its existence, the number of societies in the area has increased from 6 to 26 and deducting from this number six societies not functioning, the net increase is 14.

The finance of the society consists of supervision fund collected from societies, subscription from individual members and grant from the Government.

The Central Urban Bank of Secunderabad is the most important central institution in the area and ordinary credit societies attached to the Police Department, Public servants and the Nizam State Railway are some of the important primary societies of the area. On the whole the Union seems to have done very useful work during the year.

S. K. Y.

REVIEWS

(v) *The Nineteenth Annual Report of the Tiruppur Co-operative Sale Society for the year ending 31st December, 1939.*

During the year under review the Bank admitted as members 70 societies of which 62 were Harijan Societies.

Loans amounting to Rs. 3½ lakhs were disbursed to member societies and individuals and about that sum were recovered. We are glad to note that percentage of uncollected balance to Demand works out at 5.9 and .22 under principal and interest respectively as compared with 8.7 and .27 of the previous years. There is an increase in the loans outstanding and under cash credits granted to societies. The most important of which is the South Canara Agriculturists' Co-operative Wholesale Society, Ltd. The net profit earned shows slight decrease from Rs. 6,700 and odd to Rs. 6,000 and odd and this fall is attributed to the fact that the Bank had to provide for the depreciation in respect of the market value of Government Securities held by the Bank.

Under the auspices of the District Co-operative Advancement Society the District Conference was held with Sri V. L. Mehta, Managing Director of the Bombay Provincial Co-operative Bank as President. The Bank seems to have done very useful work during the year under review especially in the matter of financing agricultural marketing.

S. K. Y.

(vi) *The Twenty Seventh Annual Report of the South Canara Central Co-operative Bank, Ltd., Mangalore, for the year ended 30th June 1940.*

This is one of the most important societies of this category and as the statements appended to their report shows that inspite of vicissitudes it has been making steady progress. The most useful work done by the society during the year is a continuation of the scheme of preparing improved cotton seed of Co 2 combodia which was started under the patronage of the Central Cotton Committee, Bombay and worked for 5 years. It is calculated that from one acre the ryot is able to get Rs. 15 more by using this improved seed compared with ordinary seed available in the market. On an average about 35,000 acres are under cultivation of this new seed and hence 5.25 lakhs is the net increase to the income of the ryot per year. This is a very good achievement of which any society can be legitimately proud. The Society also bought cattle food from Salem and Tanjore during year under review which was a year of severe drought in some of the taluks of the district.

As most of the cultivators require crop loans and by-laws of the society do not permit such an advancement a separate society was registered called the Tirupur Cotton Growers' Co-operative Society and crop loans were given on condition that the crops raised should be marketed through this sale society. The society built three godowns 55 ft. by 60 ft. with the help of Government loan for the purpose, and the ryot's produce is stocked in them until they are sold at a fair rate. The Society earned a net profit of over Rs. 4000 and its reserve fund exceeds 10,000. It is hoped the good work done by the society will be continued more intensively in the years to come.

S. K. Y.

(vii) *Sree Konaseema Co-operative Central Bank, Ltd., Amalapuram.*

This is the 20th report of the Bank. This is one of the biggish Central Banks in the Province with a subscribed share capital of Rs. 1,41,800. It

THE MADRAS JOURNAL OF CO-OPERATION

is the financing Bank for the co-operative institutions in Razole and Amalapur taluks. Its Reserve Fund is Rs. 70,241. During the year under review the Bank advanced loans to members and societies to the extent of Rs. 9,01,313. The Bank collected Rs. 7,99,144 from total outstandings leaving 7,027 from individuals and Rs. 13,02,848 from societies. The amount of overdues last year were 26.71 per cent. in principal and 71 per cent. in the interest whereas this year there is a decrease to 24.28 per cent. in the principal and 1.25 per cent increase in interest. The net bad debt reserve now is 49,076. The Bank earned a net profit of 7,908-11-0 after deducting Rs. 3000 for the Bad Debt Reserve.

T. S. R.

(viii) *The Co-operative Movement (in Telugu) by Sri A.V.S. Pratapa Rao Publishers Village Seva Samiti—Tadepalligudem.*

This is the fourth publication of the Seva Samiti but this is the first one which we have received. It is stated that the ideal of the Samiti is to assist rural reconstruction work by publishing literature, undertaking co-operative tours, holding meetings in all villages and propagating the principles by magic lanterns etc.

The author has dealt at length with the principles of co-operation in general and co-operative institutions and movements of West Godavari District and Tadepalligudem etc. in particular in simple Telugu. Even a lay man in co-operation is sure to derive benefit from going through this useful publication.

T. S. R.

THE INDIAN CO-OPERATIVE REVIEW

(Journal of the All India Co-operative Institutes' Association)

Published Quarterly

January, April, July and October

Edited by SRI V. RAMADAS PANTULU.

A medium for periodical publication of articles on Co-operation by writers of standing and authoritative position in India and foreign countries.

Comprehensive and detailed survey of co-operative activities covering the whole of British India and Indian States.

Notes on Co-operative Legislation, Experiments and Activities in foreign lands.

Reviews of all literature on co-operation and allied subjects.

Subscription per annum.

Price per single copy

Inland: Rs. 6. Foreign Sh. 10.

Inland. 1-8. Foreign Sh. 2-9.

For Copies, Please Apply to:

The Manager,

Indian Co-operative Review,

Farhatbagh, Mylapore, Madras.

P. C. U. Circular No. III.

Owing to the recent changes in the rules regarding the Remittance Transfer Facilities with co-operative banks were hitherto enjoying, the Madras Provincial Co-operative Bank, Ltd., our Bankers are now charging commission upon cheques drawn on mofussil banks.* Our members, subscribers to the Journal and others having business dealings with us are requested to make payments wherever possible by means of cheques drawn on our own Bankers, i.e., The Madras Provincial Co-operative Bank, Ltd., Madras. In cases of cheques drawn on Banks in the mofussil our clients are requested to add the commission charged by the Madras Provincial Co-operative Bank to the net amount due to us.

S. K. YEGNANARAYANA IYER,
Hon. Secretary.

* Extracts from the Madras Provincial Co-operative Bank Circular regarding Commission Rules:—

1. (a) Terms for Co-operative Customers:—

- (i) Cheques drawn on Co-operative Banks and received from a Co-operative Society for credit of its account with the Madras Provincial Co-operative Bank will be collected on a fixed fee of annas four.
* * *
- (ii) Cheques drawn upon banks *other than* co-operative and received from a co-operative society for credit of its account with the Provincial Co-operative Bank will be collected, commission being charged on the following scale:—
 - (1) 2 annas per cent with a minimum of Rs. 0-4-0 up to Rs. 10,000.
 - (2) 1 annas per cent with a minimum of Rs. 12-8-0 above Rs. 10,000.

(b) Terms for other customers:—

Cheques drawn on Banks out of Madras and tendered for credit of customers, not being co-operative societies, will be collected, commission being charged as follows:—

- (1) 3 annas per cent with a minimum of annas 4 up to Rs. 1,000.
- (2) 2 annas per cent with a minimum of Rs. 1-14-0 above Rs. 1,000 up to Rs. 10,000.
- (3) 1 annas per cent with a minimum of Rs. 12-8-0 above Rs. 10,000.

News and Notes

The Madras Government have taken steps to investigate the possibility of developing Coir industry in Ramnad District with the object of finding employment to a large number of poor persons. For this purpose they deputed Sri Seshachalam Chowdary Leather Research Chemist to tour the district for demonstration. He believes that a centre for coir making can be usefully established in Mantapam.

The Governing Council of the Indian Institute of Science has appointed a committee to draw up a detailed scheme for the collection of scientific and technical data for dissemination among industrialists and for the formation of an industrial Research Information Bureau.

Mr. J. Niyogi Officer-in-Charge of Calcutta Industrial Museum urged the need for Commercial Museums in the course of a lecture delivered at (Triplicane) Madras, under the auspices of the Madras Industrialists association. He emphasised the importance of India as an economic unit and said there should be inter Provincial linking as regards production and purchase and inter Provincial relationship should be strengthened.

At a Conference of representatives of Mills and Co-operative Stores at the District Urban Bank Coimbatore it was decided to start a Co-operative Whole Sale Society for Nilgiris and Malabar and Coimbatore Districts with a share capital of one lakh of Rs. S.A. Venkataraman Esq., I.C.S. who was present at the meeting explained the working of Madura Ramnad Whole Sale Society and advised them to follow the store.

The Government of India convened a Conference of the representatives of hand-loom and Mill industries on December 6, 7 at New Delhi. Dewan Bahadur C. S. Ratnasabhapatil Mudaliar represented the Madras Mill owners and S. A. Venkataraman Esq., I.C.S. Registrar of Co-operative Societies Madras represented the Madras Provincial Handloom Weavers Co-operative Society and Mr. L.B. Green Director of Industries and Commerce represented the Madras Government.

The extension of Co-operative Societies in villages has added more amenities and inculcated the spirit of enterprise among the villagers—this is reflected in the report of the Government of Mysore on the working of rural welfare work.

The Joint Registrar of Co-operative Societies Madras opened the new buildings of the Manimangalam Co-operative Society for a combined godown and reading room on 5-12-40. Sri K. Deivasikhamani Mudaliar presided.

THE MADRAS JOURNAL OF CO-OPERATION

Sir Henry Howard Consulting Engineer of Electricity to Madras Government in the course of an address at Rotary Club stressed the necessity to establish a co-operative power and industrial board in the Presidency non-political in character.

Presiding over the Celebration of the All India Co-operators day on 9-11-40 under the auspices of the Bombay Provincial Co-operative Institute Bombay, Mrs. Kanta Khandawalla, made some important observations on the necessity of extending the scope of co-operative system to the rural areas and to start a number of societies to promote the economic interest of village population.

The Registrar of Co-operative Societies Madras paid a tribute to the Madura Mills Workers Stores, in his recent visit, which he said was one of the best stores in the Province. He was very glad to find that the management of the Mills and the representatives of the labourers were taking great interest in the stores.

The Fourth session of the Indian Statistical Conference will be opened by His Excellency the Governor of the United Provinces at Benares on Thursday, the 2nd January 1941 at 2-30 p.m.

As in the previous years the Statistical Conference will proceed with its work in close co-operation with the Indian Science Congress; and four joint meetings have been arranged with four sections of the Congress.

LIST OF SOCIETIES REGISTERED AND CANCELLED

List of Societies Registered in November 1940.

S. No.	Name of the Society.	District.
1	The Podaalla Co-operative Consolidation Holding Society ...	Anantapur
2	„ Santhavelur Co-operative Credit Society ...	Chingleput
3	„ Sunshine Edible Co-operative Society Ltd. ...	„
4	„ Trivellore Urban Co-operative Stores Ltd. ...	„
5	„ Chittoor District Educational Public Servants Co-operative Society Ltd. ...	Chittoor
6	„ Pudeni Co-operative Credit Society ...	Coimbatore
7	„ Gollapalle Co-operative Credit Society ...	Cuddapah
8	„ Someswara Co-operative Credit Society ...	Godavary East
9	„ Tuni Co-operative Stores ...	„
10	„ Maruteru Co-operative Stores Ltd. ...	Godavary West
11	„ Rachur Co-operative Consolidation of Holding Society ...	„
12	„ Ramannagudem Co-operative Consolidation of Holding Society ...	„
13	„ Jupudi Co-operative Field Labourers Society ...	Kistna
14	„ Kolikalapudy Co-operative Field Labourers Tenants Society ...	„
15	„ Presidency Transport Employees Co-operative Society ...	Madras
16	„ Addayapadi Adi-dravida Co-op. Society ...	Mangalore
17	„ Menakur Co-operative Credit Society ...	Nellore
18	„ Madura Ramnad Central Industrial Society ...	Madura
19	„ Industrial Co-operative Credit Society ...	„
20	„ Silambur Co-operative Credit Society ...	Trichinopoly
21	„ Koilpatty Public Servants Co-op. Stores ...	Tinnevely

THE MADRAS JOURNAL OF CO-OPERATION

List of Societies Cancelled in October 1940.

Serial No.	Name of Society.	District.	Date of Cancellation of Registration.
1	Kurnool Section Co-operative Public Servants' C. S. Ltd.	... Kurnool	... 23-9-40
2	Chinnajaggampeta Sri Sitarama Vilas C. S.	... East Godavari	... 2-10-40
3	Krishnaiipatnam Co-operative Credit Society	... Tanjore	... 2-10-40
4	The South Arcot General Co-operative Sale Society	... South Arcot	... 7-10-40
5	Thulukkancholai C. S.	... Chingleput	... 8-10-40
6	Sendurai C. S.	... Trichinopoly	... 9-10-40
7	Gollapudi Adi Andhra C. S.	... Kistna	... 9-10-40
8	Conjeevaram Swamikannu Pillai C. S.	... Chingleput	... 9-10-40
9	Wallajah Ganesh Weavers' C. S.	... North Arcot	... 9-10-40
10	Srikakulam C. S.	... Kistna	... 9-10-40
11	Mangalapuram Women's Thrift and Loan C. S.	... Madras	... 12-10-40
12	Vaniyambadi Municipal Superior Employees C. S. Ltd.	... North Arcot	... 15-10-40
13	Unnamalai Chetti Chavadi F.L.C.S....	... South Arcot	... 15-10-40
14	Kallanatham C. S.	... Salem	... 17-10-40
15	Kothapalle Co-operative Thrift Society Ltd.	... Chittoor	... 22-10-40
16	Tirupathi Hackney Carriage Drivers' Thrift Society Ltd.	... "	... "
17	Nandipadu C. S.	... Kurnool	... "
18	Sabhakota C. S.	... Vizagapatam	... 27-10-40
19	Coondapur Govt. Servants C. S.	... South Kanara	... 31-10-40
20	Kommesvaram C. S.	... North Arcot	... 31-10-40

THE MADRAS PROVINCIAL CO-OPERATIVE UNION,
MADRAS.

Luz, Mylapore, Madras.

Office-bearers of the Madras Provincial Co-operative Union elected at its General Body Meeting held on 21-12-40.

I. Office Bearers.

1	Sri T. A. Ramalingam Chettiar	... President.
2	Dr. P. Gurumurthi	} ... Vice-Presidents.
3	Sri Rao Saheb T. M. Chinnaiah Pillai	
4	Sri D. Mahalingam Pillai	} ... Hon. Joint Secretaries.
5	Sri N. Satyanarayana	
6	Sri K. Bhashyam	
7	Treasurer	} to be appointed by the E. C.
8	Editor	

II. Executive Committee.

1 to 8	as above
9	The Hon'ble Mr. V. Ramadas ... M. P. C. Bank Representative Pantulu
10	Sri S. K. Yegnanarayana Iyer
11	Rao Bahadur N. R. Samiappa ... Elected by the Board of Management.
12	Mr. P. Allapichai

III. Board of Management.

1 to 12 as above

PROVINCIAL SOCIETIES.

Name of Representatives.	Institution Represented.
*The Hon. Mr. V. Ramadas Pantulu	The Madras Provincial Co-operative Bank, Ltd.
13 Rao Sahib C. S. Srinivasa Mudaliar	The Madras Central Co-operative Land Mortgage Bank, Ltd.
14 Sri V. Venkatachalam	The South India Co-operative Insurance Society, Ltd.
15 „ S. S. Sankara Mudaliar	The Central Co-operative Printing Works, Ltd.
16 Rao Bahadur C. Tadulinga Mudaliar	The Madras Provincial Co-operative Marketing Society, Ltd.

LANGUAGE FEDERATIONS.

17 Sri K. G. Sivaswamy	The Tamil Nadu Federation.
*Dr. P. Gurnumurty	The Andhra Co-operative Union.

CENTRAL BANKS.

*Mr. P. Allapichai	Madura Ramnad Central Bank.
18 Sri K. Venugopala Mudaliar	Conjeevaram Central Bank.
19 „ S. C. Venkatappa Chettiar	Salem Dt. Urban Bank.
20 „ L. Gangadhara Sastri	Anantapur Dt. Central Bank.
21 „ B. Venkataratnam	Ramachandrapuram Central Bank
22 „ M. S. Narasimha Rao	Nellore Dt. Central Bank.
23 „ M. Shiva Rao	South Canara Central Bank.
24	Malabar Dt. Central Bank.

URBAN BANKS.

25 Sri P. S. Subba Raja	Bhupathiraja Co-operative Credit Bank.
26 „ V. Chiunikrishna Naidu	Madura Urban Co-op. Bank.
27 Rao Bahadur K. Raghavendra Rao	Coimbatore City Co-operative Bank.
28 Janab D. K. Yusuf Mohideen Ansari Sahib Bahadur	Dharapuram Co-operative Urban Bank.
29 Sri M. Satyanarayana Murty Naidu	Veeravasaram Co operative Credit Society.

NON-CREDIT SOCIETIES.

30 Dr. B. V. Narayanaswami Naidu	Chidambaram Co-operative Paddy Sale Society.
31 Sri E. S. Ganapathi Iyer	The Erode House Mortgage Bank
32 „ S. Venkata Rao	The Kurnool House Co-operative Building Society.

PRIMARY LAND MORTGAGE BANKS.

33 Sri T. S. Muthukumaraswami Mudaliar	Tiruvannamalai Co operative Land Mortgage Bank.
34 „ Vadrevu Jaggaraju	Amalapuram Co-operative Land Mortgage Bank.

*Denotes members already there.

DT. FEDERATIONS & LOCAL UNIONS.

Name of Representatives,	Institution Represented.	District.
35 Sri L. Gangadhara Sastri	... Hindupur	... Anantapur
36 „ N. Varadaraja Reddiar	... Chengam L.C.U.	... N. Arcot
37 „ M. Krishnaswami Ayyangar.	Madurantakam L.C.U.	Chingleput
38 „ N. K. Palani Gounder	... Gobichettipalayam L. C. U.	Coimbatore
39 „ I. V. Sivaramadas	... Narasannapeta L.C.U.	Ganjam
40 „ G. Simhachalam Pantulu	... Narasaropet L.C.U.	Guntur
41 „ T. Purushottam	... Palivela L.C.U.	... E. Godavari
42 „ S. V. Seshagiri Rao	... Attili L. C. U.	... W. Godavari
43 „ V. Basavayya Choudary	... Addada L. C. U.	... Kistna
44 „ A. Velusamy	... Melur L. C. U.	... Madura
45 „ K. Ramanathan	... Nandikotkur L.C.U.	... Kurnool
46 Dr. K. Subbaramiah	... Kavali L. C. U.	... Nellore
47 Sri K. Belli Gowder	... Kotagiri L. C. U.	... Nilgiris
48 „ A. Athirathnam Pillai	... Mudukalathur L.C.U.	... Ramnad
49 „ B. Narayana Bhat	... Kasargod L. C. U.	... S. Kanara
50 „ P. S. Nanjappa Gounder	... Mohaur L. C. U.	... Salem
*Rao Bahadur N. R. Samiappa Mudaliar	... Tiruturaipundi L.C.U.	Tanjore
51 Sri P. Velayuda Gounder	... Chinnadharapuram L. C. U.	...Trichinopoly
52 „ M. A. Reddi	... Vizagapatam L.C.U.	...Vizagapatam

CO-OPTED FROM AMONG THE HON. MEMBERS.

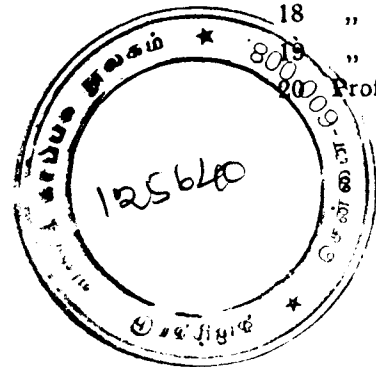
*Sri S. K. Yegnanarayana Iyer
53 „ S. V. Narasimha Rao
54 „ R. Suryanarayana Rao

*Denotes members already there.

LIST OF HONORARY MEMBERS OF THE
PROVINCIAL CO-OPERATIVE UNION

Elected on 22-12-40.

- 1 Sr. K. Bhashyam.
- 2 Rao Bahadur C. Gopala Menon.
- 3 Sri G. Harisarvothama Rao.
- 4 Rao Bahadur P. N. Marthandam Pillai.
- 5 Sri M. Muthia Pillai.
- 6 „ K. L. Narasimha Rao.
- 7 Rao Bahadur S. V. Narasimha Rao.
- 8 Dr. B. Pattabhisitharamayya.
- 9 Sri M. C. Raja.
- 10 Prof. K. C. Ramakrishnan.
- 11 Sri V. V. Ramaswamy.
- 12 Diwan Bahadur C. S. Ratnasabhpathi Mudaliar.
- 13 Sir K. V. Reddy.
- 14 Sri G. P. Somasundara Gounder.
- 15 „ W. P. A. Soundarapandian.
- 16 „ N. Sundararama Sastry.
- 17 „ R. Suryanarayana Rao.
- 18 „ Kala Venkata Rao.
- 19 „ V. Viyyanna Pantulu.
- 20 Prof. S. K. Yegnanarayana Iyer



JL
XAN 11/20/11/11/11
N 40.32 6
2577

35				
36				
37	(1)	(2)	(1)	(2)
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				
52				