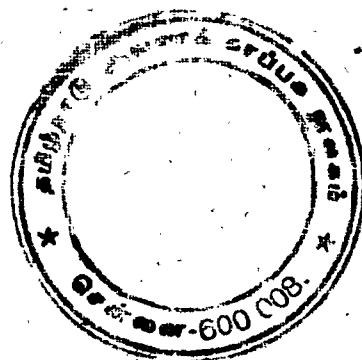




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"If the system of Co-operation can be introduced and utilised to the full
foresee a great & glorious future for the agricultural interests of the country"—
His Majesty's Reply to the Delhi Municipal Address, 13th December, 1911.—

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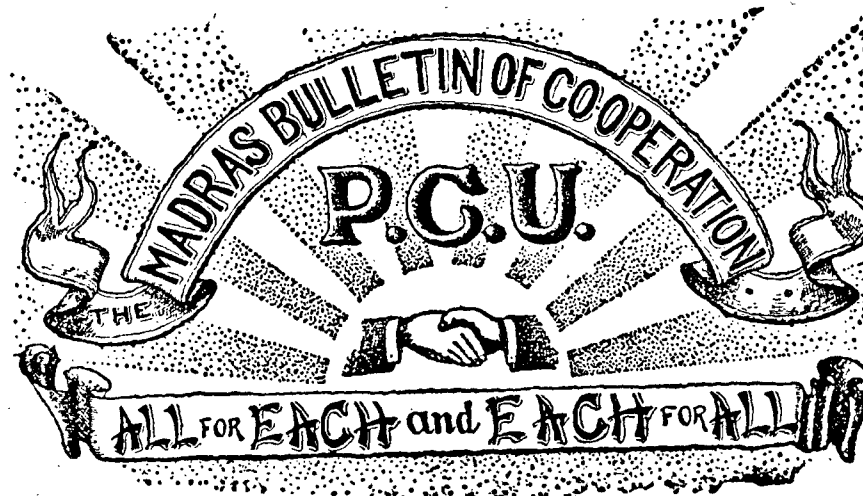
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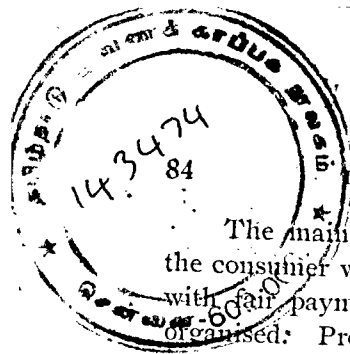
CONSUMERS' CO-OPERATION.

(A programme of work for the development of the Consumers' movement.)

By MR. SAADAT ULLAH KHAN

(Professor of Agriculture, Coimbatore).

The simplest form of co-operation which would commend itself to the minds of any group of people is that of joining together for the purpose of buying their requirements in bulk and sharing them among themselves. Historically, it is true, this was not the first form to appear though it was the first to take any definite organised shape. The form of co-operation for the distribution of goods to the consumer is a matter of practical reaction to the necessities of the times, and not a matter of romantic experiment or philanthropic zeal.



The main object of all business organisation should be to provide the consumer with the best quality of goods at the lowest cost consistent with fair payment for the production and distribution if efficiently organised. Production and distribution, however, must be economically organised so that their cost, which eventually the consumer must pay, may be reasonable.

Unfortunately, this object has not hitherto been satisfactorily achieved. A general dissatisfaction exists with the present system of transferring goods from the producer to the consumer. One of the serious defects in modern organisation requires comment. Few are aware of the fact that goods and especially food stuffs are frequently adulterated. Even those who know of this evil seldom realise its extent or the subtlety of the methods employed. Emerson says, "it is necessary to ask a few questions as to the progress of the article 95 commerce, from the fields where they grow to our houses, to be aware that we eat and drink and bear perjury and fraud in a huge commodities". Many laws have been passed to stop the adulteration of food stuffs. Such laws, however, serve rather to check than prevent adulteration.

The present distributive system is to blame for the injury to health of millions who eat the adulterated foods. When we consider the weights and measures, there is the same melancholy story. It is unfortunately the poor who suffer most from both the impure food and the short weight evils.

The underlying principle of competition is self-interest. It gives no heed to the welfare of others but encourages each to use his fellow for his own advantage. The victories of competition are only to the strong and while the strong are raised higher, the weak are thrust low and deeper. Competition has no mercy. Competition teaches men to look upon each other as rivals and conflicting elements in society, rather than as allies with a common purpose; it creates hatred where love should be the driving force. It is therefore advisable to substitute co-operation for competition as the normal form of business organisation.

The assumptions underlying the economics of co-operation are :-

(1) That society exists for the good of all, and continues for the sake of securing the greatest good for the greatest number.

(2) That this aim can better be secured on the basis of association than on that of competition.

A society or state, whose economic organisation is in accord with these assumptions, would regulate the production, distribution and consumption of wealth on an economical basis for the good of all,

Co-operation, however, is not merely an economic system; it is an expression of civilisation. Co-operation, therefore, when seeking the material gains resulting from greater production and more efficient distribution, is at the same time fostering a new social spirit which teaches men to seek their welfare jointly, to rejoice at the successes and not at the failures of others. In the words of Marshall "The Co-operative faith is rather felt than clearly expressed, but it is earnestly held by shrewd practical men. They believe that the cruel forces of competition by which so much of men's energy is wasted in the endeavour to over-reach one another, can be restrained by that brotherly trust and openness which though undeveloped is yet latent in man's nature." Co-operation is profit-sharing in its complete form. It gives to the purchaser at the store full value for his money and to the workman an equitable share of the profit produced by his labour.

Those who wish to understand the Co-operative Store must at once appreciate that modern co-operation does not aim at the direct under-cutting of shop prices. Members do not buy their goods at lower than market prices. They pay what they have been usually accustomed to pay. In so far, however, as these prices exceed the actual cost of producing and distributing the goods, the members benefit by the repayment of the excess in the form of the co-operator's so called "dividend". The Store, in this way, has been a splendid instrument for encouraging thrift. The reason why these savings are not directly paid is obvious. If a Co-operative Society were to start selling to its members fertilisers, foodstuffs and other every day necessities below market prices, it would at once antagonise and enter into price-cutting competition with the shops. Also any attempt to sell at cost price involves guess work as regards the cost of handling and leaves no margin for possible market fluctuations. To avoid these difficulties, a Co-operative Society ordinarily charges for its goods current market prices. After the end of a year or of a quarter the savings that have been effected are repaid to the members in proportion to their purchases from the society. When paying market prices for their requirements therefore, members merely deposit with their society a convenient sum slightly in excess of what will be required. When the excess is known accurately, it is repaid to the members. It is unfortunate that these payments have been named the co-operator's "dividend", since this is the usual term for income derived from invested capital and which is properly subject to income-tax. The co-operator's dividend is in no way additional wealth, or income. It is merely the returned balance of a deposit, and would have been more correctly called a "refund" or "deferred discount". It is important

that co-operators should appreciate these facts, and should discourage those members who, when they come to buy from their society, demand at once lower than market prices. All the stores are pledged to give genuine articles and just measures.

In the present civilised century, it is a matter of the utmost shame to find the glaring contrast in India and elsewhere between heaped up wealth and abject misery. All panaceas for better distribution of wealth however are useless. Marshall in his *Economics of Industry* writes, "Leave them recklessly improvident and no amount of increased expenditure will do anything beyond increasing the mass of helpless poverty. Undoubtedly a material improvement may be a necessary condition but it is essential to prove that any proposed measures are likely to go along with an elevation in the standard of prudence, for otherwise they are doomed to inevitable failure. So far as any proposed reform acts as a premium upon improvidence, it must be of ruinous tendency far beyond the remedial efficacy. The great problem in the old phrase is not simply to help but to help people to help themselves". One should not be misled into the idea that co-operation is meant only for the benefit of the working class. It is equally applicable to every class, and to individuals of every station. The Rochdale Pioneers' Society was the first example of consumers adopting fully the methods which we know to-day. Co-operative Societies for the distribution of domestic requirements certainly comprise at the present time the most powerful, if not the most numerous, body in the movement. The English distributive movement not only represents the strongest group of co-operators in the world at the present day, but it has also the honour of having supplied the plan upon which Co-operative Societies in every country have been modelled, and which may be said to be the criterion of co-operation. The system is named after the Rochdale Pioneers who first made it a practical success by putting into effect the principle of paying dividends in proportion to trade. The four following points may be cited here as essentials :—

(1) the number of members and the amount of capital of the society shall be unlimited.

(2) every member shall have one vote, and one only, irrespective of the amount of his share-holding.

(3) the interest on the share capital shall be limited and each member must possess a minimum share-holding.

(4) all further division of profits shall be in proportion to either trade or earnings and not in proportion to share-holding.

What is aimed at is evidently an absolute equality in control, and a thoroughly equitable division of the savings effected, on the assumption that these savings have been made possible by trade or labour alone. On this system practically, the whole fabric of the modern movement has been built up.

Success of a Co-operative Store is not so easy as it seems in theory. Stores cannot be managed without constant attention and some business experience. The success of the stores will depend wholly on the Managing Committee and on the salesman appointed by them.

The opening of stores in different towns and villages should be preceded by a great deal of propaganda work among the people. Co-operative missionaries should be got for spreading the gospel of co-operation among the people. The English Co-operative Wholesale Society is regularly organising "Show Weeks" on a grand scale which go a great deal in popularising the stores. The promoters before opening a store should consider how much capital would be required for the business and how much could be raised among themselves and their friends by the issue of shares. All the accounts of the Societies should be kept neat, tidy and regularly checked by qualified auditors. The following are the three conditions for the success of Co-operative Stores :—

(1) All sales should be in cash, so that the stores will be saved interest on capital and also the trouble of collections on account of credit sales.

(2) The articles stocked should be more or less of a standard pattern not subject to fluctuations in demand.

(3) The members should devote a certain portion of their time to the business and not depend entirely on paid labour.

THE TRIPPLICANE URBAN CO-OPERATIVE SOCIETY,

Questionnaire issued by the Decentralisation Committee.

General.

1. Are you of opinion that the administration of our Society (with its Distribution and Credit Departments spreading over 20 odd Branches) is too heavy? If so, how would you propose to lighten the work and responsibility of the Executive Council of five Directors?

2. Are you in favour of splitting up the Society into two Societies—one for the work of Banking, another for distribution work—

separately registered and separately administered by different sets of Directors specially chosen for each?

3. If you are not in favour of 2 separate societies, are you in favour of placing the management of the Credit Department under separate and independent Boards elected by the General Body? If so, how would you apportion the working capital of the Society between the two departments?

4. What advantages or disadvantages, if any, does each of the two departments derive from being intermixed with the other? What, according to you, would be the position of the distribution department and of the Credit Department, if a complete separation be effected between them?

5. What do you think of the proposition that, as at present situated, the Panchayatdars of the Branches are not able to do any good to the administration? How would you remove the reproach if you think it is true? If not, what work would you assign to the Panchayatdars in the present constitution, to make them take more interest in the Branch, without prejudice to the present powers of direction and control exercised by the Directors and the Executive Committee? Or are you in favour of vesting some of the powers in the Panchayat which are now exercised by the Directors; and if so, what powers would you transfer?

6. What is your opinion regarding the President of the Panchayat being ex-officio the local Director instead of as now, the local Director being a separate individual unconnected with the Local Panchayat?

Or would you make the Local Director an ex-officio member or the President ex-officio of the Local Panchayat?

7. What service would you assign to the Head Office in the matter of audit, supervision and propaganda?

8. What other steps would you propose to make the Society grow more rapidly and become more efficient and economical?

9. How would you carry on the work of propaganda in the several branches, and how will you secure for the branches the benefit of the common library?

10. Are you in favour of replacing wholly or partially the present newspapers by co-operative journals and newspapers?

Distribution.

1. Are you in favour of any scheme of Decentralisation in the Distribution Department of the Society?

2. If so, to what extent and on what lines would you have such decentralisation to be carried?

3. If you are not in favour of complete Decentralisation, are you in favour of enforcing the principle in a modified form?

4. What is your opinion regarding the idea of making all the branches or at least the bigger branches like Triplicane, Mylayore I, Purasawakam &c. completely independent, except for *purchasing* purposes? (The Head Office being maintained as a purchasing Depot for the Branches on a commission system).

5. If your answer be in the affirmative, what advantages do you expect from the separation? If negative, what difficulties would arise by carrying out the scheme?

6. Are you in favour of continuing the present system of purchase by the Head Office, with the Testing & Purchase Committee? Or would you suggest any changes in the system? If so, define them.

7. Is the continuance of the Testing Committee essential in your opinion for the purpose of making purchases speedily and efficiently? If not, would you suggest any substitute in its place?

8. Are you in favour of giving to the branches the power of making purchases directly without the intervention of the Head Office?

9. Or would you only permit the branches to make purchases under exceptional circumstances?

10. If you are in favour of giving such a right to the branches, would you entrust the same to the Local Panchayat, or the local Director or both acting together or some other agency created by the members of the branch?

11. If you think that the branches should be wholly or partially independent, what staff would you have in the branches, and what staff in the Head Office?

12. Are you satisfied with the present system of maintaining accounts of the distribution department?

13. If you are not, what modifications are, in your opinion, necessary to improve the same.

14. Does the present system of audit meet with your approval?

15. If it does not, what suggestions do you offer with a view to have more effective audit?

16. Are you in favour of each branch maintaining separate accounts and preparing separate balance sheets, for the various branches leading to a separate dividend in each case?

17. Are you of opinion that we have too many branches considering our present effective membership? What conditions should be insisted on before starting a new branch in the matter of membership, share capital and probable sales &c.?

Credit.

1. What do you think of the idea of having as many primary credit societies as there are branches separately registered and affiliated to the Head Office which will serve as a Banking Union?

2. Would you recommend the entrusting of the granting of loans exclusively to the Panchayats of the Branches, the branch accountant doing duty as clerk?

3. If your reply be in the affirmative, do you think that all loans irrespective of the amount of loan should be sanctioned by the Panchayat?

4. Do you think that only certain classes of loans should be sanctioned by the Panchayat?

5. Do you think it necessary that each branch should be provided with lump allotment so that each branch can sanction loans to its members within that allotment only?

6. If you think that such allotment is necessary, on what basis should it be determined?

7. If you agree with this proposal, how would you distribute the Reserve Fund between the several branches (Reserve Fund accumulated by the credit branch only)?

8. If separate credit societies are to be formed for each branch, do you think it necessary to collect separate share capital from the members who want to benefit themselves from the Credit Branch?

9. Do you think that a control can be administered in the grant of loans now at the Head Office by saying that no loan exceeding Rs. 1,000 be granted to any person?

10. Do you think that the grant of mortgage loans can be abolished.

11. Do you think that our rules with regard to credit branch are more lenient than the rules prevailing in other co-operative societies in the City?

12. Do you think that the sum debited now to the credit branch on account of management, stationery, printing &c., is not adequate when compared to the work done by the establishment for the credit branch?

13. If you think that a change is necessary, would you recommend any working rule on which the charges to be debited to the credit branch can be worked out?

14. Do you think that the credit branch now in the Head Office can be put under a separate Secretary? If so, on what pay &c.?

15. Do you think that the credit branch should pay rent to the Head Office for the portion it now occupies? If so, how much?

16. Do you think that the credit department can be abolished within, say, 20 years, by gradual control of the grant of loans? Say we grant loans up to Rs. 50,000 in one year. Next year we give loans only up to Rs. 45,000. Next year Rs. 40,000 and so on?

17. Do you think that the loans to members who are members in other credit societies in the city should be refused?

18. Do you think that the credit department is being maintained at the cost of the distribution department?

19. Do you think that the portion of the pay of the branch accountant should also be debited to the credit branch for his doing work in that connection? If so what portion?

20. Do you think that a portion of the rent now paid for a branch should also be debited to the credit branch?

If you agree, what portion of the rent would you suggest?

ANSWERS TO THE QUESTIONNAIRE

By RAO SAHEB T. K. HANUMANTHA RAO.

General

1. (a) Most certainly.

(b) I would propose to lighten the work and responsibility of the Executive Council of five Directors by dividing the present T. U. C. S. into as many independent Societies as there are branches *separately registered* and *independently managed* by a body of seven or nine Directors elected by and from among the members of the branches, the present 'Head Office' being converted into "a Wholesale Society" also separately registered as a Wholesale Society composed of the separated Societies, managed and financed by the constituent Societies through their elected representatives (Wholesale doing all the purchase and the Societies all the rest of the management).

2. I am not in favour of combining 'Store' and 'Credit' work in one and the same Society. Wherever possible, I would have credit

societies and stores separately leaving it entirely to individual members to decide whether their present share capital will go to the Store or Credit or both as they like.

3. *Vide* my answer to Question 2.

4. (a) One essential requisite of a Store management is that "it must be managed by the funds provided by the consumers mainly." A Credit Department added to a Store will (a) either take the capital from the Store or (b) put more capital into it. In the case (a) the Store is crippled by want of capital, in the case of (b) the Store is ruined by over-capitalisation by credit and the consequent speculation it will lead to. The thrifty habit learnt from the cash down system at the Store is unlearnt by the Credit facilities given in the credit department for purchases. The surpluses created by thrift in the Store are likely to be consumed by the inevitable risks involved in credit. The time and attention of store employees are diverted to the "credit" work which requires talents of a different kind from what is wanted for store management. (b) Both would get on well without clash of interest.

5. *Executive Council* is now directing the affairs, because the *Directors* are too many (one for each branch—21); the *Panchayatdars* are necessary, because the burden of work is too heavy for the 'Executive Council' who cannot see to the affairs of the branch eye to eye with the member. But if each branch is to be managed by a body of directors (5 to 9) appointed or elected by the members of the Branch—there will be no need for an *Executive Council*, or *Panchayatdars*. My scheme leaves no room for this question.

6. (a) The Present policy of having a Director who has no touch with the Branch he represents is thoroughly unsound in theory and practice. (b) If the present system is to continue, the Director must be ex-officio President of the Panchayat.

My scheme obviates this question altogether.

7. In my scheme, the 'Head Office' would become the 'Wholesale'. It may be assigned the work of propaganda, leaving supervision and audit to the branches themselves.

8. Autonomous government in the branches and propaganda from the 'Wholesale' which can make a beginning in production.

The wholesale must specialise in the study of 'markets' for efficient purchase. These three factors must conduce to rapid development—efficiency and economy all round.

9. By the establishment of a propaganda committee with the help of the Provincial Co-operative Union, to carry on propaganda in the whole city by means of lectures, socials and pamphlets with pecuniary help from the common good fund to be created not only in connection with each branch but also with the wholesale.

There is no library worth the name. Each branch will have to endeavour to have a separate library for its members. The Provincial Co-operative Union must be helped to develop a central library.

10. I would partially replace the newspapers by Co-operative periodicals.

Distribution.

1, 2, 3 and 4. *Vide* my answer to Question 1 under *General Addenda* to my answer to question No. 1 under *General*:

I. If for any reason whatsoever—(such as proximity to a neighbouring store, smallness of members, inability to secure the services of competent gentlemen to serve as Directors or inadequacy of the present capital of the members of any branch), it be considered that independence is not possible or desirable for any particular branch, that branch may make itself a part of the bigger branch nearest to it.

II. The Wholesale Society must establish a Banking Department for the benefit of its constituent members.

5. My answer is in the affirmative *i.e.*, I am decidedly in favour of separation. The advantages are.—The greater efficiency in the management of a store, the Directors being *directly* responsible to the members who all live in *closer proximity* to each other, and can meet *more often* to do business. The spectacle of meetings of general bodies being adjourned for want of a quorum of 25 members out of over 4000 members will disappear at once.

The smallness of members in a single society is certainly more conducive to greater efficiency, mutual understanding and greater enthusiasm than a big unmanageable number of members linked together merely by a common name.

The members of the T. U. C. Society were individually more enthusiastic when their numbers were small. The greater the numbers, the less the interest and the enthusiasm on the part of the members.

7. The institution of a "testing committee" or a Purchase Committee has tended to shift responsibility in the matter of purchase from the chosen representatives of the members of their paid staff to a body of amateur and irresponsible people. Purchasing in the wholesale markets needs special knowledge and skill and can be done by well-paid experts

experienced in the business. The formation of a wholesale is calculated to bring into the service of our Society such experts who cannot be adequately remunerated if each branch or society had to do its own buying. Therefore *buying* is the only item of co-operative business in which centralisation will contribute to efficiency. Our Society is spending the least on our purchasers, whereas in Europe the purchasers form the backbone of the consumers' movement.

8, 9 and 10. In my scheme, the power to make purchases is *inherent* in the branch. Ordinarily each store would loyally buy from its wholesale, which certainly depends on its sales to its constituent societies for its very existence depends on the purchase by the societies from the wholesale. But under extraordinary circumstances, they must be free to do as they think best. For this purpose naturally, the societies will depute the best expert they could command.

11 to 15. In my scheme, each separate society and the wholesale will try to have such a system of accounts as it thinks best suited for its business. I would not standardise.

16. When the branches have become independent units, most certainly they must in all matters do what is most conducive to their interests—growth and development.

17. The independent existence of a separate society and its efficient working require a minimum of membership, capital and business. These factors must depend on the local conditions and the social status of the members *e.g.*, if in a locality, free housing accommodation and honorary service from members can replace hired employees and rented buildings, certainly there is no limit to the smallness of a society at least in its commencement. My scheme would embrace societies of all sizes.

Credit.

1. Most certainly. That would be the ideal. But in large cities like Madras, the area of operation and the membership which is too small for a 'store' unit will sometimes be too large for a credit society. A Co-operative Credit Society's essence lies in its fitness or adaptability for assuming *unlimited liability*. Big areas, large numbers, and limited liability are detractions or divergences from the Co-operative principle. Joint-Stockism and limited liability are more intimately connected.

In my scheme, "Credit" is to be separated from 'Store' work and in areas where a Store operates, there are Co-operative Credit institutions 'limited' as well as 'unlimited'. Our credit societies must coalesce with those already in existence; else there will be overlapping, which is one of the greatest dangers to the co-operative movement

whether in its 'credit' side or 'distributive' side. Since the Co-operative Department has wisely or unwisely allowed such overlapping to exist, it is not for us to add to such overlapping. We may organise credit societies whenever there is a real need for it not satisfied by other Co-operative institutions.

2 to 6. In my scheme, these questions do not arise.

7. When 'Credit' and 'Distribution' are separated—Reserve Fund accumulated by the credit branch may be divided proportionately to the borrowings (total) in each branch.

8. If separate credit societies are to be formed for each branch, do you think it necessary to collect separate Share Capital from the members who want to benefit themselves from the credit branch.

Most certainly, for co-operation is mutual help and not charity.

9 to 11. The credit societies when formed will look after these interests.

12. Certainly.

13. Separation would obviate the need for answering the question.

14. and 15. Separation of credit from distribution obviates these questions.

16. I do not see why credit department should be abolished. It need only be separated. If the need is felt for it, it will go on to the end of time. If not, it will die the moment it ceases to be useful.

17. Most certainly, if we are their friends.

18. Nominally some charges are borne by the credit department, but in reality, a good deal of the burden is borne by the Distribution Department. What about the interest on the current account with the Indian Bank?

19 and 20. Separation will answer the questions.

CO-OPERATIVE FINANCE AND AGRICULTURE. *

I don't presume to be competent to deal with this subject exhaustively. My personal knowledge is limited to the small area of my co-operative activities. The ideas I have formed were derived from the working of societies in Malabar and it is possible that the conclusions I arrive at may not be generally applicable in all details to the varying state of development in the different parts of the Presidency. But I think I am right in saying that there exists a general feeling of

* A paper read at the Conference held in connection with the jubilee celebration at the College of Agriculture, Coimbatore, by Mr. V. Krishna Menon, Calicut.

dissatisfaction in the minds of a large section of the thinking public in the Presidency, that the value of our achievement or rather the quality of our work leaves much to be desired. It is not my intention to belittle the importance of the selfless labour of an army of workers, both official and non-official. When we consider the difficulties that stand in the way of our progress, we have reason to look back with pride on the results obtained. It is really a matter for gratification that during the short period of two decades, we have succeeded in organizing about 11,000 co-operative societies in the Presidency and admitted into them about 6,90,000 members. Certainly in point of volume of work done, we have no occasion for disappointment. But when we examine the quality of our work, when we ask ourselves how far we have realised the primary object of the formation of co-operative societies in India, we begin to grow discontented. A real co-operator in India, wherever he may be, whatever he may do, cannot forget to ask himself: what have you done to mitigate the stagnation of the lower classes in India? What special efforts have you done to improve the lot of our poor agricultural brethren? Have you realised the multiplicity of their woes, the extent of their helplessness? Have you assisted them in producing more than what they did before? Have you induced them to take to better and more economic methods of raising their crops and preparing them for the markets? Have you protected them from a host of merciless traders and middlemen? Have you worked to improve their land, seed, manure and livestock? Have you assisted them to be economically independent, physically strong and mentally sound? The answer unfortunately is the same in all districts. We must confess we have yet to achieve all these. We have not even given prominence to this important aspect of our mission and much less trained to preach it to the public. Our workers have been mostly absorbed in the perfection of rules, returns and By-laws. Our societies are merely money-lending institutions, often not better than the institutions which we wish to supplant. I am aware that the record of good work we have done and the statistics prepared for measuring the value of our work are not of a discouraging nature. The annual returns tell us that out of 11,000 societies in the Presidency, not less than 9,000 are agricultural and that the number of agricultural members of co-operative societies in the Presidency is about 5 lakhs and it is twice as many as that of non-agricultural members. But a close examination of the working of these societies will reveal that the so-called agricultural societies are not agricultural in reality. Many members of agricultural societies borrow funds ostensibly for agricultural purposes and apply them otherwise. I don't mean to say this is the general rule. But my contention is that the figures in the returns

do not represent the correct state of affairs. Anybody who has watched the working of co-operative societies in the interior cannot fail to be struck by the misuse of the co-operative money. Funds intended for agricultural improvement are very often not used for this purpose. Annual returns do not show and perhaps cannot show the seriousness of this danger. Financing co-operative Banks are unwilling to expose these defects but have earnestly begun to think of remedial measures. Office-bearers of societies as a rule will not take the initiative for the correction of this evil practice, as they are responsible intentionally or otherwise for the growing evil. Poor members of societies, who are really the aggrieved party, have not been taught their privileges, duties and responsibilities, and the result is that co-operative money, in majority of cases, is not employed for the benefit of the agricultural classes. Tillers of soil have been from time immemorial a helpless class, exploited by richer, more intelligent and influential classes. It was to protect the agriculturists from these evil influences that the Government created the co-operative department. It cannot be denied that some good work has been done. But it has not gone a long way to make the agriculturists an organized body able to withstand the powerful army of traders and middlemen, whose prosperity means ruin to helpless agriculturists. Whatever development is noticeable in recent times, it has the defect of being partial or one-sided. Advancement of trade, extension of Railways, increase of Banking facilities and other advantages of modern civilization benefit traders more than the agriculturists. Increased activity of commercial Banks, systems of forward contracts for the supply of produce and making advances on standing crops, fixing terms ruinous to the producer, deprive him of his legitimate share of the increased value of produce. Co-operative institutions have not succeeded to any appreciable extent in affording the necessary protection as they have not acquired sufficient knowledge or experience in the business of selling the produce for their members in an advantageous manner. We have need for a large number of thinkers and workers to devote their attention to this branch of co-operation. The task we have to perform is very great. Many of us have not even realised that our primary duty is to go to the rescue of the agriculturists. We have so far merely prepared the ground for earnest work. We cannot say that we have travelled far along the path of co-operative development. I would even say that our place has been slow and sometimes uncertain and erratic. We have to examine the circumstances which regulate our progress and prescribe measures suitable to our peculiar circumstances. We have a large number of poor and ignorant people bound down by superstition and to a large extent ensla-

ved by social tyranny. We have extensive land possessed by a class of people who will neither work it themselves nor afford facilities to those that cannot but till it. We have a number of co-operative societies and sufficient funds for financing them. But we have an insufficient number of really good office-bearers to run them in the best interest of the agriculturists. We have a co-operative department ever willing to advance the interests of co-operation in the Presidency. But their knowledge of agricultural requirements is limited. We have an agricultural department ever ready to help the people with advice. But to a great extent, they lack financial capacity to demonstrate the value of their advice. Co-operative societies have funds but do not know how to use them. Co-operative Department has great responsibility but wants more knowledge. Agricultural department has knowledge but wants more financial responsibility. I request you, gentlemen, not to be offended with my remarks. We are really in a confused state. It is quite essential that we should create a better organisation for directing the forces for the production of better results and quicker progress.

Our main object to-day is to suggest a better organisation calculated to work more efficiently. There is no use of putting forth suggestions involving large expenditure of money. Demands on public purse are large and varied and diversity of opinion on public questions is bewildering. I therefore propose to confine myself to suggestions that can be carried out with additional expenditure. Among my suggestions, I give the first place to the necessity of propaganda, a persistent, systematic and organized attempt to teach rural people principles of co-operation and how co-operative funds can help to promote agriculture. Some of my hearers may question the necessity of propaganda at this stage of our development. Many a time I had occasion to meet members of co-operative societies who did not distinguish co-operative funds from Government funds. Most of the evils we see now in the working of the co-operative societies can be rectified by spreading the knowledge of co-operative principles among the people. Agencies exist among co-operative institutions for undertaking this work. But they have not sufficient funds for the discharge of their duties. It is quite possible for the government to divert some funds for strengthening the hands of those agencies. The Apex Bank and the Central Banks have to earmark annually funds exclusively for this purpose.

The second suggestion I wish to place before you is to bring the two Government departments of Co-operation and Agriculture closer to each other. I suppose you are aware that the suggestion has appeared in the Press many a time. I do not want to enter into the merits of

this suggestion. I merely propose that steps be taken for bringing these departments closer. Any radical change in the system of administration would take a long time to be effected and the change I advocate is only a readjustment of duties of officers to facilitate mutual help. That these two departments are connected and their working in consultation with each other would produce better results have already been recognised. Recent circulars issued by the Registrar of Co-operative societies requiring local unions to invite Agricultural officers to their periodical meetings and making Deputy Directors of Agriculture ex-officio members of District Federations are steps calculated to bring about this result. I would suggest to you that we ought to go a step further. There are many ways of creating a healthy change. I draw your attention to the method of financing rural societies adopted in some districts and I leave you to decide whether the change I advocate would be beneficial or not. A rural society according to the present practice prepares a loan application, forwards it to the local union or the Assistant Registrar for recommendation. These agencies generally do not possess detailed information regarding the requirements of the society. They do not go into the details, but merely see whether the society is working in a satisfactory manner and whether it has sufficient borrowing power and has cleared the dues to the District Bank. Panchayatdars of societies do not give preference to Agricultural loans, but merely see to the nature of the security offered and the reliability of the borrower. Very often persons friendly with the Panchayatdars get preference and the requirements of the poor agricultural members of the societies are ignored partly or wholly. When the application reaches the financing Bank, members of the Executive Committee who in majority of cases do not possess intimate knowledge of the working of the society, pass the loan on the strength of the recommendations received, and the result is that even in the best of societies, poor agricultural members do not get adequate financial aid. Moreover recent changes in the working of the Co-operative Department have thrown the duty of Supervision of societies on non-official agencies which some of them are unable to perform in the best interests of the country. Want of proper supervision causes many irregularities in the working of societies. Financing banks not having an establishment of their own for supervision depend mostly on local unions and Panchayatdars of societies for the proper use of money lent. There is a growing complaint, as I said already, that Co-operative funds are often misused. A good many of similar defects can be rectified by a system similar to what I suggest below :—

Rural societies should not mix up applications for loans for agricultural purposes with those for non-agricultural purposes. Societies

must be trained to prepare a list of Agricultural loans once or twice a year and an agricultural officer and non-official co-operative Agents should be required to be present when the list is prepared. Loan applications thus scrutinised may be prepared in triplicate, one copy may be sent direct, another through the Agricultural officer and the third through the Co-operative non-official agency, to the financing bank. Remarks made by these agencies will prove to be a valuable aid to the financing Banks in exercising their discretion. A list of loans sanctioned by the financing Bank may be sent to the Agricultural and Non-official agencies to make them scrutinize that the loans are properly utilised. This method may be objected to as being cumbersome but I think it is quite possible with some preliminary consultation among the departmental heads and Co-operative non-official agency to devise a working plan. I do not advocate that this system is perfect. I merely suggest that it may be tried until it is found out that there are better methods. By adopting this system, we can remove to a great extent the grave charge that co-operative funds are misused. We can besides secure an additional Supervising agency independent of local unions and fully qualified to direct the utilisation of funds for Agricultural purposes.

There are other ways by which the Agricultural Department can help the members of co-operative societies. There is a belief that there is no money in Agriculture. Young people have no courage to make agriculture their business in life. Cultivating tenants find that they are not able to pay landlords' rent and make a living from land. In many cases, they find that their condition becomes economically worse year after year. This is particularly so in the cultivation of paddy. The ryots in despair give up land and go outside their villages for seeking employment which can give them at least food. It is this tendency that causes the migration of able-bodied young men from rural parts to towns. The promise of credit on easy terms by co-operative societies does not check the tendency of migration. But this should be checked and we request the help of the Agricultural Department to do so. If the Agricultural Department can cultivate a plot of land in a village and demonstrate that a living can be made out of the land, the work of the Co-operative Department is rendered easier. I am sure there will be no difficulty in getting lease of lands for demonstrative purposes. There are Agricultural officers and their assistants in all districts. They tour from place to place advising people better methods of agriculture. This is good in its own way. But it would be better if they conduct 2 or 3 demonstrations on their own responsibility and show how and why an ordinary ryot is not able to make a decent living out of land. Want of

funds cannot be an excuse as the revenue of these demonstration farms must be sufficient to meet all expenses. One demonstrator can take charge of more than one centre of demonstration if properly arranged. This is practically a challenge made by those who have no faith in farming. I think that the officers of the Agricultural Department should take up this challenge and prove to the ryots that it is quite possible to run a farm on commercial lines on a scale suited to the conditions of an average ryot. If this is done and the results are given wide publicity, there will be no difficulty on the part of co-operative societies in financing members for agricultural purposes. As matters stand at present, the financing Bank often hesitates to lend money to members whose agricultural operations in the past years did not conduce to their prosperity. I therefore invite a discussion on this subject so that the Department may be able to decide whether it is practicable to adopt this suggestion.

The last suggestion I wish to make is of a general character. The Agricultural Department will do well to induce the Government to introduce teaching of Agriculture in all primary and High Schools. The children must be taught that Agriculture is an honourable calling. By some mistake in the present educational system, boys and girls after a few years of schooling somehow develop a disdain for rural life. I should think this result is disastrous. Our natural existence is threatened thereby. Agriculture should therefore be made a subject of study in all schools.

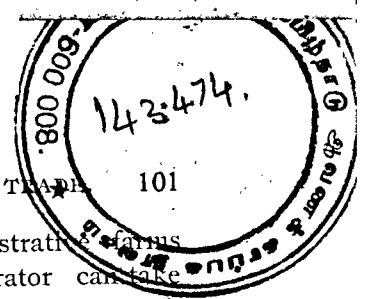
CO-OPERATIVE INDUSTRIES, AGRICULTURE AND TRADE.

BY MR. N. DURAI RAGHAVACHARIAR.

Some co-operators have found it necessary to amalgamate the departments of Co-operation, Agriculture and Industries to improve the economic condition of India. A By-law has been drafted for adoption in a group of 4 villages embracing all the subjects and submitted to the Deputy Registrar of Co-operative Societies for registering a society under India Act II of 1912. Sanction is being awaited by the villagers very anxiously. Such societies will reduce the necessity of credit societies to a great extent in rural reports.

2. The objects of the Society briefly are :—

- (1) to clear and maintain the irrigation channel which irrigates a group of 4 villages and to keep the embankment in good order
- (2) to supervise the distribution of water
- (3) to dig wells for the irrigation of fields by waterlifts and engines,



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- (4) to hire or purchase modern scientific appliances such as steam ploughs, water engines and lifts
- (5) to purchase agricultural and industrial implements and requisites for retail sale and hire
- (6) to purchase suitable manures and seeds for agricultural produce for retail sale
- (7) to arrange for joint cultivation when necessary
- (8) to issue manure, seeds and agricultural implements for credit on the surety of one or two members and to realise the amount with interest at the next harvest
- (9) to keep produce under the custody of the society if the member wants to wait for a fair price and to allow it to be sold when required and adjust the dues
- (10) to grow suitable trees specially those whose leaves are useful as green manures as avenues on village roads, streets and paths, on village temple premises, tank bunds, cattle stands, thrashing floors, burial grounds and such other places as are available with the permission, when necessary, of the authorities concerned and to sell the produce at the proper season and green manure leaves at the beginning of the monsoon when shade will not be necessary
- (11) to collect animal bones and have them disintegrated at Tindivanam or elsewhere
- (12) to buy and sell charkas and let them for hire
- (12) to buy cotton for retail
- (14) to collect yarn produced by members and to dispose of it advantageously
- (15) to collect cocoanut fibres and make ropes for sale
- (16) to help the ryots generally in the furtherance of cultivation and industry
- (17) to make wholesale purchases of all the necessities of life for retail sale
- (18) to arrange for the construction of cheap but comfortable huts for the poor on a system of periodical payments
- (19) to buy and maintain one or more suitable stallion bulls for breeding purposes
- (20) to purchase mills for husking paddy, decorticating groundnuts and extracting oil to be attached to the water engine or to be worked by hand or bull power for the use of the members

- (21) to carry out such other works pertaining to irrigation, agriculture, industry and trade
- (22) to maintain a library of all the available books and pamphlets in Tamil on Co-operation, Agriculture and Industry for the free use of the ryots
- (23) to disseminate a knowledge of co-operative principles and their realization as far as practicable and
- (24) to do all such other things as are incidental to the attainment of the above objects.

REVIEWS AND EXTRACTS

The Devadhar Malabar Reconstruction Trust— Report of Work 1925-26.

The people of the villages in which the Trust has been carrying on its work had not yet fully recovered from the devastating effects of the floods of 1924. In November last a severe cyclone worked havoc among fishermen of Tanur resulting in not only the loss of boats, nets etc., but also of lives. Fortunately the damage suffered in the interior was insignificant. When the Malabar Cyclone Relief Committee decided to render assistance to the sufferers for the immediate relief of distress caused by the cyclone, our worker in Tanur was in charge of the area. The Secretary of the Trust, Mr. R. Suryanarayana Rao, has also been acting as the Joint Secretary of the Committee.

Adult Education.—During the year, two more schools were opened bringing the number to five and the number on the rolls in all being 201 including 6 girls. One of the schools is mainly for Adi-Dravida adults.

Attendance was fairly regular and satisfactory. The number of adults that are in our schools is necessarily large. The usefulness of our schools is so much appreciated that petitions are being received from a number of villages requesting the Trust to open Night Schools. But limited funds at our disposal do not permit us to do all that we desire to do. Anyhow, the Trust has during the next year budgetted to open a Night School in Omachapuzha, a Moplah village near Tanur.

The Trust has also resolved to take up the management of the Adi-Dravida Day School situated on the Pavor Hill near Quilandy. It is situated on the top of a hill which is soon to be acquired by the Government for the Trust to organise a Pulaya Colony. As the financial resources of the Trust do not permit the continuance of the midday meal, we are seriously thinking of abandoning it. We trust the generous public who appreciate the importance of feeding poor children, who are hardly able to get one full meal per day in their homes, will come forward with contributions to enable the Trust to continue the midday meal. The attendance is now 53, all the children belonging to the Depressed Classes.

People's Clubs.—The Clubs are in fact the results of our adult education work. The schools form the meeting places for these Clubs where lectures and magic lantern shows on various topics are given. Direct method of teaching is adopted so that the members may intelligently follow the lessons delivered. Propaganda relating to the Co-operative movement forms the main part of our lecture programme. Attention is also paid to such subjects as Infant Welfare and Maternity and General Civics as applied to village life. The Trust owns now five sets of slides on all these subjects.

It is proposed to organise these clubs on a regular membership basis and encourage the villagers to manage them themselves, our worker merely acting as an advisor as is done in the case of the Co-operative Societies. We have every hope that as a result of our work in their midst during the past three years, their civic conscience has been sufficiently awakened to fit them to undertake the responsibility for running their clubs.

The floods of 1924 completely disorganised the economic conditions of the weavers. The loans overdue were all made up of the paid up share capital. The members expressed their inability to repay unless they were helped by further loans. So the Trustees decided to offer a deposit of Rs. 200 for each society to enable them to restart the work. A scheme has been formulated with the co-operation of the Registrar and the Textile expert to Government for introducing better methods of weaving. But there are two questions that face every one viz. (I) redemption of prior debts (II) provision for the sale of finished goods. These two matters are seriously engaging the attention of the Trust.

Medical Relief.—Medical relief on a small scale was continued during the year. It is proposed to reorganise the Homeopathic Dispensary and afford relief to a large number. The workers of the Trust as usual took active part in the celebration of the National Health and Baby Week in Tanur and other centres of our work.

Y. M. C. A. Centre at Areakode.—This Centre which receives a grant from the Trust continued to do good work. More Night Schools were opened and a few more Co-operative Societies were organised during the year. The Industrial section organised with the help of a grant from Government has been working satisfactorily. Sericulture has also been very successful. The adult education work carried on by the Y.M.C.A. is mostly on the lines on which the Trust is doing in Tanur.

General.—The Malabar Flood Relief Committee offered the Trust Rs. 7,000 for organising a Pulaya Colony near Quilandy. The Trust has undertaken to do so and has applied to the Government for the acquisition of land required for the purpose. As soon as the land is handed over to the Trust, the work of the Construction of huts will be begun. Meanwhile, as already stated, the Trust has taken up the management of the school already in existence.

As the activities of the Trust are being extended to new areas and new methods of work are being formulated for execution, we appeal to the general public to help the Trust with contributions, however small, and enable it to discharge its responsibilities satisfactorily.

A short History of British Agriculture by John Orr.

(A review by Mr. A. Appadurai).

A survey of British Agriculture from its earliest beginnings has been attempted in this volume—and certainly with remarkable success. The subject of Agriculture does not generally attract the attention of ordinary English writers, though passing references to it are abundant, partly because the interests of Western writers are more largely in the industry side of economics. And the industrial pre-eminence of the country explains it. In fact, the first great book on the subject can be traced only to the 16th century, and the number of books on its historical aspect and in such a small compass is by no means very large.

The beginning of farming itself, though only interesting to students of antiquity, is traced to the early custom of depositing corn and other food materials in the burialplace of the dead, and from that primitive state to modern scientific farming is a large transformation. As the author says, even the very idea of cultivation was opposed as a ruinous innovation, partly because settling down permanently meant giving up the risks, excitement and prizes of this life, for the certainty, dullness, and softness of a corn-grower's. It is a pleasant contrast to the modern's love of home, and only slowly was the new idea of cultivation adopted and that always with regret.

And the first system of cultivation was in the open fields in strip-holdings, and was carried on in common. Under such conditions, improvements could hardly be expected. The system itself was the result of resistance to private land holdings and the fact that men were still for part time at least, fighters, and they returned to the soil only when there was no war.

The growth of the manorial system did not help improvements. It was communal and bureaucratic as every other form of military organization, and only one class of people in the country took a little interest in the matter of development of agriculture on scientific lines—i.e., monks.

The manorial system slowly gave place to the Landlord-tenant system. Men discovered that in making fortune for themselves, the best and easiest method was, as far as possible, to follow their own private courses. The events, which followed the Black Death hastened the movement; the Enclosure system its natural corollary; though a hardship for the poor farmer was calculated to improve the productivity of the soil. New methods of draining were found out and popularised—indeed men began to take an interest in scientific agriculture. A new system of rotation of crops came in; Books on the subject began to be

published in the 17th and 18th centuries, and in the 19th, State aid was increasingly sought for and obtained; the first agricultural college was established in 1845 and the number of schools and colleges for agricultural instruction began to increase.

Simultaneously with this development, the increase of industry and commerce has drawn away a large section of the population to industrial pursuits, and this created a demand for agricultural produce, and with the increase of this demand, the farmers began to get a better price for their produce and till the slump after the war, we can safely say English farming was in its hey-day of prosperity.

The book, tracing as it does the history of this development, is not only an asset to the literature on the subject—to India it means a little more. For, a study of the conditions under which improvements were effected in agriculture by British farmers is invaluable to our own; the part taken by the agriculturists themselves in studying conditions and improving upon them is too good an example to be neglected; the help rendered by the State at various times and in various forms is worthy of our attention, and above all the advantages secured to the farmer as a result of the industrial development of Great Britain ought to set us thinking on the inter-dependence of these two forms of our activity and development.

Special Type Societies.

Tiruvannamalai Co-operative Labour Union

(Report for the year ending 30th June 1926).

This union has taken up only the work of felling Forest Coupes on contract and supplying fuel in Tiruvannamalai Town. Though this is the 2nd year for the Labour Union, this is the 6th year for coupe contract work on Co-operative lines. In the month of December 1919 during the Karthigai Festival, fuel was not in stock with any of the contractors and it was selling at 1-8-0 per gundu, i. e. Rs. 30 per cartload. There was a great cry and the Department could not do anything in the matter. The reason for such an unhappy state was traced to be the undue competition among the contractors, want of faith to the labourers in the contractors and their inability to bring in large stock to the town. The then Range Officer, Mr. M. R. Duraisami Iyer, suggested the taking up of contracts by the Co-operative Trading Union as one of its branches, as it is the legitimate function of the Trading Union to cater to the wants of the members. With the earnest support of Mr. K. N. Venkatrama Iyer the District Forest Officer, only one coupe was taken on contract by the Trading Union bidding at the public auction along with others and it worked very satisfactorily and at a profit of Rs. 445-12-0. Then the woodcutters were added as members of the coupe branch and on the advice of Mr. Abdul Kadar Sahib Bahadur (now I. F. S.) two coupes were taken in the next year and three coupes in the third year. The woodcutters were given half the profits and the other half to the Trading Union. An application for giving all

coupes on a fixed rate to the Co-operative Society was made during Mr. Guodoin's regime and he strongly supported it and it was granted. The labourers and others interested in this branch of work cannot forget the name of the late lamented Mr. Guodoin, the District Forest Officer. But for his support, sympathy and earnestness the scheme would not have attained success.

A contract by a body of Co-operators is quite different from a contract of individuals. There are advantages and disadvantages. The relation between the contractor and the Department is never altered and the Society's representative, whoever it may be, must put himself in the place of a contractor to satisfy the conditions of contract. If this position can be realised by every society taking up such contract, there is no room for any hitch with the Department; on the other hand, if the society forgets its position of a contractor and behaves as a licensee, the Department makes a distinction between a society and an individual. There may also be cases when Forest Subordinates who happen to be corrupt, find fault with the work. Such things are very rare and they can be remedied by good advice and a little patience. This Union is very fortunate in having from the very beginning very good and sympathetic officers both in Rangers and District Forest officers and the entire success is due to their support and encouragement.

In the beginning Mr. (now Rao Sahib) O. N. Ramasami Iyer was the Co-operative officer in charge of the District and he was very much enamoured of its activities and started one on its model at Oosur in Vellore Taluk and in Polur. He was very helpful and gave all facilities for its growth. But subsequently his successor in office could not appreciate the co-operative character of the scheme and began to find out technicalities against its working and raised objections to sale to non-members etc. and the management was very much disheartened. However, with all the apathy of those immediately responsible for its proper running, thanks to the interest taken by the Registrar, a separate Labour Union with only actual labourers and a few honorary workers was started on the 20th May 1925 and this year is therefore the second Co-operative year.

On the date of starting the Union, 29 members with 37 shares were admitted. On 30-6-25 the accounts were closed as per rules and as much as 445 acres were then in arrears and the entire assets and liabilities of the coupe branch of the Trading Union was taken over by the Labour Union a cautious estimate of assets was prepared and a loss of Rs. 113-11-4 was shown as the result of its working. This year is very eventful in its history that the society had to withstand a large body of opposition by the contractors and interested people. Mr. M. R. Duraisami Iyer, the Range Officer, and the sponsor of the activities, was transferred and Mr. Goudion, the father of the scheme, died. A new Range officer took more than six months to see eye to eye with the object, advantages and working of the activities and this gap was taken advantage of by contractors and self-seekers to send up petitions and newspaper cries and demand an open sale to contractors. Thanks to the sympathy and public spirit

of Mr. Woodhouse Adolphus, the present District Forest officer, who visited the place and learnt everything first hand and gave the necessary encouragement.

There were 266 acres of arrears to be felled in the beginning of the year and 179 acres were taken on contract during the year. The amount outstanding in the value of arrear coupes was Rs. 1,347-3-0, and Rs. 771-12-0 was paid to Government for new coupes. Besides, a Deposit of Rs. 850 was also made in the name of the District Forest Officer as security. A disafforested area of 260 acres was taken on contract and Rs. 520 was paid for it.

There were 79 members on 30-2-26 of which 45 were woodcutters 25 cartmen, 6 employees and 3 non-labourers who are spending their time and energy in managing the affairs of the society honorarily.

The contracts for 1925-26 expired by 31st March 1926 and 755 acres out of 795 acres taken for the year were felled, leaving 40 acres to lapse. This lapse was unavoidable as the coupe in question was 14 miles away from the town, workers not available in the surrounding villages and the villagers unsympathetic or rather of antagonistic attitude. The union was not able to recover even the cost price of fuel from this place and had wisely given up not only the arrears left but also the contract of this particular coupe in subsequent years and the Department allowed it. A fresh area of 645 acres was taken on contract for the current year 26-27 and Rs. 830-11-0 as Security Deposit and Rs. 830-11-0 as quarterly instalment were paid. Only about 50 acres were felled out of this and on 30-6-26 acres 626 remained to be worked.

During the year 4949 cartloads i.e., 2474½ tons of fuel were received in Depots of which 458 tons were split, 425½ tons of split wood and 1683 tons unsplit were sold for Rs. 19,727-8-0 and the actual stock on 30-7-26 was 286 tons of unsplit stock and 24 tons of split fuel. Stocks of definite magnitude were made and the quantity was calculated at 81 cubic feet per ton. The depreciation for the whole year comes to less than 3 per cent which is very much less than the allowance prescribed in the forest code.

An amount of Rs. 15,355-2-11 was incurred as expenses for working the Felling charges 5,332 2 0 coupes as noted in the margin. There are two Cart hire. 7,589 11 0 depots in the heart of the Town and there is Splitting charges 681 6 9 a coupe supervisor on Rs. 30 and 3 maistries Establishment 1,253 6 5 on Rs 47½ and two Depotkeepers on Rs. 27 Contingencies 292 10 4 and two Depot Assistants and Watchmen on Rs. 13. A rent of Rs. 16 is paid for the Depots.

A depreciation of 20 per cent on the stock was allowed and the year closed with a profit of Rs. 3,113-9-4.

The members have paid a share capital of Rs. 439 and owe to the Trading Union for its transferred assets Rs. 1480-12-0. An amount of Rs. 1680-11-0 is due from the security deposit for the completed works and as soon as it is received the dues will be paid off.

Fuel was selling in the town at Rs. 4-4-0 per cartload throughout the year and the whole town depends entirely upon this supply. The activities have thus benefited both the people and the labourers and also the Forest Department. The Directors hope the Forest and Co-operative Departments will continue to evince interest in this poor men's concern and render all possible help in improving the working of the society.

M. S. SESHACHALA AIYER,

President.

FOREIGN PERIODICALS

The International Review of Agricultural Economics

which is an organ of the famous International Institute of Agriculture at Rome, maintains its high level of excellence in its January-March 1926 number. In an article contributed by an Official Correspondent of the Institute in Denmark the efforts made to *conserve and create small holdings* in that classic land of co-operation are traced in detail. The series of legislative measures enacted for the break-up of the big estates and against the sub-division of small holdings, the grants of loans and other forms of aid given by the State are all worth close study by the agricultural reformers in India who have been impressed with the enormity of the evil of our 'uneconomic' holdings. We must however remember that our conditions are not the same, that the fertile parts of our country are densely populated, that there are few other avenues of employment and that the evil is aggravated here by the extensive character of cultivation carried on in many tiny holdings with the consequence that our yield per acre and per head of cultivation is very low. Enthusiasts must therefore be warned against pinning their faith solely to legislative measures for the creation of economic holdings, and be made to realise the importance of a more intensive and varied cultivation which can only follow a good system of agricultural education and a better organisation of the financing of agriculturists.

Samples of methods adopted in another country—Italy—for educating and encouraging the common class of agriculturists are given in the course of an article entitled '*The Wheat Campaign in Italy*'.

For five years beginning from 1925-26 the annual sum of 1,000,000 liras is allocated for the promotion of new periodical publications for technical propaganda with particular reference to wheat-growing, such periodicals to be adopted to the stage of educational progress among the less well-informed agricultural classes. For 1925-26 and subsequent financial years an item of 500,000 liras has been included in the budget for contributions and subsidies in favour of bodies and associations preferably national in character, or for propaganda films dealing with agriculture and especially with the technique of wheat-growing. The contribution of the State will be made for the expenses of installation and in particular for buildings and machinery up to 50 per cent. of the cost, and on one occasion only. The sum of 4,000,000 liras is ear-marked for the purpose.

Loans are granted for the purchase of powerful machinery like motor ploughs for breaking up land and preparing it for intensive cultivation in the zones where extensive cultivation prevails.

Provision is also made for facilitating throughout Italy the construction of warehouses and grain sites owned by societies or co-operative associations the members of which must be wheat-growing farmers.

Observe again the measures taken by the Government in backward Mexico for the benefit of the rural classes as stated in an article on the *Economic Condition of Agricultural Workers in Mexico*.

1. Propaganda for the purpose of instructing small rural holders in the new methods of cultivation and the use of machinery. With this object a special train has been run through the territory of the Republic carrying machines, distributing pamphlets, and providing cinematograph displays.

2. The establishment during the year 1925 of 1200 rural schools making in addition to the 1800 already in existence a total of 3000. The Ministry of Public Instruction further gives notice of another 2000 rural schools which will be opened in the course of 1926. The government have this year especially directed attention to those States which owing to their distance from the centre of the Republic are in a worse position as regards the education of the native population.

3. Authority granted to establish a *Refaccionario* bank in the State of Morelas with the object of encouraging the cultivation of sugar-cane in that region which is one of the most important in the Republic. The concessionary is bound to facilitate the purchase of machinery on reduced terms and payable in instalments by small cultivators, to distribute seeds and give other facilities for the intensification of cultivation.

The review contains in the Miscellaneous Information Section a summary of the *Report on the Co-operative Purchase of Agricultural Requisites in England and Wales* issued by the Ministry of Agriculture. There is a discussion of the merits of the three types of Co-operative Societies viz. Truck-load societies, Storage-societies and Delivery societies.

To summarise a summary.

1. *Truck-load societies* serve as pooling media for their members' orders. No storage or delivery is undertaken. The advantages they secure are of bulk-buying viz. lower transport charges, lower prices and some control over the quality. This type works satisfactorily so long as the number of members is small. It is necessarily limited to the purchase of such requirements as can be conveniently taken in truck-loads. Most of the societies operate on what is termed the 'cost-plus' system i.e., the price is determined by the cost price of goods plus a sufficient margin to cover the expenses of management and as a rule the provision of small reserves. This involves the risk arising from the difficulty of determining expenses with precision. A more serious objection is

that it involves a measure of price-cutting and so tends to arouse the hostility of individual traders competing in the same line of business. Again the saving reflected in each transaction may at any one time be small whereas sale at market prices followed by a periodical dividend on purchases will usually give a more impressive advantage in the case of societies which do business all the year round.

2. *Storage-societies* are able to deal with very small orders and to carry sufficient stocks of standard requirements to meet sudden and unexpected demands; they also have the opportunity of making favourable purchase in respect of immediate demand. They further avoid demurrage charges and they supply many of the requirements of the family as well as of the farm. The stores is also a means of advertising continually the existence of the society.

Delivery Societies carry a step further the services to farmers. The commodities in which they deal are more varied and societies are normally in a better position to buy well because they buy for a larger area and can afford to pay for better management. Societies either deliver by the local carrier or hire or own transport. The large society keeping a fleet of lorries for all its ordinary needs obtains the maximum economic advantage, though the hiring system especially in the case of smaller societies has its own advantages. The bigger societies indulge in speculative forward buying; others buy backed up by membership contracts or on the basis of a close estimate of the requirements of members for a few months or a season.

It is remarkable that the various attempts made to federate those societies for trading purposes have all ended in failure chiefly because of want of guarantee custom. The lesson is not without significance for India in her building up of non-credit organisation.

K. C. R.

(to be contd).

RECENT NEWS.

The Coimbatore-Nilgiris co-operators met at a Business Conference held on 31st July and 1st August and important resolutions were passed, such as direct recommendation by Unions, of loan applications of rural societies to the Dt. Bank; State aid to unions and Dt. Federations for co-operative education and propaganda; Unions to interest themselves in starting non-credit societies such as 'Purchase and Sale' and 'labour' societies, early establishment of a cotton purchase society at Tirupur, submission of quarterly reports by supervisors to the Unions in the prescribed form, appointment by the District Federation of a paid assistant to attend to rural co-operative education and conduct training classes in the area, the Madras Central Urban Bank to reduce its rate of interest on loans to District Banks from 7 to 6 $\frac{1}{4}$ p. c, the Government to raise its grant to the Adi-Dravida societies and extend to them the benefit of the activities of the Labour Department, and the Dt. Federation to grant an annual subsidy for

the appointment of special Supervisors for those societies; and lastly the early organisation of a co-operative Printing Press at Coimbatore and naming it 'The Gray Co-operative Printing Works' in recognition of the valuable services rendered by Mr. Gray, our Registrar of Co-operative Societies (now on leave) in promoting the cause of co-operation in our Presidency.

We understand from the short account given by a member of the Madura District Ryots Association of an enquiry he made along with the Vice-President of the association into the irrigation conditions in the area under the Periyar Project, that though definite rules have been fixed for regulating water to suit all conditions of weather, the supply as per normal quantity once considered sufficient is now felt quite unequal to the demand for water in the early part of the Kodai season, and numerous complaints have been received by the above association regarding the present irrigation system. A conference of leading ryots was held on the 7th August at Uthamapalayam, when, the Executive Engineer, Madura, assured the ryots that he would see his way to ensure steady supply.

Two cases of alleged criminal misappropriation by office-bearers of Co-operative Societies are reported in the 'Hindu,' 5th and 7th of August. Mr. N. Narasimbacharlu, Pleader and President of the Co-operative Building Society, Masulipatam, was prosecuted for alleged criminal misappropriation of Rs. 250 paid by a member in person. The other, one Kandamaniam, Secretary, Kombappatti Co-operative Society, was prosecuted for the offences of criminal misappropriation of a sum of Rs. 150 belonging to the society and forging of valuable documents with a view to conceal the first offence, and was sentenced by the Assistant Sessions Judge of Madura to 2 years' R. I. on each of the counts, the sentences to run concurrently.

The Development Minister, Sir T. N. Sivagnanam Pillai, delivered an address on 'Students and Co-operation' during the inaugural meeting of the Science College Debating Society, Trivandrum, on 6th August. He emphasised the need for adopting in our land certain improved methods of Agricultural Industry obtainable in foreign countries, and as an instance pointed out the vast improvement in Agriculture he has been able to make in Madras. By adopting cross-breeding of rice, he said, the ryots were able to put in 25 lakhs of rupees worth of paddy in the market, in addition to the old stock.

The ryots assembled at the Irrigation Conference held at Pollachi on 7th August were enquired individually about their grievances regarding the channel water supply system in their places, by the Executive Engineer, Coimbatore, who presided. The latter promised to carry out all repairs suggested by the ryots as soon as practicable.

A new colony, by name Ganeshapuram, for the members of the Labour Department, most of them belonging to the Adi-dravida Community, was opened

on the 8th August by Sir George Paddison, Labour Commissioner, at Gantz Road, Vyasarpady, Perambore, under the auspices of the Sri Ganesha Co-op. Building Society.

One Mr. Rama Rao Mundkur has been awarded a foreign scholarship of £ 250 per annum by the Government of Madras, Development Department, for studying sugar industry in England. Though tenable for only two years at present, the scholarship may be extended to five years at the discretion of the High Commissioner for India.

Rev. K. Heiburg of the Danish Mission delivered an interesting lecture on 'Denmark, a Co-operative Commonwealth' at the Y. M. C. A. auditorium on the 12th August. The chief reasons for the Danish success were, he said, the high degree of education the people have had, unity and mutual trust among them and freedom of political thought. Before 1882, Denmark was a great corn-producing country, but when the industry failed owing to competition from America and Australia, it was replaced by the milk-producing industry so that in less than a decade the country became the dairy for the whole of Europe. The lecturer appealed to the people of India to adopt the methods obtaining in Denmark for improving the agricultural industry of this land.

The committee appointed by Government to make out the case for our Province to be presented to the Royal Agricultural Commission met on the 17th and 18th ultimo with the Hon. Sir T. N. Sivagnanam Pillai in the chair. The chairman in the course of his speech said it will perhaps be necessary to review the work of the three Development Departments in detail with a view to study the defects of the existing organisation and suggest suitable remedies for them. Various subjects were discussed and the committee adjourned to meet again in October by which time it is expected that the questionnaire of the Royal Commission would be published. (*The Hindu*, 17th and 18th August).

Sir Ibrahim Jaffer's resolution in the Council of State on the 18th August regarding the necessity for an all-India enquiry into the working of the co-operative movement with a view to find out the possibilities of its expansion and healthy development was ultimately withdrawn, Sir Mahomed Habibullah having undertaken to circulate the report of the debate to the Local Governments. The Hon. member said that unless it could be argued that all was not well with the working of the movement throughout the country, there would not be a *prima facie* case for enquiry, and also that statistics since the introduction of the Reforms reveal a remarkable progress the movement has attained. But it cannot be denied that there are very serious defects which, unless speedily looked into, may lead to dangerous consequences. 'The Hindu' of the 20th ultimo notices editorially that 'there is a clear case for provincial enquiries, Madras, as we have been saying, needs anyway a thorough examination.'

The South Kanara Government Servants' Co-operative Society, Mangalore, has decided to affiliate itself to the Madras Provincial Co-operative Union and elected Mr. P. Ramanand, M.A., Science Professor in the local Government College and the Hon. Secretary of the society, to represent the latter in the General Body of the Union. (*The Hindu 20th August*).

A successful meeting of the ladies of Calicut was held in the local Ganapat High School on the 15th August under the presidency of Mr. K.P. Raman Menon, to concert measures for organising a Co-operative Society for enabling poor women of all classes to help themselves by means of some kind of Cottage industry. Speeches were delivered by some local leading gentlemen on the advantages of the Co-operative Society for women—how it would help the ladies to solve in a measure the poverty of the masses. The Deputy Registrar, Mr. Giriappa, spoke on the ideals of Co-operation and the importance of the Co-operative movement and welcomed the ladies of Calicut into the movement (*The Hindu 20th August*).

We wish to draw the attention of our readers to the questionnaire of the Decentralisation Committee of the T. U. C. S. printed elsewhere in this issue. Rao Sahib T. K. Hanumantha Rao's answers to many of the important questions published alongside may also be read with much interest.

The fourth session of the Pudukottah Co-operative Conference held on the 26th August when Rao Bahadur A. Vedachala Iyer, Retired Registrar of Co-operative Societies Madras, delivered an instructive address as the President of the Conference.

The first annual session of the Cochin Co-operative Conference held at Tiruppunithura on 28th August under the presidency of Mr. P. Narayana Menon, Chief Judge of the Chief Court. Important resolutions were passed such as grant of facilities by Government to societies to make remittances through *anchal money order* to Taluq treasuries free of commission; Government to lend to the Central Bank not less than Rs. 50,000 at a low rate of interest so as to enable the Bank to issue long term loans to societies for the furtherance of non-credit activities; the Central Co-operative Institute, Trichur, to get some young men trained in Madras to do propaganda work in villages; societies to be more vigilant in future in regard to the purposes for which loans were taken and used and that the home safe deposit system be introduced throughout the State. (*The Hindu 1st, September*).

Under the auspices of the Indian Economic Association, Madras Branch, Mr. K. C. Ramakrishnan, M.A., delivered a lecture on 'the work before the Royal Commission on Agriculture' at the Senate Hall, Chepauk, on the 3rd instant: the Hon. T. N. Sivagnam Pillai presided. At the close of the lecture, a few questions relating to agricultural development were discussed by some

present, such as the necessity for opening up markets for sale of produce and for free means of communication to the innermost villages, the introduction of Agricultural Relief Act and the establishment of Agricultural Panchayat Courts in villages so that the sufferings of the villagers in being dragged to law courts far away from his home may be mitigated.

The first Co-operative Cotton Mill in India has been formed and 12 power looms have been installed under the auspices of the Bagerghat Co-operative Union at Kandapara in the District of Kulna in the Bombay Presidency. The Union, it is expected, will greatly assist in the solution of the problem of unemployment among lower middle class people and in adding to the wealth of the country. (*The Mysore Economic Journal, July 1926*.)

From a correspondent to the 'Hindu' of the 13th September we understand that a Land Mortgage Bank has been registered under the Co-operative Societies Act at Tinnevely. The Madras Government have promised to take debentures for Rs. 50,000 at 6½ per cent interest if the Bank will be able to secure a similar amount from the public, which will be given 7 per cent per annum. The share capital of the Bank is 2 lakhs divided into 2,000 shares of Rs. 100 each. The primary object of the Bank is to give long term loans, repayable within 10 to 20 years to ryots on the security of land.

The foundation stone of a new building at Hampankatta for locating the Catholic Co-operative Society, Mangalore, was laid on the 8th September by Mr. Gray, our Registrar of Co-operative Societies (now on leave). The function terminated with a farewell party in his honour. (*The Hindu 14th September*).

The general body of the Coimbatore District Bank Ltd., met in the Bank's premises on the 12th instant. The report of the Directors for the year ending 30th June last was passed. A dividend of 11 per cent was declared free of income tax for a period of only 7 months and not 12 months as usual. The existing Directors were re-elected. The by-law for refund of shares passed last year was given effect to. (*From the Hindu 15th September*)

We understand from the *Hindu* of the 16th instant that the Trichy District Conference will be held on the 9th October. Rao Bahadur N. Gopalswami Iyengar, Registrar-General of Panchayats, has been requested to preside. Sir T. Desikachariar has been elected as the Chairman of the Reception Committee, Messrs V. Jayarama Iyer and N. S. Annathurai Iyer as Joint Secretaries.

A farewell entertainment was given by the official and non-official Co-operators of the City to Mr. and Mrs. Gray on the eve of their departure to England, on Monday the 20th instant, at the Pachaippa's Hall.

NOTES AND NEWS.

Irrigation in North Arcot. The North Arcot District Conference has been reiterating during the last two years the importance of a larger irrigation policy if overdues are to be reduced in co-operative societies. The member of that district in the Legislative Council was also pressing on the Government the urgent importance of minor irrigation schemes. A letter published by Mr. A. Raghaviah of Vellore in the Correspondence Column of the 'Hindu of 1st June' also indicates the urgent need for the restoration of tanks. He refers particularly to one fact, namely, that the agricultural coolies of the district who used to work in the Kolar gold mines have returned owing to a policy of retrenchment recently adopted there. He shows in that letter how the development of irrigation schemes will avoid ruinous and costly litigation to the ryot. The district of North Arcot is a dry district subject to scarcity of rains, and its prosperity depends on the restoration of minor tanks.

The Collectors' Conference. We are glad to note that one of the subjects considered at the recent conference of District Collectors at Ooty on the 1st of June, related to the desirability of introducing irrigation for dry crops. Dry lands have not received the attention of Government as wet ones in channel areas presumably because the latter give a larger income to the Government than the former. When once this problem is tackled in all seriousness by Government, it will solve a large number of rural problems facing dry areas as those of Jayankondam in Trichy District, Kangayam in Coimbatore District and Omalur in Salem District. Co-operators might remember the fact that these areas are easily subject to famines and consequently create untold difficulties to the ryots. It was only recently 9 months ago that the Servants of India Society reported that owing to want of rains for a series of years, respectable ryots borrowed even at 48 per cent in the Kangayam area. Land values in such areas depreciate to an alarming extent so much so that in the Jayakondam tract lands put in auction on behalf of the co-operative societies could not fetch the proper value. Poorer small holders in such areas emigrate to plantations.

It has occurred in a few cases in the Musiri tract adjoining the Salem District that the members could not be found out as they left to the colonies for work. Great indeed is the difficulty to work the co-operative movement in tracts where the economic position of the ryots

changes in no long time from that of an agriculturist to that of a labourer. The problem of finding water in the taluk of Omalur for irrigation purposes is acute. The conference of Collectors is a sealed book for us. The official communique on the conference does not say anything more than the fact that "the methods to be followed in securing the most systematic and satisfactory expenditure of the grant for minor irrigation works were discussed". We only pray to the Government to devise some schemes which would increase the earning capacity of the poorer ryots and prevent the depletion of resources in uncertain years.

The Madras Agricultural Industries Bill. We understand that a bill is shortly to be introduced in the Legislative Council with the object of financing industries as rice-hulling, groundnut decorticating, sugarcane crushing and oil extracting. The bill will greatly help the ryots provided State aid is restricted to co-operative enterprises.

We will even go to the length of saying that State aid should not be given for private concerns formed on the joint stock basis. A number of companies would surely have been promoted by this time if only State aid was given for the manufacture of bone manure, decorticating groundnut, producing sugarcane, jaggery, and extracting oil, and these companies would never improve a bit the economic position of the ryot. The ryot of to-day has not merely to transcend the difficulties that arise in converting his produce into a marketable one but is also subject to various tolls from a series of middlemen merchants who obtain for him a price for his produce. It has been acknowledged even in very responsible quarters, that the local milling of bone is cheaper than when it is done at distant centres. But yet the Agricultural Department has been concerning itself only with the supply of bone manure to the ryot and not its cheap production at rural centres. Decorticated groundnut and finished jaggery will surely bring a better price to him but yet he sells his raw produce to commercial companies unaided as he is with a knowledge of the markets and the spirit to combine. The early history of co-operative societies started for the development of agricultural industries has clearly indicated that State aid is largely needed at the start for their development.

We do not mean that when once State aid is granted, these societies will give all the necessary help to the ryots. So long as the latter have not been educated and disciplined to feel that in the interest of their occupation they should combine in co-operative enterprises, there is every possibility of these societies being used only by the small

middlemen of the locality. But we take leave to suggest that in a country like India which is only on the threshold of industrial progress, much evil the farmers of other countries suffer from by the severe competition in trades may be averted, if only the co-operative organisation is firmly planted for the satisfaction of the rural economic needs. As agriculture has become a commercialised industry and is not a mere occupation for supplying articles of consumption in the village, the produce raised gets no value unless it is economically marketed and brought to the consumer. We hope the Government and the members of the Legislative Council will consider the points raised on the bill and help in the formation of the agricultural interest in South India.

We are glad to note that the Cochin Government have appointed an Economic Development Committee consisting of the Director of Public Instruction, the Chief Engineer, the Superintendent of Agriculture, the Registrar of Co-operative Societies, 3 members of the Legislative Council and 2 other non-officials "for the improvement and development of the resources of the State and for a proper co-ordination of the activities of the various Development departments". The functions of the committee will be of an advisory character and they are empowered to discuss questions of policy relating to the working of the Development Department, to formulate suggestions to the Government in regard to industrial, agricultural and other matters of economic importance, to examine important proposals and schemes sent by each development department of the Government and propose practical recommendations thereon.

"Hindu 26th May".

Mr. A. V. Ramanathan, the Deputy Commissioner and President of the Mysore District Conference, has made a reference to the utilisation of co-operative societies for sale of manure and implements, in his address of 29th May. But more than this development of non-credit through credit societies, one has to appreciate a new scheme of colonisation which he adverts to in his address. An experiment has been inaugurated by the settlement of 10 'Ganticher families' consisting of 37 souls in Hasuvinakaval near Bettadapur, Hussar Taluq. These ten families have been given 82 acres of land and small loans have also been advanced to them for purchase of seeds during sowing season and they will be enabled to reap an honest harvest of their own next December. They have proved hardy workers and a local garden owner has benefited largely by their presence as coolies in that depopulated tract".

Mr. T. K. Swaminatha Iyer, Editor, Indian Emigrant, delivered an address on 3rd May under the auspices of the National Fund and Industrial Association under the presidency of Dewan Bahadur T. Rangachari on the necessity for Agricultural Banks in the country. It seems from his speech he quoted the Agricultural Bank of Egypt as an example of how the indebtedness of the agricultural population could be redeemed by a bank of that character. The question of long term credit has been seriously engaging the attention of co-operators in this Presidency for a long time. Year after year, a committee is appointed to formulate schemes. Something practical has been done by way of model bylaws issued by the department and the starting of work at Gudivada where the Bank has been fortunate to raise fixed deposits of large sums with the co-operation of non-officials. A practical scheme has been issued by Rao Saheb K. Devasikamani Mudaliar for public criticism. But we find that none of these schemes support the idea of following the model of the Agricultural Bank of Egypt. For the information of our readers, we would like to notice here about the condition of that Bank. As it was found by experience in Egypt that loans to cultivators has only resulted in the auction of their lands, a law was passed in 1912 which prevents the sale of land, dwelling house, and implements of the cultivators owning not more than 5 acres of land. In consequence, the transactions are very small in amounts. The Bank is conducted by non-agricultural lenders and the dividend paid is very large. Recoveries are made with the assistance of the local officials and when these do not collect the amounts, legal proceedings by the bank are quite normal, the lands are attached by them and the losses on such sales are great. The Government of Egypt appoint 2 Commissioners to keep a watch over the conduct of the bank. No doubt the bank is anxious to lend to Co-operative Societies. But as the latter are wanting in proper supervision, the bank demands endorsements of loan bonds of societies by certain responsible persons. No one is anxious in this country to plant a money lending agency commanding neither local knowledge, nor mutual sympathy for ameliorating the position of the ryots. Mr. Strickland, from whose book, "Studies in European Co-operation" the above summary is made, makes the following remark regarding the agricultural Bank of Egypt. "I must offer my personal opinion that such a mortgage institution as an agricultural Bank, though generously intended and ably managed, was never suited to Egypt, would be a danger to any part of India and a calamity in the Punjab."

The second Conference of Central Banks will meet again on 2nd October to consider important questions as the starting of Branch Banks, the introduction of a uniform rate of interest on Deposits etc. It will of course take stock of the action taken by District Banks on the resolutions of the previous Conference. Since the holding of the 1st Conference in May, the Boards of Management of many District Banks have met and considered its resolutions. The action taken on the resolutions has naturally varied according to local conditions, and while there has been a hearty acceptance of some of them, some others have not found much favour with District Banks. The overhauling of bad societies was an important question on which the 1st Conference passed a resolution advocating the desirability of appointing a special staff for the purpose. Only the Kistna Bank has taken action on this resolution. Some others have blessed it: Some have called upon Local Unions and Assistant Registrars to improve the dormant societies: Some have referred the matter to the District Federations while others have requested the Directors of Central Banks to take up the overhauling of bad societies.

The Conference has no doubt awakened the Central Banks to a sense of responsibility in the matter. But the problem of reforming bad societies is one which hardly permits to be tinkered with. The problem is on the one side connected with that of growing surpluses in Central Banks. We make a reference to these facts because it is an awkward feature in the movement which stares everyone in the face. The annual report of the M. C. U. B. which is to be considered at its General Body Meeting on 4th October makes a pointed reference to this fact. "The chief features of the year are the expanding deposits and declining advances to Central Banks, with the result that outside investments have considerably increased. Much less than 50 per cent of the working capital is invested within the movement. How best the growing resources of the Bank may be utilised within the movement, is engaging the attention of the Executive Committee."

Unless the societies are put on a proper condition, they will not be in a position to absorb large surpluses and thus help the needy ryots. Many temptations will arise in putting off the undertaking of this unpleasant work. Various causes have contributed to this present state of things. The work is not of a nature which requires merely the expression of one's judgment on certain papers placed before him. A detailed examination (1) of outstanding loans and accounts has to be undertaken. Progress from month to month has to be watched. Even a knowledge of (2) existing conditions—which itself is wanting largely

in many places—will not do. For there is often to be found a state of mind which either owing to inertia or softmindedness or timidity shudders to face liquidation of societies which are beyond the state of recovery. Reconstitution of societies might break vested interests which after all is unpleasant work. And even the maintenance of co-operative efficiency at a steady level in the case of better class of societies preventing a falling off from the standard, rests on incessant supervision.

It will no doubt be good if some others will create a world safe for co-operators to live. But this is not to be. The way out lies only in facing the situation and even if it takes some years, that is only an additional argument for promptly beginning the work. Three Conferences have passed resolutions on this question of consolidating existing societies. The atmosphere is eminently favourable for a systematic undertaking of the work. If the Central Banks' Conference will only take a periodical stock of the progress achieved in the reformation of bad societies, and push on the work from the centre by advice, information and guidance, in no long time we can hope to achieve a better order of things and with that a solution of this awkward situation of growing surpluses in Central Banks.

* * *

The report of the 8th Burma Agricultural and Co-operative Conference held last year shows the wide variety of subjects considered at such conferences, relating not merely to co-operation but agricultural conditions as a whole. One important resolution related to the formation of a committee of enquiry which we quote below:—"The Local Government should be requested to appoint a committee to enquire into the position of co-operative societies and that the committee be constituted as follows:—

Government—2; Co-operative Council 1; Provincial Bank 1; Urban Federation 2; Urban Bank 1; District Associations 2; District Central Banks 1; total 10.

* * *

The recent report of the Agricultural Department, Bombay, makes a reference to certain investigations regarding the methods of increasing the productivity of the dry areas in the Deccan. The experiments when successful will be of immense benefit to tracts in the Presidency as the Ceded Districts. The one method proposed is to introduce those food-crops which will resist drought. The 2nd is 'to increase the retentive capacity of the soil by green manuring and repeated surface interculture of the crops'. The report mentions 'that the work has gone far enough to make one look forward to large scale propaganda in 1926 if the result of the present year confirms the results already obtained'. The report also makes a candid reference to the difficult agricultural conditions which obstruct the building of a rural organisation. The following extract would be of great interest to our readers:—

'The present situation in the rural areas is admittedly unsatisfactory. The land is not producing what it might easily produce. The

labour involved in growing what is now obtained is unnecessarily large and yet there is an enormous amount of spare time to the workers who are compelled to remain in the villages. In attempting to consider the rural reconstruction required, it is not one man or one department that is considered. It involves the consolidation of holdings, the communal or co-operative holding of implements which are beyond the power of individual peasant cultivators to purchase, and the development of secondary occupations. The necessity is beginning to be realised, and this is the first step towards that reconstruction which is needed.

Certain interesting resolutions were considered at the Chittagong Co-operative Conference held in June 1926. A resolution that the ordinary limit of borrowing capacity of individual members of rural societies should be raised from Rs. 250 to Rs. 400 was put to vote and declared lost! Another resolution modifying the share value from Rs. 50 to Rs. 20 in the share societies in rural areas was also lost! The practice in Bengal regarding this type of societies is that no dividend is paid for a period of ten years. But the Conference accepted a resolution that a dividend of $6\frac{1}{4}$ per cent should be allowed on the collected share money. An interesting resolution which has been adopted by the Conference is that 'all the Central Banks in the Chittagong Division should be converted into pure type Central Banks as early as possible and that the Co-operative Department should pay particular attention to the matter'. A Committee of Enquiry has been appointed at the Conference to develop Cottage industries. A novel resolution regarding the exclusion of undesirable members was withdrawn by the mover himself. 'This Conference is of opinion that active steps be taken, with the sanction of the Registrar of C. S., Bengal, to weed out bad members of rural societies who are primarily responsible for the ultimate liquidation of a society, before it is actually liquidated.' We have dilated at some length on these resolutions for their interesting variety and for the light they throw on the present state of the co-operative movement in Bengal.

The recent Conference of the Board of Agriculture has passed an important resolution that 'the potentiality of the Co-operative agencies in stimulating interest and effecting progress in the cattle industry should be carefully considered by all Local Governments' Mr. Strickland, Registrar, the Punjab, has contributed a very valuable note to the Conference on 'cattle and sheep breeding societies' in the Punjab. Pressure of space forbids us to deal with it here and we would gladly recommend the article to our readers.

The article on 'Loss Societies' which appears in our August issue is a contribution by an eminent co-operator who styles himself 'A Dreamer.'

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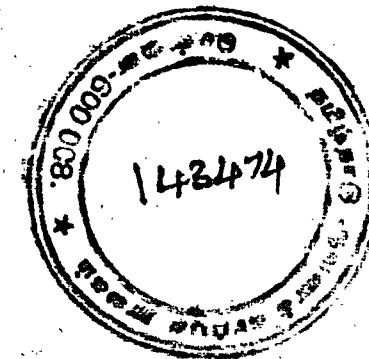
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